



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

July 31, 1990

Kathleen O. Thompson, Esq.  
Washington Counsel  
Credit Union National Association, Inc.  
805 15th Street, N.W.  
Suite 300  
Washington, D.C. 20005-2207

Re: **Federal Credit Union Authority to Sell U.S.  
Postage Stamps to Members (Your June 12, 1990,  
Letter)**

Dear Ms. Thompson:

This is in response to your request for a clarification as to whether federal credit unions (FCUs) have authority to sell U.S. postage stamps to their members. We have reviewed your letter, the materials you submitted, and the case you cited, Arnold Tours, Inc. v. Camp, 472 F.2d 427 (1st Cir. 1972). We are of the opinion that FCUs have the power sell U.S. postage stamps to their members as a not-for-profit "good will service," provided they comply with certain guidelines discussed below.

As you know, it has long been our opinion that FCUs are not authorized to sell postage stamps to their members under the incidental powers clause of the Federal Credit Union Act (12 U.S.C. §1757(17)) because there is no reasonable nexus between the sale of postage stamps and any of an FCU's express powers. The sale of stamps, therefore, is not authorized despite the fact that it would be a convenience for FCU members.

You enclosed with your letter a copy of our 1982 opinion on FCU authority to guarantee stock transfer signatures of their members. In that opinion, we rejected the argument that such guarantees were authorized as an incidental power, but deter-

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mined that they were permissible as a "good will service" not engaged in for profit, under the rationale expressed in the Arnold Tours decision. In Arnold Tours, the court ruled that national banks were not entitled to operate travel agencies under a statutory incidental powers clause, but noted with approval that banks perform certain incidental "good will services" for the convenience of their customers, without receiving compensation for such services.

You suggest that selling postage stamps to members is an appropriate good will service for credit unions to engage in, and ask that we reconsider our earlier opinion that FCUs may not sell stamps. While we have not changed our opinion regarding applicability of the incidental powers clause to this situation, we agree that FCUs may sell postage stamps as a good will service to their members. We wish to reiterate that the following criteria must be met by each FCU planning to sell U.S. postage stamps to its members.

1. The stamps may not be sold for profit (although the FCU may charge a fee as necessary to cover the cost of the sale).
2. The FCU must have adequate protection against any potential exposure for monetary loss.
3. The FCU may sell stamps only to its members.

I hope that we have been of assistance.

Sincerely,

*Hattie M. Ulan*

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Associate General Counsel  
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