

NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

July 2, 1990

Mr. Gregory A. Smith
Michigan State University
Federal Credit Union
P.O. Box 1208
East Lansing, Michigan 48826

Re: Executive Orders 11246 and 11375 (Your
April 12, 1990, Letter)

Dear Mr. Smith:

You have asked the following questions: 1) whether a federal credit union ("FCU") is subject to Executive Orders 11246 and 11375. The Department of Labor's policy is that any federally insured financial institution with more than 50 employees is subject to Executive Orders 11246 and 11375. 2) If the FCU voluntarily develops an affirmative action plan, does that give the Department of Labor any additional rights to examine the FCU. No.

ANALYSIS

The Department of Labor policy characterizes federal share insurance as a government contract which subjects an FCU to Executive Orders 11246 and 11375. Although the Department of Labor proposed rules on this issue back in 1981, it has never adopted this policy in formal regulations. The Department of Labor states that it has held this policy and expects compliance with the Executive Orders by FCU's with more than 50 employees. You may want to contact a private attorney to see what other options are available to the FCU. The adoption of a voluntary affirmative action plan would not give the Department of Labor any additional rights to examine the credit union but the issue is moot since the FCU, under the Department of Labor interpretation, must comply with the Executive Orders.

Sincerely,

Hattie M. Ulan
Associate General Counsel

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