



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/JJE:bhs
3600

FEB 2 1988

Office of General Counsel

Jerome Y. Sturm, Esq.
Sturm & Perl
21 East 40th Street
New York, NY 10016

Dear Mr. Sturm:

Foster Bryan, Regional Director of NCUA's Region I Office, has asked us to respond to your letter of August 17, 1987, regarding your client, the National Association of Broadcast Employees and Technicians, AFL-CIO, and the NABET Federal Credit Union (FCU). Let me first apologize for the delay in our response.

You have asked us to confirm that NABET, an international labor union, is not legally responsible for any action taken by the FCU or any of its officers or employees. You have also asked what protection is afforded the labor union, by reason of NCUA's approval of the use of NABET in the FCU's name, for any claims asserted against the labor union due to illegal or improper acts of commission or omission by the FCU.

As we understand the facts, the FCU provides financial services to the members of several local NABET unions. It does not serve all of the local unions or the international union. Although originally chartered as the NABET Local 25 Federal Credit Union, NCUA approved the use of the current name in 1982. The FCU did not obtain the approval of the international labor union prior to the name change.

A Federal credit union is chartered by this Agency pursuant to the Federal Credit Union Act. 12 U.S.C. 1751 et seq. It becomes a "body corporate" subject to the limitations, vested with the powers, and charged with the liability conferred and imposed under that Act. 12 U.S.C. 1754. It is a legal entity, separate and distinct from its namesake or any organization whose members or employees constitute the membership of the Federal credit union.

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The FCU is neither an affiliate nor a subsidiary of NABET or any NABET locals. Therefore, NABET is not legally responsible for the actions of the FCU or its officers and employees, nor is the FCU responsible for NABET's actions. As to NCUA's approval of a name for use by a Federal credit union, such action affords no protection to either the FCU or any other party.

Sincerely,

/s/

JAMES J. ENGEL
Deputy General Counsel

JJE:bhs

cc: RD, Region I