



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/SRB:sg
4660

October 2, 1987

Office of General Counsel

Lloyd A. Sanders, Esq.
Cohen & Kushner
55 William Street
Wellesley, MA 02181

Dear Mr. Sanders:

This is in response to your letter dated August 15, 1987, to Mr. James Engel and pursuant to our telephone conversation on August 25, 1987, concerning the release of information by a Federal credit union. Specifically, you have asked for our opinion with respect to the disclosure of certain documents relating to a member's share and loan account transactions in conjunction with a claim that the FCU has against a bank stemming from losses caused by the member.

As we discussed, Article XIX, Section 2 of the Standard Federal Credit Union Bylaws addresses the confidentiality of transactions with members of an FCU. It provides for certain general exceptions to confidentiality, such as the release of information in connection with the collection of loans. As part of the matter presented in your letter, the release of some of the information relates directly or indirectly to the FCU's collection on the member's loan. The remainder of the information relates to share account transactions. As described in your letter, in order for the FCU not to sustain a loss as a result of the member's share account transactions it must release records on some specific share account transactions.

Although not expressly provided for in the Bylaw provision, it appears that a release of information under circumstances where the member's actions would otherwise cause the FCU to sustain a loss and would likely be available to another party in the context of a lawsuit (if that becomes necessary) would not be violative of the Bylaw provision. We should point out, however, that our opinion has minimal weight with respect to interpretations of the Bylaws (as distinguished from interpretations of the FCU Act and NCUA Rules and Regulations where our interpretations are given "due deference" by the courts). We suggest that you look to state corporate law for guidance with respect to bylaws and confidentiality.

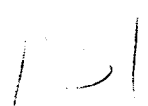
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Except for the Bylaw provision referenced above, there are no limitations contained in either the FCU Act or the NCUA Rules and Regulations that would be applicable here.

I hope that we have been of assistance.

Sincerely,


STEVEN R. BISKER
Assistant General Counsel

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