



September 15, 2025

The Honorable Kyle Hauptman
Chairman
National Credit Union Administration
1775 Duke St,
Alexandria, VA 22314

Re: Renewal of Agency Information Collection of a Previously Approved Collection; Request for Comments; Proof of Concept for New Charter Organizing Groups

Dear Chairman Hauptman:

On behalf of America's Credit Unions, I appreciate the opportunity to comment on the National Credit Union Administration's (NCUA) request for comments regarding "Proof of Concept for New Charter Organizing Groups." America's Credit Unions is the voice of consumers' best option for financial services: credit unions. As not-for-profit, member-owned financial cooperatives, credit unions play a vital role in the financial well-being of individuals, families, and small businesses across the country. We advocate for policies that allow credit unions to effectively meet the needs of their over 144 million members nationwide. Below we outline our support for the ongoing efforts to modernize new charters, support for the NCUA provisional charter pilot program, and emphasize continued prioritization of Field of Membership reform.

General Support for Chartering Modernization

America's Credit Unions strongly supports the NCUA's efforts to modernize and streamline the chartering process. Establishing a new credit union is a complex and resource intensive endeavor, and any steps the agency takes to reduce regulatory burdens and provide clearer guidance will encourage more organizing groups to pursue de novo charters. The charter modernization process, including the Proof-of-Concept form (PoC)¹, is a positive development that will help organizing groups enter the formal application process better prepared. This approach should improve efficiency for both applicants and the NCUA staff by reducing back-and-forth correspondence and increasing the application quality. We are grateful to Chairman Hauptman for his continued and steadfast leadership on the critical issue of new charters.

NCUA could consider reducing burdens for organizing groups by publishing a simple, fill-in narrative template that mirrors the four required elements, Purpose & Core Values, Field of Membership, Capital Funding Plan, and Subscribers, with short prompts under each and two anonymized "good" examples. Organizers would answer exactly what NCUA is asking, in the

¹ See, <https://ncua.gov/support-services/credit-union-resources-expansion/starting-new-federal-credit-union/federal-credit-union-proof-concept-form>.

order NCUA wants it, and include a one-page subscribers table (name, relevant experience, time commitment). This alone would cut guesswork, rewrites, and back-and-forth without changing any standards.

NCUA could also provide two plug-and-play toolkits. First, a FOM & Community Profile Kit: a pre-populated local data packet (population, income trends, branch/ATM access, HMDA snapshots) plus a simple estimator that outputs the initial eligible-member count, three-year growth scenarios, and a short “how we got these numbers” paragraph—so organizers can satisfy the PoC’s FOM counting and justification requirements. Second, a Capital Plan Toolkit: a startup-capital calculator tied to the proposed product set and operating model (with a 24–36-month pro forma), and standardized donor commitment-letter templates with contribution-timing language. This would make it straightforward to state how much capital is needed, who will provide it, and when funds will arrive, fully aligned with the PoC’s capital section and Phase-1 documentation list.

Provisional Charter Pilot Program

We also want to highlight our strong support for the provisional charter pilot program that the NCUA is currently offering. This innovative program takes an important step in easing entry for new credit unions and supporting their growth as they establish capacity. The NCUA has announced several provisional charters since the pilot began, and we believe this program should be made permanent.² We welcome the opportunity to work with the NCUA and Congress on crafting legislative language that would codify this important option for chartering.

Field of Membership (FOM) Expansion

In addition, we urge the NCUA to continue prioritizing reforms to Field of Membership (FOM) rules. FOM reform is a top issue for America’s Credit Unions and our member credit unions. While we recognize that the NCUA is restricted by provisions of the Federal Credit Union Act (FCU Act), we believe additional changes can update the regulation’s requirements to align them with today’s economic and technological environment. Expanding FOM flexibility is critical to ensuring new and existing credit unions can grow sustainably, achieve economies of scale, and meet the needs of their communities. Without adequate FOM options, new credit unions may struggle to achieve operational success despite strong community demand for member-owned financial services.

One area where the NCUA has clear authority to strengthen the FOM rule is the population limit applied to community charters. Specifically, the definition of a “well-defined local community” (WDLIC), as outlined in section V.A.2 of Appendix B to Part 701, should be modernized. America’s Credit Unions recommends removing the current 2.5 million population cap. If the

² See, <https://ncua.gov/newsroom/speech/2024/ncua-chairman-todd-m-harper-statement-cures-new-charter-and-field-membership-update>.

NCUA prefers not to eliminate the cap entirely, we support raising it to 10 million to give credit unions the flexibility needed to serve larger, more dynamic communities. Given the significant changes in population growth and density since the rule was last meaningfully revised³, we believe this request is both timely and appropriate.

Conclusion

We commend the NCUA for its leadership in updating the chartering framework and for providing opportunities for stakeholder input. We encourage the agency to build on these efforts by making the provisional charter pilot permanent, reducing unnecessary burdens in the application process, and pursuing further reforms to expand Field of Membership options. These steps taken together will ensure more communities across the country have access to the unique benefits of cooperative, member-owned financial institutions.

Should you have any questions or require additional information, please contact me at 407-414-0969 or jvatian@americascreditunions.org.

Sincerely,



John Vatian
Regulatory Advocacy Counsel, Innovation & Technology

³ See, U.S. Census Bureau, Nation's Urban and Rural Populations Shift Following 2020 Census, <https://www.census.gov/newsroom/press-releases/2022/urban-rural-populations.html#:~:text=The%20rural%20population%20%E2%80%94%20the%20population,in%202010%20are%20now%20%20rural.>