

February 4, 1997

Mr. Robert S. Walls, Sr.
President
Delaware Credit Union League
4 Quigley Boulevard
New Castle, DE 19720-4150

Re: CU Nonmember Deposits (Your November 8, 1996, Letter)

Dear Mr. Walls:

You are seeking a legal opinion on whether a state league whose members are federal credit unions (FCUs) is eligible for membership in all FCUs affiliated with the league. As explained below, the answer is no.

You assert that "member" as used in the FCU Act (12 U.S.C. §1757(6)) should include a state trade association and its subsidiary. This interpretation is based on a previous Office of General Counsel opinion which states that FCUs may receive payments from nonmember corporate credit unions pursuant to 12 U.S.C. §1757(6). This section of the FCU Act allows FCUs to receive payments on accounts from "other credit unions." Corporate credit unions are credit unions. State leagues, although composed of credit unions are not credit unions and therefore, the analogy fails. We are unable to find legal support for your position that state leagues are within the field of membership of all member credit unions.

Sincerely,

Michael J. McKenna
Acting Associate General Counsel

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SSIC 3000
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