

Services Center Federal Credit Union
P.O. Box 704
Yankton, SD 57078
Phone 605 665 4314
David J. Wright, CEO
April 23, 2015

National Credit Union Administration
Attention: Mr. Gerald Poliquin, Secretary of the Board
1775 Duke Street
Alexandria, VA 22314-3428

RE: Comments – Proposed Rule: Federal Credit Union Ownership of Fixed Assets

Dear Mr. Poliquin:

Services Center Federal Credit Union has a community field of membership. It serves 4 counties in South Dakota and 2 in Nebraska. These 6 counties are comprised of 4,234 square miles. A total of 57,406 people live in these six counties. That is an average of just 13.6 people per square mile. Serving the financial needs of our 6,600 members spread across such a wide area is a daunting task. We have a main office in Yankton, South Dakota which is the largest city in the 6 county area. The population of Yankton as of the 2010 census was 14,591. We have a branch office in Springfield, South Dakota, population 1,989 and another branch in Parkston, South Dakota, population 1,508.

It is a fact of life if you are going to provide physical financial facilities to serve such a wide area that you are going to spend money to build offices and buy equipment for those offices. Services Center FCU has been very close to and over the 5% limit on fixed assets for more than 10 years.

It was a very dark day when NCUA did away with Regulatory Flexibility and made us return to a time when we had to seek NCUA's permission to go above the 5% limit on fixed assets. I certainly hope that this proposed rule will be permanent and not subject to the whims of some future NCUA Board.

Now NCUA is once again proposing to do away with the 5% fixed asset limit. Services Center FCU supports this move.

But we are concerned about the "supervisory" language in the new proposal. On the one hand we are being told that we will not need an FAM (Fixed Asset Management plan). On the other hand we worry that we could be questioned about the purchase of certain fixed assets. I don't think there should be any ambiguity in the new rule and nothing left to someone's interpretation of what should be acquired as a fixed asset.

Thank you for the opportunity to comment on this proposed rule. I hope that it is approved and put into effect as soon as possible.

Sincerely

David J. Wright
Chief Executive Officer

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