



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

LS/YG:cch
3700
March 18, 1985

MEMORANDUM

FROM: Department of Legal Services

TO : Regional Director, Region II (Capital)

SUBJ: ~~Membership Termination~~

REF : (a) RD, Region II (Capital) memo MC/GLC:lmd, dated February 20, 1985; same subj.

(b) RD, Region II (Capital) letter to Mr. Tierney, CC/GLC:lmd, dated December 28, 1984; violation of Article III, Section 3 of the FCU Bylaws

1. This responds to reference (a) in which you question whether there is a conflict between Article II, Section 4 and Article III, Section 3 of the FCU Bylaws.
2. Article II, Section 4 and Article III, Section 3 of the FCU Bylaws should be read independently of each other.
3. Article III, Section 3 has been interpreted to apply when a member's account falls below the equivalent of a single share but is above zero or when involuntarily reduced to zero through the assessment of maintenance fees, late charges, the enforcement of a share pledge agreement, or statutory lien.
4. Article II, Section 4 has been interpreted to apply when a member voluntarily withdraws all of his/her shareholdings, thereby reducing his/her account to zero. As the bylaw states, he ceases to be a member at that point. The member cannot increase his/her balance thereafter but must reapply for membership if he/she desires to purchase additional shares.

STEVEN R. BISKER
Assistant General Counsel

FOIA file: Vol III Part A 3c