

June 2, 1999

Mr. Frank Lawrence, Jr.
941 Westview Road
Bloomfield Hills, Michigan 48304

Re: Disclosure of Confidential Member Information.

Dear Mr. Lawrence:

You have lodged a complaint against a federal credit union (FCU) for disclosing information about its members to a third party and assert that such disclosure is in violation of the credit union's confidentiality bylaw. FCU Bylaws, Article XIX, Section 2. Upon the request of the NCUA's regional office, the Office of General Counsel has reviewed the correspondences exchanged among yourself, the credit union, and our regional office. This office supports the regional director's determination and reiterates the position taken in the letter from Richard S. Schulman to James F. Maher, dated April 22, 1996, a copy of which is enclosed.

NCUA's long-standing policy is not to interfere in internal FCU disputes unless a statutory or regulatory problem exists or the safety and soundness of the FCU is involved. None of those problems are apparent in your complaint, and we do not believe that it would be appropriate for NCUA to enter into this dispute. The NCUA maintains that the bylaws function as a contract between an FCU and its members. Therefore, local law controls whether the FCU has breached its obligations to its members by disclosing personal information about its members to a third party. If you are interested in pursuing this matter, we suggest that you consult with private counsel in order to review applicable local law.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/CJL:bhs
SSIC 3700
99-0512
Enclosure

cc: Region IV