

February 25, 2016

Keith Leggett
1135 Park Road, Unit 1201
Sunset Beach, NC 28468

Dear Mr. Leggett:

RE: Field of Membership

Thank you for your letter regarding NCUA's field of membership (FOM) requirements. In that letter, you asked broadly "can a federal credit union have a common [bond]¹ that is comprised of persons who are 50 years of age or older residing in a specific state?" Your letter provides no other facts or details regarding the circumstances surrounding the subject FOM. Accordingly, we interpret for purposes of this letter that your question more specifically asks if a federal credit union's FOM may be based on a common bond that is comprised exclusively of persons who are 50 years of age or older residing in a specific state where that group shares no other common interests or loyalties other than their age and state of residency.

Under these circumstances, the group's commonality of age and residency alone is not enough to establish a permissible FOM under NCUA's regulations.² However, if that group were also to share other commonalities in addition to age and residency, then it is possible that those additional commonalities could be sufficient to satisfy the associational common bond provisions of NCUA's regulations, which specifically require a substantial degree of commonality.³ We would need to know more details about those additional commonalities to determine if they are sufficient to satisfy the associational common bond requirements.

We are not aware of any federal credit unions currently operating with an FOM as posed in your question. If you have information to the contrary, we would greatly appreciate you sharing it with us. NCUA takes its chartering function seriously, and we are committed to full compliance with our chartering regulations.

Sincerely,

/S/

Michael J. McKenna
General Counsel

GC/JHB:bhs
SSIC 3501

¹ In your question, you did not include the word "bond" as we have inserted. We assume that you simply made a typographical error in this regard, and, for purposes of answering your question, we read that word into the question.

² See 80 Fed. Reg. 25924, 25931 (May 6, 2015); 12 C.F.R. part 702, appendix B (Chapter 2, Section III.A.1).

³ *Id.*