



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

Office of General Counsel

GC/HMU:bhs  
SSIC 6010  
89-1219

February 2, 1990

Mr. Peter D. Leong  
President, Hawaii Credit Union League  
1654 South King Street  
Honolulu, HI 96826-2097

Re: Field of membership overlaps  
(Your December 13, 1989, Letter  
to Chairman Jepsen)

Dear Mr. Leong:

You asked about a recent NCUA Board action concerning overlapping memberships of two Hawaii credit unions.

In October, 1989, the NCUA Board acted on the appeal of Kamuela Community Federal Credit Union (FCU) concerning overlapping fields of membership between Kamuela Community FCU and Kona Community FCU. The Board deleted a portion of Kona's field of membership which was also in the field of membership of Kamuela. The overlapping fields of membership between these two credit unions arose from a unique factual situation.

Generally, NCUA policy is to avoid overlaps. Interpretive Ruling and Policy Statement 89-1-- Chartering and Field of Membership Policy -- states in part:

An overlap exists when a group of persons is eligible for membership in two or more credit unions, including state charters. General policy requires that every effort

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be made to avoid an overlap. Ideally, a group of persons should be included in the field of membership in only one credit union. (See 54 F.R. 31171 (7/27/89).)

A previously mentioned the decision in the Kamuela/Kona case was based on the specific fact pattern. It should not be interpreted as setting a precedent for future agency action on any existing overlaps. We have checked our records and it appears that this was the first time that, on appeal, the NCUA Board removed a group from an FCU's field of membership due to an overlap with another FCU.

I hope that we have been of assistance.

Sincerely,

*Hattie M. Ulan*

HATTIE M. ULAN  
Associate General Counsel