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NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

Office of General Counsel

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October 6, 1989

Ms. Beverly Kjornes  
P.O. Box 247  
Oakridge, Oregon 97563

Re: Confidential Transactions (Your Letter Postmarked  
September 13, 1989)

Dear Ms. Kjornes:

You have asked us whether a Federal credit union ("FCU") must keep confidential the transactions (and accompanying paperwork) involving the FCU and its members? In general yes, but this is limited by a party's right to discovery during the course of litigation.

BACKGROUND

Documents retained by an FCU concerning your transactions with the FCU were somehow delivered to the attorney representing a person with whom you are having a legal dispute. You gave no further details.

ANALYSIS

Neither the FCU Act nor the NCUA Rules and Regulations address confidentiality of FCU records. Section 2 of Article XIX of the Standard FCU Bylaws states in part that the:

. . . . officers, directors, members of committees and employees of this credit union shall hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except to the extent deemed necessary by the board in connection with:

FOIA

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- (a) The making of loans and extending lines of credit.
- (b) The collection of loans.
- (c) The guarantee of member share drafts by third parties. . . .

In addition, during the course of litigation, an FCU may be forced to disclose information and documents pursuant to a litigant's right to discovery. Since your letter provided us with little information, we cannot determine whether or not the documents were turned over to the attorney based upon a discovery request or whether a violation of Article XIX, Section 2 occurred.

Sincerely,

*Hattie M. Ulan*

HATTIE M. ULAN  
Assistant General Counsel