



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

LS/HMU:DL
SSIC 3600

7/26/85

VIA AIR MAIL

Ms. Marie Carney
Registry of Friendly Societies
13 Hume Street
Dublin, 2 Ireland

Dear Ms. Carney:

This is in response to your letter of May 3, 1985, concerning the overlap of common bond under laws governing credit unions in the United States.

Membership criteria and common bond issues for federally chartered credit unions are governed by the Federal Credit Union (FCU) Act (12 U.S.C. §1751 et seq.), the National Credit Union Administration Rules and Regulations (12 C.F.R. Part 700 et seq.) and interpretations thereunder. State-chartered credit unions are subject to state credit union laws, which may vary from the FCU Act and the Rules and Regulations. Information regarding state chartered credit unions would have to be obtained from the individual states.

Section 109 of the FCU Act (12 U.S.C. §1759) sets out membership and the common bond requirements. A copy of the FCU Act is enclosed. Section 109 does not specifically address the issue of overlap of common bond (i.e., two or more credit unions serving a membership group with the same common bond). Our position on this issue is set out on page four of Interpretive Ruling and Policy Statement 84-1 entitled Membership in Federal Credit Unions (copy enclosed). As noted, our policy is to avoid overlap situations if at all possible. However, in limited circumstances, an overlap situation may be permitted.

I hope that we have been of assistance. If further questions arise, please contact Hattie Ulan of this Office.

Sincerely,

/s/

STEVEN R. BISKER
Assistant General Counsel

Enclosures

From: D. D. Vol. III, A, 3, a - Common