



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

February 13, 1991

Susan B. Hodges
Loan Manager
Delaware State Police Federal Credit Union
P.O. Box 528
Georgetown, DE 19947

Re: Prime Member (Your January 15, 1991, Letter)

Dear Ms. Hodges:

You have asked for a definition of a primary member. You also asked whether an ex-member, who is no longer within the credit union's field of membership, is eligible to regain membership through a relationship with a secondary member. Such a derivative membership is not permissible. In our January 25, 1991 letter to you, we answered your question concerning membership termination.

ANALYSIS

The Chartering and Field of Membership Manual (Interpretive Ruling and Policy Statement 89-1) defines both primary and secondary members. Primary members are defined as "[m]embers sharing the basic occupational, associational or community affinity to the field of membership." A secondary or derivative member is defined as:

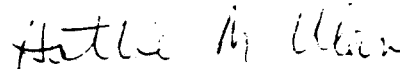
Members included in the field of membership by virtue of their close relationship to a common bond group (e.g. immediate family members, employees of the credit union, etc.).
(See 54 FR 31165, 7/27/89)

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It is our long-standing policy that an ex-member, no longer within the FCU's field of membership, may not rejoin the credit union through a secondary or derivative member. Any other interpretation would vitiate the common bond requirement for FCU membership. In your situation, the ex-member does not have a close relationship to a member of the common bond group, so the individual cannot become a secondary member. The individual cannot become a primary member because he is no longer within the field of membership and his past membership was terminated after his account was charged off and he failed to get his share account up to par value in the allotted time. One additional comment. The "once a member, always a member" bylaw provision does not apply because the individual's membership in the FCU was previously terminated.

Sincerely,



HATTIE M. ULAN
Associate General Counsel

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