



# Field of Membership Expansion: Growing Your Credit Union's Impact Impact

Confidential

June, 2025

1

## Agenda

Introductions

Why Field of Membership is so Important

Tools for Understanding Field of Membership

Reviewing Regulation Through Case Studies



Confidential

2

# Who We Are

A **data and analytics CUSO** that helps credit unions maximize growth, impact, and performance.

We empower credit unions to adapt and thrive by **leveraging proprietary data and technology alongside deep subject matter expertise** to drive smarter strategic decision-making.



Confidential


3

# Areas of Expertise



Confidential

4




**Chris Tissue**  
CHIEF OPERATING OFFICER  
HEAD OF CONSULTING

Established CUCollaborate's credit union consulting practice in market expansion and regulatory optimization, using software as an enabler for innovation.

---

16+ years of experience in consulting with a focus on regulations, analytics, performance and financial management. Before joining CUCollaborate, Chris helped clients develop and mature analytical capabilities to inform strategic business decisions at Grant Thornton, Deloitte and Callahan & Associates.



**Emily Hughes, CUDE**  
ADVISORY DIRECTOR,  
MARKET EXPANSION


With more than three years at CUCollaborate, Emily has overseen almost 200 mergers, charter conversions and field of membership expansion projects for more than 150 credit unions.

---

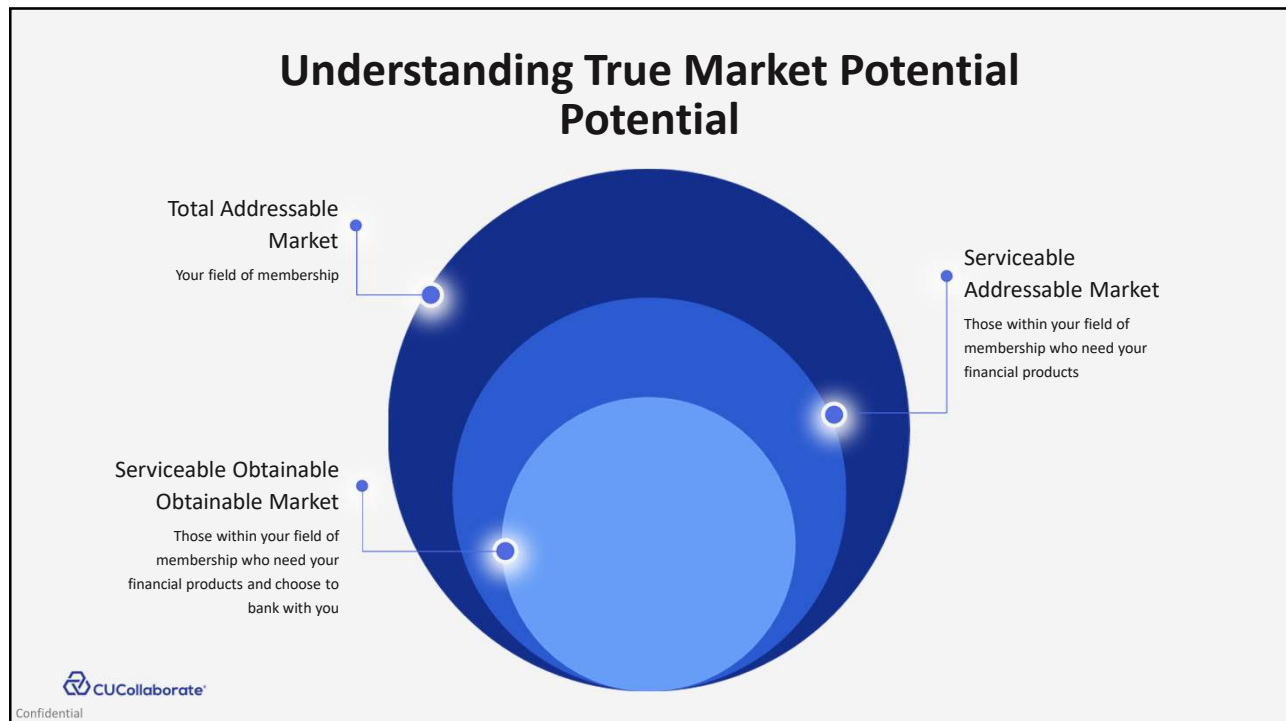
Successfully guided credit unions of all asset sizes across state and federal regulatory environments through hundreds of approvals.

---

8+ years of consulting experience

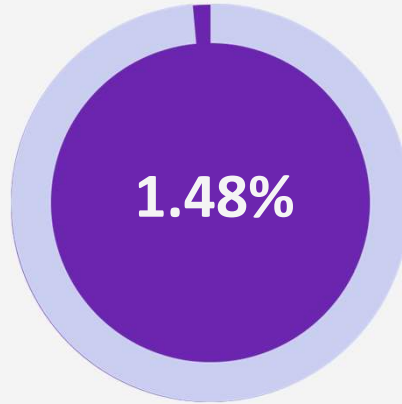


5



6

## What is Reasonable Market Share?



### Average Market Share

The average market share of community credit unions is 1.48%



Confidential

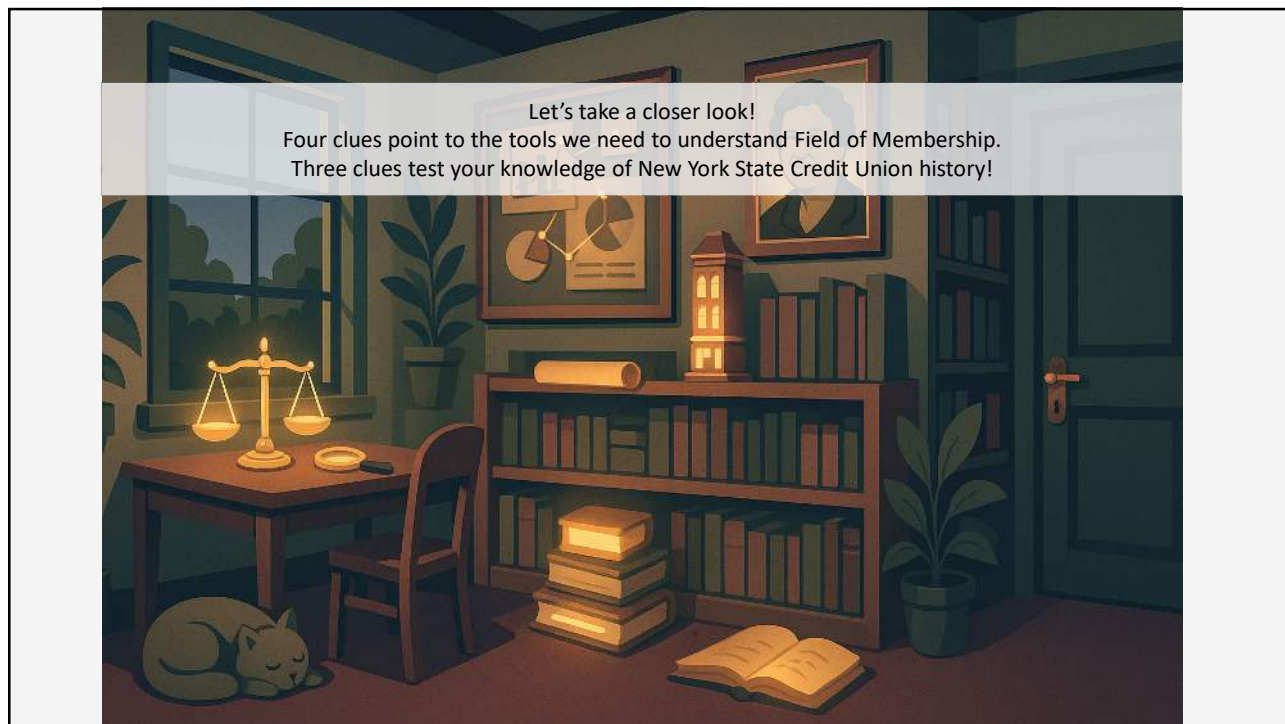
7

Your favorite credit union industry mentor has invited you over for lunch and stepped away for a moment to take a phone call from their kid.

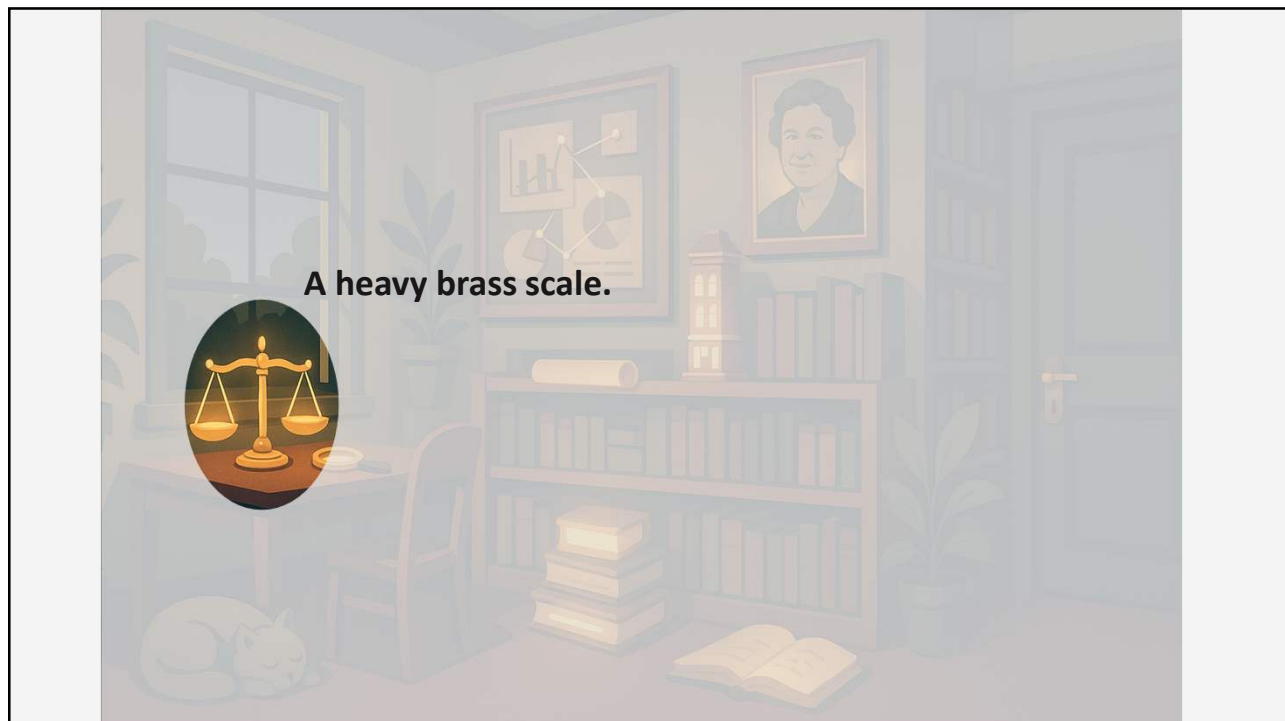
They invite you to make yourself comfortable in the office.

You notice some things in the office seem to be lit from within.

8



9



10

## The Dual Chartering System

### Federal Charter



### State Charter



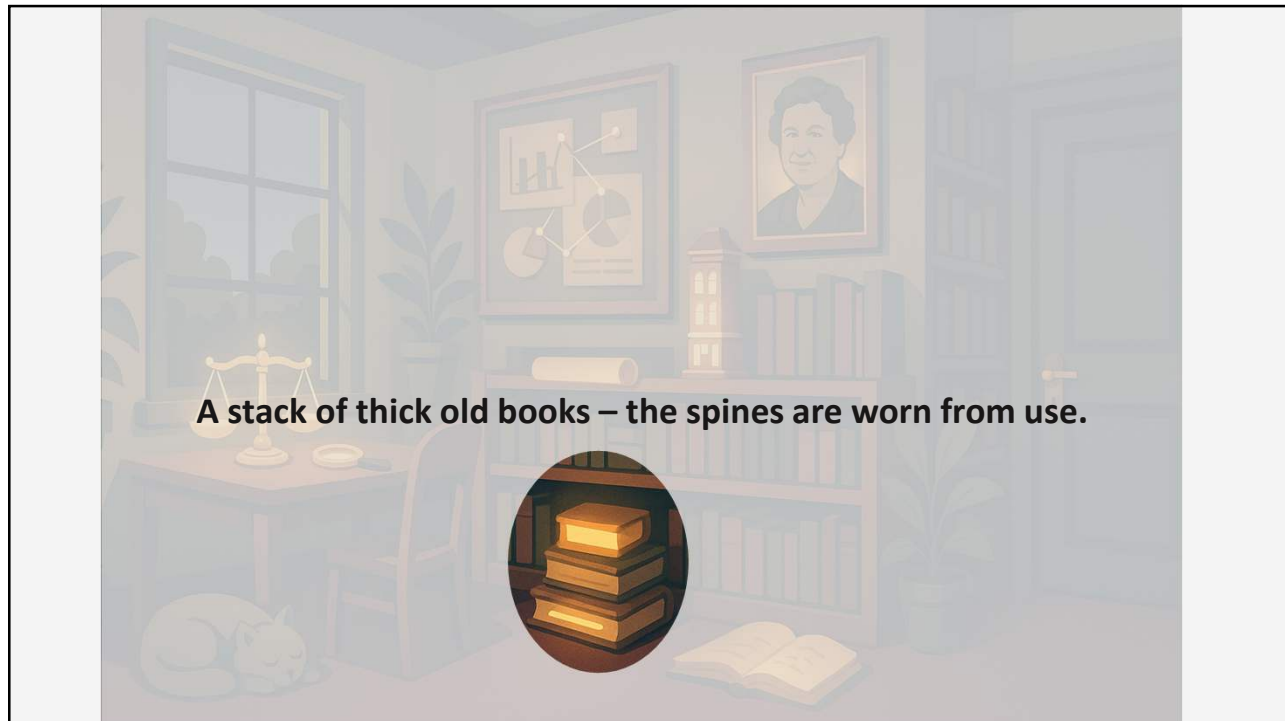
Confidential

11

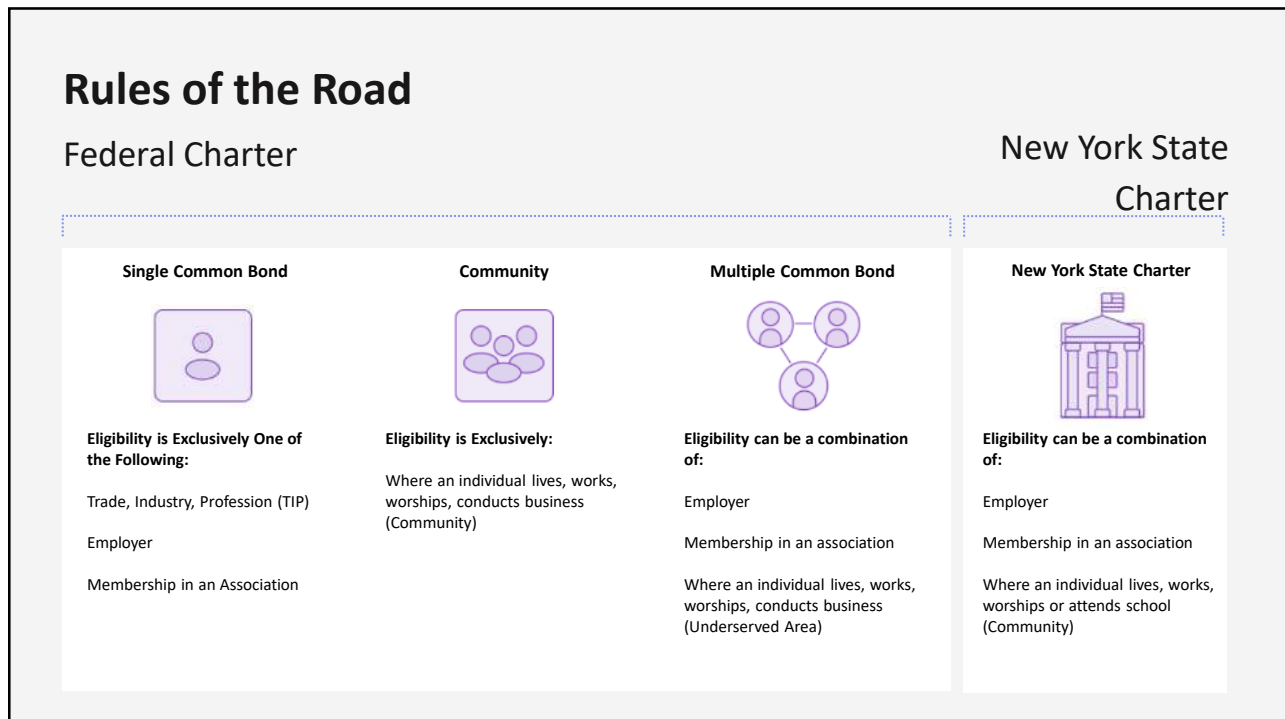
Field of Membership is just one way that the Federal Charter and the State Charter are different

- ☐ Operating fees
- ☐ Interest rates
- ☐ Permissible investments
- ☐ Lending and borrowing limits
- ☐ Fee limits

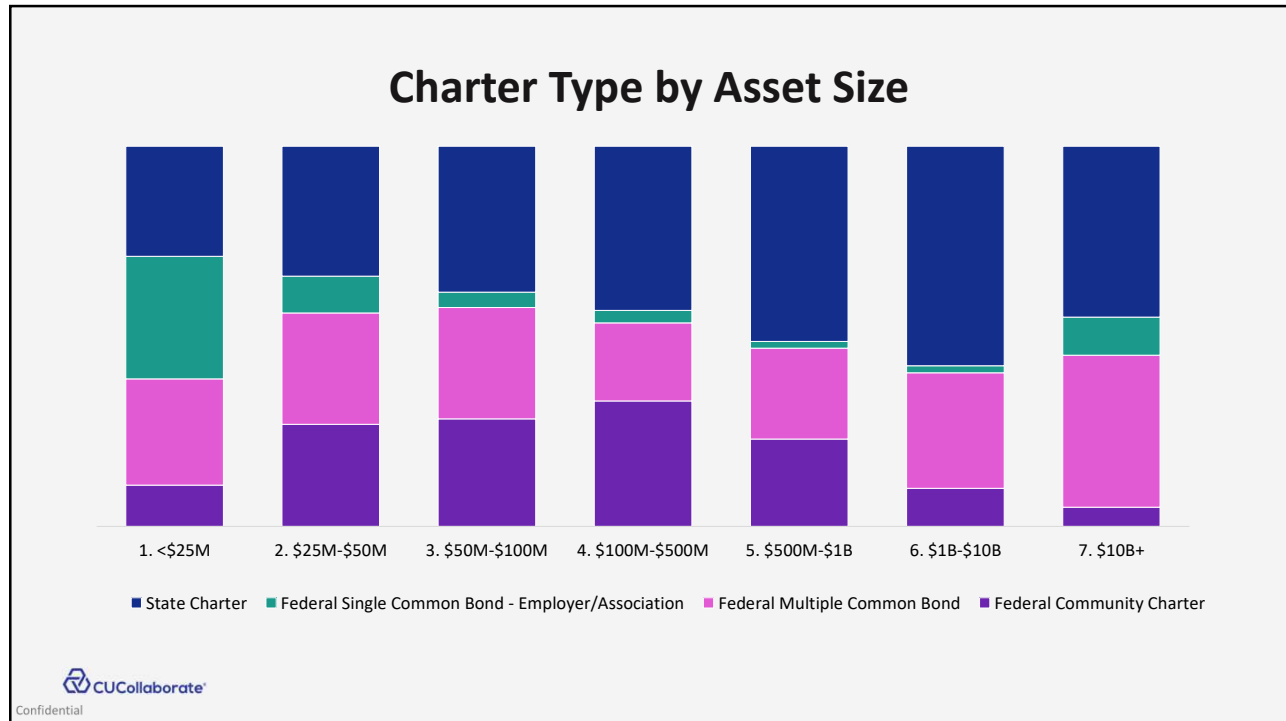
12



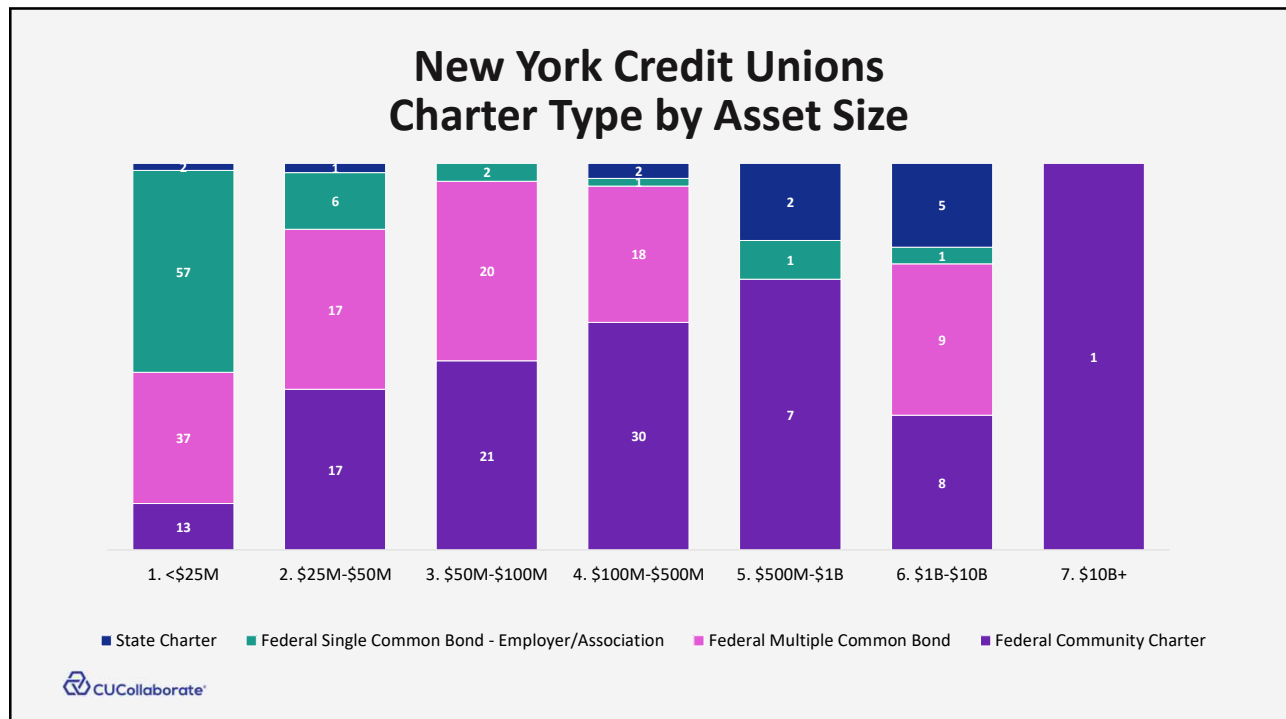
13



14



15



16





17



18

## Complex Regulatory Constraints on FOM

### FOM

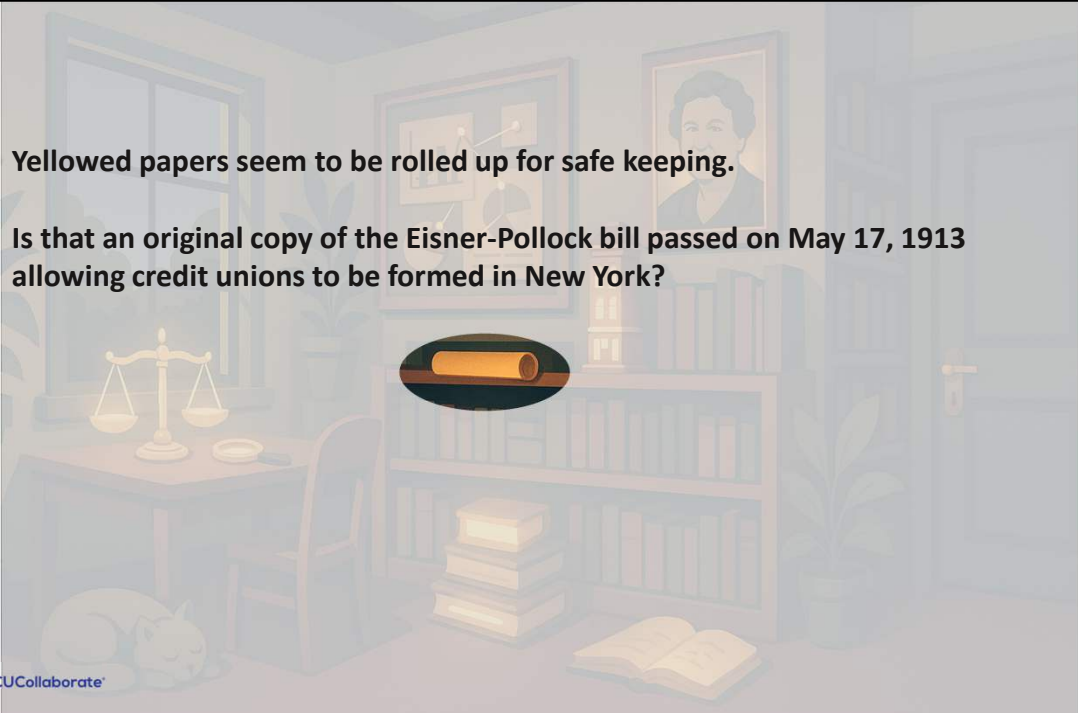
Charter Type	Community Type	Restriction
Community	Presumptive Community - Single political jurisdiction	A city, county, or political equivalent less than 2.5 million in population
	Presumptive Community - Statistical Area	All or a portion of a Metropolitan or Combined Statistical Area with a population of fewer than 2.5M
	Area	Contiguous
	Presumptive Community - Rural District	Fewer than 1M inhabitants Fewer than 100.0 inhabitants per sq. mi. Extending only to states bordering the CU's HQ state
	Narrative Community – Population Limited	A population with fewer than 2.5 million Demonstration of common interest and interaction through evidence across 13 research areas
	Narrative Community	Demonstration of common interest and interaction through evidence across 13 research areas Presented and defended in a public open hearing
Multiple Common Bond	Underserved Area	Compliant with one "presumptive community" definition Contains a service facility that can accept member shares, accept loan applications, and disburse member loans The number of financial institutions per person in the distressed census tracts must be lower than the number of financial institutions per person in the entire investment area At least 85% of the population of the proposed underserved area must reside within economically distressed areas (as defined by CDFI) defined by CDFI)
New York State	Hybrid	"have such a community of interest as will ensure proper administration"

Confidential

19

Yellowed papers seem to be rolled up for safe keeping.

Is that an original copy of the Eisner-Pollock bill passed on May 17, 1913 allowing credit unions to be formed in New York?



CUCollaborate

20



21

Impact Through FOM Optimization		
Member Mission Alignment	Attain Economies of Scale	Achieve Strategic Targets
Reach new markets	Branch expansion	Increase deposits or loans to reach financial objectives
Better serve communities	Mergers and acquisitions	Mitigate risk or overexposure to one type of member / onerous regulatory environment
Achieve or maintain a regulatory designation like LID / CDFI	ROI on marketing budgets	Progress toward member growth goals

CU Collaborate

22




**You know this portrait - it's Dora Maxwell!**

**In 1934 Dora was a delegate from New York to the Estes Park conference that established the Credit Union National Association.**


**Through her work, Dora secured chartered for over 120 credit unions in New York.**



23




Roz



Martin

**Roz and Martin will help us chose the right Field of Membership for each credit union and guide us through the rules and regulations.**

**Look for the loafing cats.**



24

## “As a credit union I think we are in the process of redeveloping ourselves.”

### Goals

- Increase membership among young adults

### Differentiators

- Custom mobile banking app
- Community partnerships with organizations supporting youth
- Student checking and savings



25

## Rules of the Road

### Federal Charter

### New York State Charter

#### Single Common Bond



Eligibility is Exclusively One of the Following:

Trade, Industry, Profession (TIP)  
Employer  
Membership in an Association

#### Community



Eligibility is Exclusively:

Where an individual lives, works, worships, conducts business (Community)



#### Multiple Common Bond



Eligibility can be a combination of:

Employer  
Membership in an association  
Where an individual lives, works, worships, conducts business (Underserved Area)

#### New York State Charter



Eligibility can be a combination of:

Employer  
Membership in an association  
Where an individual lives, works, worships or attends school (Community)



26

## Federal Community Charter

### SERVE A WELL-DEFINED LOCAL COMMUNITY

*Eligibility is available to those who live, work, or worship in “presumptive communities”*

The NCUA identifies geographic, population, and density limits for “presumptive communities”

SINGLE POLITICAL JURISDICTION	STATISTICAL AREA	RURAL DISTRICT
A city, county, or political equivalent	All or a portion of a Metropolitan or Combined Statistical Area with a population of fewer than 2.5M inhabitants	A contiguous area with: <ul style="list-style-type: none"> <li>Fewer than 1M inhabitants</li> <li>Fewer than 100.0 inhabitants per sq. mi.</li> <li>Extending only to states bordering the CU's HQ state</li> </ul>



27

## Non-Conforming Community Requests

### Population Less Than 2.5 M

#### Submit a Narrative Application

Demonstrate common interest and interaction to establish existence of a well-defined local community

- Central economic hub
- Shared public resources/facilities
- Common media/entertainment
- Etc.



### Population Greater Than 2.5 M

#### Submit a Narrative Application

Demonstrate common interest and interaction to establish existence of a well-defined local community

- Central economic hub
- Shared public resources/facilities
- Common media/entertainment
- Etc.

#### Participate in an Open Hearing

- CURE will publish a notice in the Federal Register seeking comments from interested parties
- CURE will conduct a public hearing to make a determination on the proposal



28

## Common Interest and Interactions

Common interests and interactions are reviewed on a scale from “most persuasive” to “not persuasive,” relying primarily on data. The categories include:

- **Central Economic Hub** – prove that one location within the area serves as the primary location for local employment
- **Quasi-Government Agencies** – prove the existence of organizations that serve the entirety of the area
- **Governmental Designations** – prove the area is designated a community by a government agency
- **Shared Public Services/Facilities** – prove that the area shares public services and facilities
- **Hospitals and Major Medical Facilities** – prove that residents of the area rely on the same hospitals and medical facilities
- **Colleges and Universities** – prove that residents of the area attend the same colleges and universities
- **Mutual Aid Agreements** – prove the existence of agreements between law enforcement and fire protection agencies
- **Organizations and Clubs** – prove that local organizations and clubs have the same service area as the requested community
- **Community Newspaper** – prove that one or more local newspapers are widely read across the area
- **Entertainment and Sporting Events** – prove that local events and sports teams attract residents from across the area
- **Local TV and Radio** – prove that one or more local TV and/or radio stations are frequented by residents of the area
- **Shopping** – prove that local malls and shopping centers attract residents from across the area
- **Geography** – prove the existence of geographic features that isolate residents of the area



29

Information	
Total population	985,712
Land area (sq mi)	10,489.59
Population density (sq mi)	93.97
LID population (%)	51.05

Conditions	
Single Political Jurisdiction	×
Portion of a Statistical Area	×
Rural District	✓

Converting to a Community Charter aligns with the Credit Union's updated brand identity. The new FOM increases the Credit Union's potential membership and provides a runway to grow student and young adult members.

30

## Special LID Rules

A low-income designated community federal credit union has additional latitude in serving persons who are affiliated with the community.

In addition to serving members who live, work, worship, or attend school in the community, a low-income community federal credit union may also serve persons who participate in programs to alleviate poverty or distress, or who participate in associations headquartered in the community.



31

**“We are challenged being so close to major competitors- we don’t see the member growth we think we should from our marketing”**

### Goals

- Achieve better returns on marketing
- Increase loan portfolio
- Improve in-person and remote services for members

### Differentiators

- Prior history of partnering with SEGs
- Full suite of lending and deposit products for members and business members



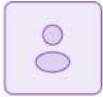

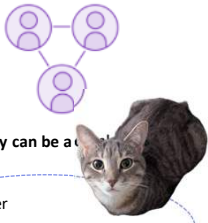

32



# Rules of the Road

## Federal Charter

## New York State Charter

Single Common Bond	Community	Multiple Common Bond	New York State Charter
			
<b>Eligibility is Exclusively One of the Following:</b>	<b>Eligibility is Exclusively:</b>	<b>Eligibility can be a combination of:</b>	<b>Eligibility can be a combination of:</b>
Trade, Industry, Profession (TIP)	Where an individual lives, works, worships, conducts business (Community)	Employer	Employer
Employer		Membership in an association	Membership in an association
Membership in an Association		Where an individual lives, works, worships, conducts business (Underserved Area)	Where an individual lives, works, worships or attends school (Community)



33

## Open Association Overview

Federal MCB credit unions can add associations to their FOM that open credit union membership to members of that association, regardless of where those members live.

### Considerations

- Organizations with a neutral mission are more approachable across diverse groups
- A partnership model that allows the credit union to enroll individuals into the association directly, avoids the need for external sign-up steps
- Digital account opening solutions can make this process seamless and easy for the potential member



34

## Association Requirements



NCUA uses a “totality of the circumstances” test to determine if an association satisfies associational common bond requirements.

1. Whether members participate in achieving the goals of the association
2. If the association maintains a membership list
3. If the association sponsors other activities
4. Whether membership eligibility requirements are authoritative
5. Whether members pay dues
6. Whether the members have voting rights
7. The frequency of meetings
8. Separateness— the federal credit union's and the group's respective business transactions, accounts, and corporate records are not intermingled.

NCUA automatically approves the below groups as satisfying the associational common bond provisions.

- Alumni associations;
- Religious organizations;
- Electric cooperatives;
- Homeowner associations;
- Labor unions;
- Scouting groups;
- Parent teacher associations (PTAs) organized at the local level to serve a single school district;
- Chamber of commerce groups (members only and not employees of members);
- Athletic booster clubs whose members have voting rights;
- Fraternal organizations or civic groups with a mission of community service whose members have voting rights;
- Organizations having a mission based on preserving or furthering the culture of a particular national or ethnic origin; and
- Organizations promoting social interaction or educational initiatives among persons sharing a common occupational profession.



35

## Pre-Approved Open Associations

The NCUA's standards for adding associations are very high. As such, the easiest path is to add one of three commonly approved associations that have precedent for NCUA approval. There is a fee to add each of these associations to a credit union's field of membership.



### American Consumer Council

Mission: “Dedicated to consumer education, advocacy and financial literacy. We support America’s economic growth by encouraging the sale and use of safe, reliable products and services to consumers.”



### Financial Fitness Association

Mission: “Helps members improve their financial well-being by advancing their financial literacy and managing resources effectively.”



### Community Impact Fund

Mission: “Help organizations meet the financial needs of people in their community by providing the education and technology to create sustainable and scalable community impact.”



*\*Note: ACC has exclusivity agreements in the states of Idaho, Louisiana, Utah, Arizona, and Nevada*

36

## 38

\* Qualifying service facilities include ITM/ATM/Branch and Shared ITM/ATM/Branch

- Streamline regulatory approval for a merger, increasing the number of branches members could use

**Potential Merger**  
**Field of Membership (FOM) Compatibility Matrix for Federal Credit Unions**


**Please Note:** This matrix is not required. While you may include it with your merger application, you are not required to do so. This matrix is to assist you in determining whether or not the FOMs of both the merging and continuing credit unions are compatible. If the FOMs are not compatible, the proposed merger is not permissible.

☐ The continuing CU is a state charter, the not complete the form below. Please check with your State Supervisory Authority (SSA) for FOM compatibility.

☐ This is an emergency merger or an emergency FIMA. This matrix does not apply. Contact your regional office for further guidance.

**Definitions:**  
MCU = Merging CU    MCB = Multiple Common Bond    SCB = Single Common Bond    CCM = Community Charter  
Supervisory Merger = Merging CU must have ability & resources to continue and operating CU must be multiple common bond.

	Continuing CU is a SCB FCU	Continuing CU is a MCB FCU	Continuing CU is a CCM FCU
<b>MCU is a SCB</b>	<input type="checkbox"/> Both CUs share the same common bond. <input type="checkbox"/> If the CUs do not share a common bond, the continuing MCB must convert to a MCB and the merging SCB must have less than 1,000 primary potential members. <input type="checkbox"/> If the CUs do not share a common bond and the merging SCB has more than 1,000 primary potential members, the merger must qualify as a Supervisory Merger and the continuing MCB must convert to a MCB.	<input type="checkbox"/> All groups have less than 2,000 primary potential members. <input type="checkbox"/> The merging MCB has groups with more than 2,000 or more primary potential members and the continuing MCB groups have less than 2,000 primary potential members. <input type="checkbox"/> Supervisory Merger: The merging SCB has groups with more than 2,000 or more primary potential members and the continuing MCB does not already have the groups.	<input type="checkbox"/> The merging CU has a service facility within the continuing community boundaries. <input type="checkbox"/> The merging MCB has a service facility within the continuing community boundaries.
<b>MCU is a MCB</b>	<input type="checkbox"/> The continuing MCB converts to a MCB and all groups have less than 1,000 primary potential members. <input type="checkbox"/> The continuing SCB converts to a MCB and all groups have more than 1,000 primary potential members, but groups over 1,000 must adequately address existing their own CU charters. <input type="checkbox"/> Supervisory Merger: The continuing SCB must convert to a MCB and the merging MCB must have 30 or more not served by existing CU. <input type="checkbox"/> All of the merging MCB groups fall within a continuing FCU with a Trade, Industry, or Profession (TIP) charter.	<input type="checkbox"/> MCB must have less than 1,000 primary potential members. <input type="checkbox"/> The merging MCB has groups with more than 1,000 primary potential members and the continuing MCB does not serve the service group in the group which could address existing to new CU charters. <input type="checkbox"/> Supervisory Merger: The merging MCB has groups with more than 1,000 primary potential members and the continuing MCB does not serve the service group in the group which could address existing to new CU charters.	<input type="checkbox"/> The merging MCB has a service facility within the continuing community boundaries. <input type="checkbox"/> The merging MCB has a service facility within the continuing community boundaries and is continuing community TCM.
<b>MCU is a CCM</b>	<input type="checkbox"/> The merging community boundaries fully satisfy within an existing grandfathered understanding area in a continuing TIP charter. <input type="checkbox"/> The continuing MCB that converts to a community charter will fall under same community boundaries.	<input type="checkbox"/> The merging community boundaries fully satisfy within an existing grandfathered understanding area in the continuing TIP charter. <input type="checkbox"/> The continuing MCB that converts to community charter will fall under the same community boundaries.	<input type="checkbox"/> The merging community boundaries fully satisfy within continuing community boundaries and are within an existing grandfathered understanding area in continuing community TCM. <input type="checkbox"/> Continuing CCM must respect its community boundaries, or merging community boundaries continue the existing continuing CCM community boundaries.

 CUCollaborate®

39

## “We’re not the best financial institution to serve rich people”

### Goals

- Optimize LID status
- Attain CDFI certification
- Reach more potential members in higher-need areas
- Be a hub for financial inclusion

### Differentiators

The Credit Union proudly offers “Relief Solutions” to support members:

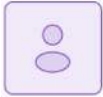



- Temporary tailored repayment plans
- Up to three months of payment deferrals
- Monthly payment adjustments
- 1:1 Financial Counseling

40

# Rules of the Road

## Federal Charter

## New York State Charter

Single Common Bond	Community	Multiple Common Bond	New York State Charter
			
<b>Eligibility is Exclusively One of the Following:</b>	<b>Eligibility is Exclusively:</b>	<b>Eligibility can be a combination of:</b>	<b>Eligibility can be a combination of:</b>
Trade, Industry, Profession (TIP)	Where an individual lives, works, worships, conducts business (Community)	Employer	Employer
Employer		Membership in an association	Membership in an association
Membership in an Association		Where an individual lives, works, worships, conducts business (Underserved Area)	Where an individual lives, works, worships or attends school (Community)



41

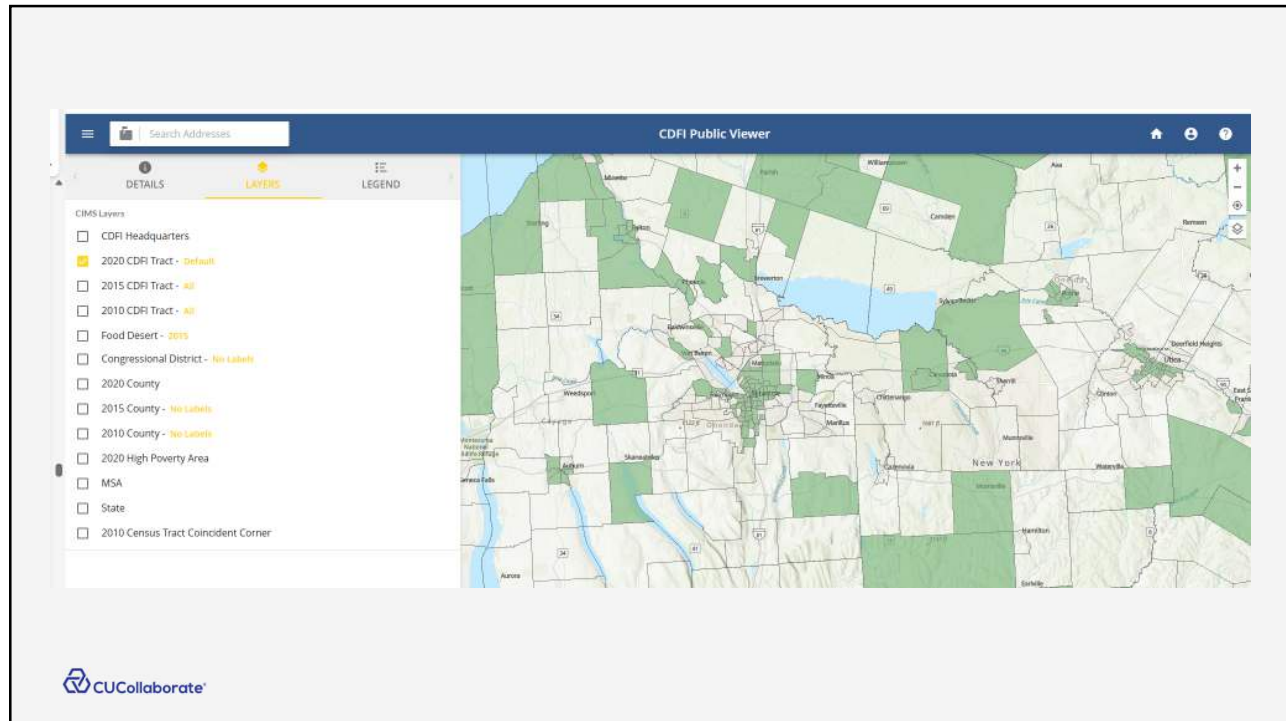
## Underserved Area Requirements

A proposed underserved area must be submitted to NCUA CURE for validation that it meets all four requirements:

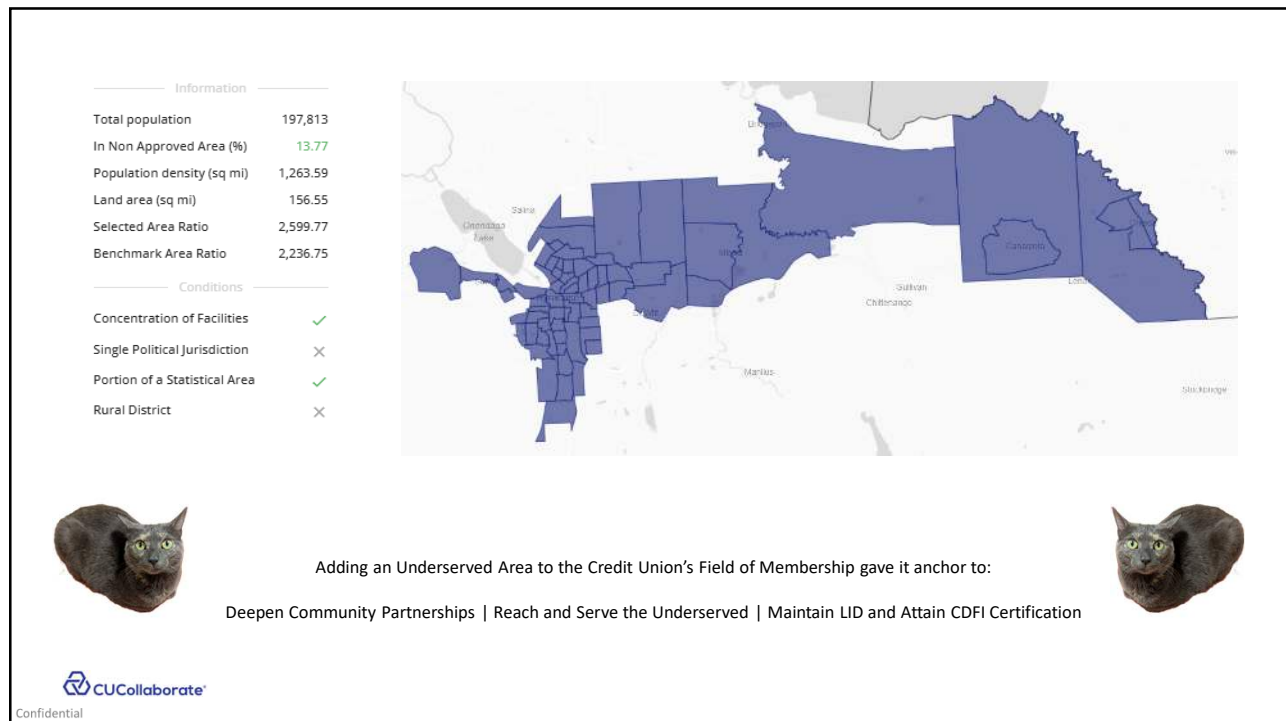
COMMUNITY RULE	SERVICE FACILITY
Must be compliant with one "presumptive community" definition	Must operate a service facility that can accept member shares, accept loan applications, and disburse member loans
INVESTMENT AREA	CONCENTRATION OF FACILITIES
At least 85% of the population of the proposed underserved area must reside within economically distressed areas (as defined by CDFI)	The number of financial institutions per person in the <i>distressed</i> census tracts must be lower than the number of financial institutions per person in the entire investment area



42







43



44

# Selecting a Charter Type for Impact

	STRENGTHS (+)	WHEN TO USE
<b>Single Common Bond</b> 	<ul style="list-style-type: none"> <li>Membership eligibility is easy to communicate</li> <li>Potential for national reach with a TIP</li> </ul>	<ul style="list-style-type: none"> <li>Tailored products can serve a larger, similar membership (e.g., more healthcare workers)</li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>Membership eligibility is easy to communicate and validate</li> <li>LID Credit Unions can add an association path to eligibility</li> </ul>	<ul style="list-style-type: none"> <li>The Credit Union has a regional focus</li> </ul>
<b>Multiple Common Bond</b> 	<ul style="list-style-type: none"> <li>Broadest addressable market</li> <li>Greater potential merger partner pool</li> </ul>	<ul style="list-style-type: none"> <li>Community options are restrictive</li> <li>Mergers and acquisitions are a priority</li> </ul>
<b>New York State Charter</b> 	<ul style="list-style-type: none"> <li>Broad addressable market in New York</li> </ul>	<ul style="list-style-type: none"> <li>Focus on reaching individuals in the state</li> <li>It's advantageous to work with a local regulator</li> </ul>

45



46



## APPENDIX

Confidential

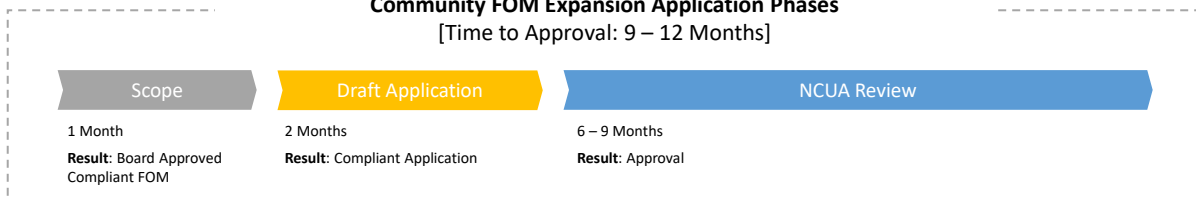
47

## Application to Serve a Community

### FOM Expansion Applications are reviewed by NCUA CURE

- CURE provides outline-level guidance on applications, which should include a Business and Marketing Plan
- Applications must demonstrate that the proposed area meets the “well-defined local community” requirements
- **Business plan:** must demonstrate that the CU can “physically” and financially deliver relevant products and services to the entire area
- **Marketing plan:** must illustrate that engagement and messaging reaches demographic segments across the entire area

### Community FOM Expansion Application Phases [Time to Approval: 9 – 12 Months]



Confidential

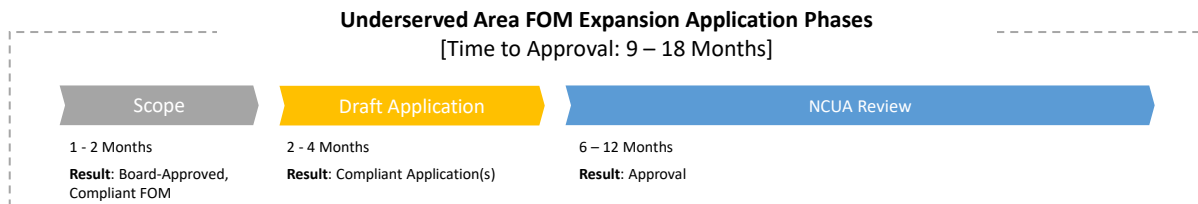
48



# Application to Serve an Underserved Area

FOM Expansion Applications are reviewed by NCUA CURE

- CURE provides guidance on applications, which should convey an “ability and intent” to serve
- Applications must demonstrate that the proposed area meets underserved area requirements
- **Significant Unmet Needs:** must provide evidence for a credit / deposit need in the underserved area that the credit union can meet
- **Business plan:** must demonstrate that the CU can “physically” and financially deliver relevant products and services to the entire area
- **Marketing plan:** must illustrate that engagement and messaging reaches demographic segments across the entire area



Confidential