

February 21, 1992

Mr. Paul Kinzelman  
46 Priest Street  
Hudson, Massachusetts 01749-1744

Re: Member Access to Federal Credit Union Records (Your December 26, 1991, Letter)

Dear Mr. Kinzelman:

You have requested that we instruct the directors of Digital Federal Credit Union ("Digital") to make the board minutes, with personal information deleted, available to you as a member of Digital. It is NCUA's long-standing policy not to interfere in federal credit union ("FCU") disputes unless a statutory or regulatory problem exists or safety and soundness of the FCU is involved. None of those problems is present in this case, and we do not believe that it would be appropriate for NCUA to enter into this dispute. We also note that the Standard FCU Bylaws do not mandate that board meeting minutes be disclosed. Our December 17, 1991 letter to you may have been unclear in some respects. This letter will serve to clarify our position with regard to the rights of FCU members to inspect FCU records.

In our earlier letter, we stated that members of a credit union have inspection rights similar to those enjoyed by shareholders in a corporation, and that state law determines the types of information and documents, and the degree of access, available to shareholders/members. You indicated that the Massachusetts statutes on corporations do not cover credit unions. However, the Massachusetts corporate law, both statutory and common law (case law), would be relevant to the issue of FCU member access to information, because FCU members are in a position analogous to that of corporate shareholders and their rights should therefore be similar. As we stated in our earlier letter, the general rule in most jurisdictions is that a shareholder is entitled to inspect corporate minutes and other records as long as he has a proper, nonvexatious purpose. We suggest that you consult the Massachusetts statutes as well as any Massachusetts corporate common law for guidance in determining whether that general rule applies, and what types of information you are entitled to obtain from Digital's board.

We also wish to correct an apparent misunderstanding regarding our policy on member access to records. You interpreted our letter as stating that FCU members "should have access to minutes that have only personal information deleted." In fact, what we have consistently said is that while state law determines the degree of member access, an FCU that does make information available under state law must, according to the Standard FCU Bylaws, redact any personal information. The Bylaws do not mandate that FCU board minutes be disclosed; they simply require that certain precautions be taken before disclosure occurs. (See Article XIX, Section 2.) The Standard FCU Bylaws (Article XIX, Section 6) do require that the FCU bylaws and charter be available for member inspection.

You also asked whether you are entitled to obtain a list of Digital's members in order to mail out information on issues not addressed in Digital's official mailings. Neither the Federal credit Union Act nor NCUA's Rules and Regulations addresses this issue. We have said in the past that an FCU's board of directors may make a membership list available to its members. The decision whether to do so is left to the discretion of the board. If the board does release such a list, it must do so in a nondiscriminatory fashion; that is, if it gives the list to one member, it must give it to all other members who request it. You may wish to examine Massachusetts corporate common law for further guidance on this question.

I hope that we have been of assistance.

Sincerely,

Hattie M. Ulan  
Associate General Counsel

GC/MRS:sg  
SSIC 3700  
92-0101