



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

August 20, 1991

Floyd E. Schlueter
President
Internal Revenue Federal Credit Union
4705 Queensbury Road
Riverdale, Maryland 20737

Re: Membership Overlap (Your June 24, 1991,
Letter)

Dear Mr. Schlueter:

You have asked us to review the Region III Director's decision to allow a field of membership overlap between Internal Revenue Federal Credit Union and Campus Federal Credit Union. The Region III Director's decision does not violate NCUA's chartering policy.

ANALYSIS

The employees of the Petrin Corporation of Port Allen, Louisiana are currently within the Internal Revenue Federal Credit Union's (FCU) field of membership. The common bond for the employees is not an occupational common bond as stated in your letter. The employees are eligible to join the FCU under the following provision in the FCU's charter concerning field of membership:

Regular members of Associated Builders and Contractors, Inc., who qualify for membership in accordance with its constitution and bylaws as of the date of this amendment; employees of regular members of the above Association. . . .

Petrin Corporation is within the FCU's field of membership as a member of the Associated Builders and Contractors, Inc.. This is an associational common bond. The employees eligi-

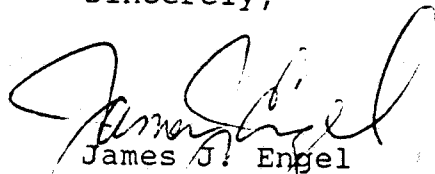
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bility for membership in the FCU derives from Petrin Corporation's associational common bond. Therefore, due to an associational common bond both Petrin Corporation and its employees are eligible to join the FCU.

Petrin Corporation and an overwhelming majority of its employees requested a change in credit union affiliation. The Region III Director permitted the Campus Federal Credit Union, located in Louisiana to amend its charter to include Petrin Corporation and its employees within its field of membership as an occupational group. Interpretive Ruling and Policy Statement ("IRPS") 89-1 states that "[i]n general, NCUA will not protect associational and community charters from overlaps with occupational charters." Since we view the employees of Petrin Corporation to be within your field of membership due to an associational common bond, a creation of an overlap with Campus Federal Credit Union does not violate NCUA policy.

Sincerely,



James J. Engel
Deputy General Counsel

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