BOARD ACTION MEMORANDUM

TO: NCUA Board DATE September 14, 2012

FROM: Kent D. Buckham SUBJ: BMI Federal Credit Union's

Director, Office of Consumer Application to Convert to a Community

Protection Charter

ACTION REQUESTED: Approve application for a conversion to a community charter for BMI Federal Credit Union (BMIFCU) in Columbus, Ohio, under Section 109 of the Federal Credit Union Act, and Interpretive Ruling and Policy Statement (IRPS) 08-2, as amended by IRPS 10-1.

DATE ACTION REQUESTED: October 18, 2012

OTHER OFFICES CONSULTED: Region 3 and Office of Examination and Insurance

VIEWS OF OTHER OFFICES CONSULTED: Region 3 and the Office of Examination and Insurance concurred.

BUDGET IMPACT, IF ANY: None

RESPONSIBLE STAFF MEMBERS: Director Kent D. Buckham, Office of Consumer Protection; Director Robert C. Leonard, Division of Consumer Access; and, Consumer Access Analyst Annette Moore.

SUMMARY: BMIFCU was chartered in 1936 to serve employees of Battelle Memorial Institute. In 1980, BMIFCU began expanding its membership to include groups located close to the Battelle campus that were technology-related. In 1998, BMIFCU expanded to include eligible employee groups/organizations located and operating in Central Ohio. At present, BMIFCU serves approximately 440 groups.

BMIFCU proposes to serve persons who live, work, worship or attend school in, and businesses and other legal entities in the Columbus, Ohio Metropolitan Statistical Area consisting of Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union Counties, Ohio.

The Columbus, Ohio MSA has a population in excess of 1,000,000; therefore, National Credit Union Administration Board approval is required.

As of June 30, 2012, BMIFCU reported assets of \$378.6 million and 27,458 members from a potential of 50,000, representing a penetration of 54.92 percent.

BMIFCU's application meets NCUA requirements to convert to a community charter. As required by IRPS 10-1, the Columbus, Ohio MSA meets NCUA's definition of a well-defined local community because it is a Core Based Statistical Area with a population of 2.5 million or less.

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Additionally, BMIFCU's business and marketing plan demonstrates its ability to serve residents throughout the area. The plan is comprehensive and encompasses recent NCUA guidance provided in Letter to Credit Unions 11-FCU-03 regarding business plans for credit unions seeking or expanding a community charter. It demonstrates BMIFCU has the facilities, staff, and infrastructure to serve residents throughout the area, based on technical capacity and an understanding of its demographics.

RECOMMENDED ACTION: Approve the application to convert to a community charter for BMI Federal Credit Union.

Attachments