



June 3, 2026

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

RE: Chartering and Field of Membership (RIN 3133-AF93)

Dear Ms. Conyers-Ausbrooks,

On behalf of its member credit unions, the Cooperative Credit Union Association, Inc. ("Association") appreciates the opportunity to comment on the National Credit Union Administration's (NCUA) notice of proposed rulemaking on federal credit union Chartering and Field of Membership, which is "Round Nine" of NCUA's Deregulation Project. The Association is the state trade association representing approximately 200 state and federally-chartered credit unions located in the states of Delaware, Massachusetts, New Hampshire, and Rhode Island, which further serve over 5 million consumer members. The Association developed these comments in consultation with our members.

The proposed rule would amend the NCUA's *Chartering and Field of Membership Manual* codified in Appendix B to Part 701 of NCUA rules to eliminate the current prohibition on federal credit union associational common bonds for associations that require their members to purchase a product or service from the association as a condition of membership. Associational common bonds based "primarily on a client-customer relationship"—such as health clubs—would still not qualify as a permissible associational common bond, but "having an incidental client-customer relationship" would "not preclude an associational charter as long as the associational common bonds requirements are met."

The Association supports the NCUA Board's proposal. However, we urge the Board to finalize this rule with a clarification that customer-owned co-operative associations, including credit unions, also have "incidental client-customer relationships" for associational common bond purposes equivalent to the proposal's example that an "association that offers insurance, even as a condition of membership, may qualify as a valid associational common bond, provided that the client-customer relationship is still incidental in relation to the association's activities and overall circumstances."

Notably, most consumer co-ops and credit unions do not require their members to purchase anything other than one co-op share or credit union share. This one co-op membership share—which is withdrawable at a credit union, allowing the member to get the funds back if they cease being a member—represents the member's equity ownership interest in the association and confers on the member the right to vote in

the co-op's elections and participate in the co-op's other corporate governance matters.¹

These co-op membership rights typically exist independently of whether the member actually uses the co-op's services or purchases any products from it. For example, an individual could purchase a share in a co-op supermarket or in REI² to become a member and then never shop there, but they could still participate in the co-op's corporate governance activities such as members' meetings and elections. Similarly, one could become a member of a credit union and never take out a loan or utilize the credit union's account services beyond the \$5 membership share and still participate in the credit union's corporate governance, elections, and other member activities like financial education.

The members' use of the co-op's or credit union's services or products by the member are therefore "incidental" from a legal standpoint. The existence of a client-customer relationship between the member and the co-op or credit union is not mandatory even if the purpose of the institution is, for example, in the case of a federal credit union, "promoting thrift among its members and creating a source of credit for provident or productive purposes."³

The fact that a credit union or co-op member is not required to do business with the association makes the customer-client aspect at a consumer-owned co-op or credit union even more "incidental" than the fraternal benefit organization discussed in the rule "that offers insurance ... as a condition of membership."

Consumer co-ops, including credit unions, are also bona fide associations where their members own the provider of the service or the seller of the goods, which was usually why people founded the co-op in the first place, i.e. to get a better deal by cutting out the middleman and doing business with themselves. This is the case with all types of consumer-owned co-operatives including credit unions, customer-owned retail co-ops like REI and supermarket co-operatives, as well as for purchasing co-ops like Community Purchasing Alliance-Massachusetts (CPA MA).⁴ Co-ops are also typically organized consistently with the 7 "Co-operative Principles" promulgated by the International Co-operative Alliance (ICA):⁵

1. Voluntary and Open Membership;
2. Democratic Member Control;
3. Member Economic Participation;

¹ See, e.g., 12 U.S.C. § 1757(6) ("[T]o receive from its members ... payments, representing equity, on ... shares... share certificates... and share draft accounts...").

² See, e.g., "REI Membership Benefits & Rewards;" <https://www.rei.com/membership> (last visited June 3, 2026) (requiring purchase of a \$30 share in REI Co-op to become a member).

³ 12 U.S.C. § 1752(1) ("the term 'Federal credit union' means a cooperative association organized in accordance with the provisions of this chapter for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes...").

⁴ <https://www.cpa.coop/massachusetts>.

⁵ "Cooperative identity, values & principles—ICA;" <https://ica.coop/en/cooperatives/cooperative-identity>.

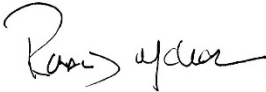
4. Autonomy and Independence;
5. Education, Training, and Information;
6. Cooperation among Cooperatives; and
7. Concern for Community.

The members' equity ownership interest and corporate governance power at a consumer-owned co-op or credit union fundamentally distinguish co-operative associations from store loyalty programs and health clubs where the "members" do not own the provider of the products and services and have no say in the provider's corporate governance.

The Board should finalize this proposal but also clarify in the final rule that consumer-owned cooperative associations, including credit unions, also have "incidental client-customer relationships" for associational common bonds purposes similar to the fraternal benefit association "that offers insurance ... as a condition of membership..." cited in the proposal.

Thank you for the opportunity to comment on the NCUA's notice of proposed rulemaking on Chartering and Field of Membership. If you have any questions or desire further information, please do not hesitate to contact the Association at (508) 481-6755 or govaff-reg@ccua.org.

Sincerely,



Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.
rmclean@ccua.org