



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

July 31, 1986

Office of General Counsel

GC/SRB:sg
6010

Mr. Bill Smith
Chairman
League of IBM Employee Credit Unions
24 McKinley Avenue
Endicott, NY 13760

Dear Mr. Smith:

This is in reply to your May 28, 1986, letter to the NCUA Board regarding NCUA Interpretive Ruling and Policy Statement (IRPS) 84-1 -- Membership in Federal Credit Unions. Specifically, you expressed the League's concern that the intent of the IRPS is being abused and you asked that the NCUA Board review the ruling.

The NCUA Board recently had the opportunity, at its May 1986, meeting, to reexamine the IRPS and the Agency's policies on field of membership. The Board reaffirmed its position as expressed in the IRPS. During the course of its discussion, the Board stressed its concern on overlapping fields of membership and adherence to the criteria that must be satisfied before a multiple group charter is approved. Further, the Board noted that the policy contained in IRPS 84-1 has proven to be one that has generally been beneficial for credit unions and their members. It has made credit union service available to people who previously could not be served. Additionally, the policy has strengthened many credit unions by providing a broadened membership base.

Your letter was somewhat unclear as to the kinds of "abuses" you believe have taken place. If you are aware of specific instances

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of abuse, we would be interested in learning of those cases in order to investigate them and take any appropriate action.

If I can be of further assistance, please let me know.

Sincerely,

ROBERT M. FENNER
General Counsel

SRB:sg

bcc All RD's
EI