decision. The Board is also requesting comment on whether there should be a time limit on the Board to render a decision on an appeal.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires the NCUA to prepare an analysis to describe any significant economic impact a proposed regulation may have on a substantial number of small credit unions (primarily those under \$1 million in assets). The changes to NCUA policy resulting from the adoption of these proposed amendments to the IRPS would not have a significant economic impact on a substantial number of small credit unions. The changes are either legally required or simply clarify existing policy. Accordingly, the Board determines and certifies that this proposed rule does not have a significant economic impact on a substantial number of small credit unions and that a Regulatory Flexibility Act analysis is not required.

Paperwork Reduction Act

The proposed amendments to IRPS 94–1 do not impose any additional paperwork requirements.

Executive Order 12612

Executive Order 12612 requires NCUA to consider the effect of its actions on state interests. The proposed amendments apply to federal credit unions as well as state chartered credit unions that seek to become federal credit unions. Therefore, the actions will not affect state interests.

List of Subjects in 12 CFR Part 701

Chartering, Conversions, Credit union, Field of membership addition, Mergers.

By the National Credit Union Administration Board on September 28, 1995.

Becky Baker,

Secretary of the Board.

Accordingly, NCUA proposes to amend 12 CFR part 701, by amending IRPS 94–1 as follows:

PART 701—ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, 1789, and 1798.

2. Section 701.1 is revised to read as follows:

§ 701.1 Federal credit union chartering, field of membership modifications, and conversions.

National Credit Union Administration practice and procedure concerning chartering, field of membership modifications, and conversions are set forth in Interpretive Ruling and Policy Statement 94–1—Chartering and Field of Membership Policy (IRPS 94–1), as amended by IRPS 95–2. Both IRPS are incorporated into this regulation.

Note: Neither the amendments nor the interpretive ruling and policy statement will appear in the Code of Federal Regulations.

3. Chapter 1, Section II.C.2 is revised to read as follows:

II.C.2—Special Documentation Requirements

Information to support that the area chosen represents one well-defined area, distinguishable from the immediate surrounding areas, includes:

- Political jurisdictions.
- Major trade areas (shopping patterns).
 - Traffic flows.
- Shared/common facilities (for example, educational, medical, police and fire protection, school district, water, etc.).
- Organizations/clubs whose membership is made up exclusively of persons within the area.
- Newspapers or other periodicals published for and about the area.
 - · Census tracts.
- Common characteristics and background of residents (for example, income, religious beliefs, primary ethnic groups, similarity of occupations, household types, primary age group, etc.).
 - · History of area.
- In general, what causes the chosen area and its residents to be distinguishable from the immediate surrounding areas and residents—some examples are old, well-established ethnic neighborhoods, planned communities and small/rural towns or rural counties.

The following information must be provided to support a need for a community credit union or community field of membership expansion:

- A list of credit unions presently in the area and those credit union's positions regarding a new charter or field of membership expansion; and
- A list of other financial institutions (for example, banks, savings and loan associations) that service the area.
- Written documentation reflecting support for the application for the charter, field of membership expansion or conversion to a community credit

union may be in the form of letters, surveys, studies, pledges, or a petition. Other types of evidence may also be acceptable. If a survey is used it should reflect the following:

- For the residents of the community: Approximate number contacted Number in favor of the credit union Number against the credit union Number who will join the credit union Number who have pledged initial and/ or systematic savings and amount of pledges
- For the employers in the community:

Number of area employers and number of employees
Number contacted
Number in favor of the credit union
Number against the credit union
Number willing to provide payroll
deductions to the credit union
Number willing to provide other type(s)
of support to the credit union

• For community organizations (including churches):

Number in area and number of members Number contacted Number in favor of the credit union Number against the credit union Number willing to provide some type of support to the credit union, i.e., advertising facilities, etc.

Letters of support from area civic leaders

If the community is also a recognized legal entity, it may be served as, or be included in, the field of membership—for example, "DEF Township, Kansas" or "GHI County, Minnesota."

4. Chapter 1, Section V.A.2 is revised to read as follows:

V.A.2—Special Common Bond Rules for Low-Income Federal Credit Unions

Generally, a low-income credit union is chartered as a community or associational credit union. The Regional Director will determine whether the applicants have provided sufficient evidence to demonstrate the need for a low-income community charter. Such evidence must establish that the geographic area's boundaries are clearly defined and that the area is recognized as a distinct neighborhood, community, or rural district. A low-income credit union that has a community common bond may include the following language in its field of membership:

"Persons who live in (the target area); persons who regularly work, worship, perform volunteer services, or participate in associations headquartered in (the target area); persons participating in programs to alleviate poverty or distress which are located in (the target area); incorporated