



February 10, 2021

Submitted Electronically

Melane Conyers-Ausbrooks
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Chartering and Field of Membership—Shared Facility Requirements, RIN 3133–AF23

Dear Ms. Conyers-Ausbrooks,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings and loan associations, and savings banks. WBA appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) proposed rule change the requirements related to service facilities for multiple common bond federal credit unions.

The proposed rule would expand the field of membership for multiple common bond credit unions. WBA is opposed to this expansion, as another example of NCUA fueling the growth of the credit union industry at the expense of their congressional mandate to serve low-income and underserved communities.

Discussion of the Proposed Rule

In order to add a select group or underserved area to its field of membership, a multiple common bond credit union must establish and maintain a service facility within reasonable proximity of the group or in the underserved area. The Federal Credit Union Act (Act) requires that adding a group in this manner requires that the credit union be "within reasonable proximity to the location of the group whenever practicable and consistent with reasonable standards for safe and sound operation of the credit union." NCUA's Chartering and Field of Membership Manual interprets the term "reasonable proximity" as requiring the group to be "within reasonable geographic proximity" of the credit union, but this underlying requirement is required by statute, and cannot be disregarded by the NCUA through rulemaking. However, the proposed rule would eliminate the reasonable proximity requirement.

The proposal would modify the definition of service facility for select groups and underserved areas to include any shared branch, shared ATM, or shared electronic facility regardless of whether the credit union is an owner of the shared branch network. In addition, the proposal would erase the distinction between service to select groups and service to underserved areas as delineated in the Act, undermining congressional intent to demand a heightened standard of in-person service for underserved communities. As a result, the proposal would enable significant field of membership expansion while diluting the physical presence of credit unions in the communities that need it most.

WBA is concerned that the proposal would negatively affect the availability of financial services in underserved areas, including low-to-moderate income communities, by reducing the access to deposit and lending services at service facilities. Underserved communities need service facilities that can accept shares for members' accounts, accept loan applications, and disburse loans. An ATM provides none of these services, yet the proposed rule would allow ATMs to qualify as service facilities. Credit union members, especially in underserved communities, rely on, value, and expect individualized communications and conversation with credit union staff who can respond to their specific needs. An ATM or the availability of remote services does not provide the same level of personal touch provided by in-person staff.

The proposed rule would also count the websites and mobile banking applications of credit unions as service facilities. Congress intended for credit unions to have and maintain a local presence in the communities they serve. Counting online presence as a "service facility" would incentivize national, online credit unions in a way which would devalue, dilute, and ultimately dissolve the common bond.

Conclusion

WBA appreciates the opportunity to comment on NCUA's proposed rule to amend its chartering and field of membership rules. WBA is concerned that the proposal encourages abandonment of credit unions' statutorily mandated physical presence and common bond requirements, which destroys the nexus between the credit union charter and the federally subsidized mission to provide financial services to underserved communities and people of modest means. Furthermore, NCUA does not have the authority to re-write the Act in this way, and every step it takes away from that statutory mission undermines the tax-exempt status of the credit union charter. As such, NCUA should withdraw this proposal in its entirety.

We appreciate your consideration of these comments.

A handwritten signature in cursive script, reading "Rose Oswald Poels".

Rose Oswald Poels
President/CEO