



February 10, 2021

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

Re: Chartering and Field of Membership – Shared Facility Requirements; RIN 3133-AF23

Ms. Conyers-Ausbrooks,

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit comments on the proposed rulemaking on Chartering and Field of Membership – Shared Facility Requirements. The ICUL member credit unions represent 99% of assets and members of Indiana’s credit unions, with those memberships totaling more than 2.7 million consumers.

The ICUL applauds the changes being proposed to coordinate the broader definition of a service facility for purposes of a multiple common bond (MCB) credit union seeking to add new groups or to add an underserved area to its field of membership and to improve the definition of shared service facilities. The League also strongly encourages NCUA to further expand the definition of a service facility to include a credit union’s transactional website and mobile banking application.

First, we support coordinating the two differing definitions of a service facility. Under the current rules, the definition of service facility for purposes of adding a group recognizes a wider range of options for serving potential new members while the definition of service facility for adding an underserved area is more restrictive. Harmonizing these definitions by making the service facility definition for underserved areas match the definition for groups helps simplify the regulation and eases the compliance burden on credit unions going through the process. It also broadens the options for credit unions to be able to serve people in underserved areas, which more effectively meets the purpose adding underserved areas in the first place.

Second, we support the proposal to remove the existing ownership requirement in how a shared branching network/shared service facility is viewed. We appreciate that the removal of the ownership requirement reflects changes in how shared branching networks have functioned over time considering the evolution in many cases away from stand-alone shared branch facilities to the use of existing credit union branches as shared branch outlets. As noted in the proposed rule background, member access to services from a shared branch facility is the same whether or not the credit union has an ownership interest and the current restriction needlessly limits MCB FCU services to additional groups and their members and ignores the way business is done in the current marketplace. We agree and support the change.

Finally, although the current proposed rule does not include extending the definition of service facility to include a credit union’s transactional website and mobile banking applications, the ICUL strongly

encourages NCUA to add these options. We agree that it is time to broaden the definition of service facility beyond a physical location to include other delivery channels. Home banking, mobile banking and applications, interactive ATMs, video tellers, etc. have become widely accepted by the public and have been vital during the pandemic. Many consumers prefer these remote services versus going to a physical location because of the convenience and 24-hour access. Internet based financial services providers have proven there is willingness and marketplace. By giving credit unions this ability, it gives consumers another potential choice and allows even greater reach into underserved areas. This is a reasonable expansion of service options that benefits the consumer.

The ICUL appreciates NCUA's effort to reduce regulatory burden, so MCB credit unions can provide financial services and choices to groups and underserved areas. We ask NCUA to consider our comments as discussed above. If you have any questions about our letter, please do not hesitate to give me a call at (317) 594-5320.

Sincerely,

A handwritten signature in black ink that reads "John McKenzie". The signature is written in a cursive style with a large, stylized "J" and "M".

John McKenzie
President, Indiana Credit Union League