

June 12, 1996

David B. Beckhorn  
Chief Operating Officer  
Wegmans Federal Credit Union  
2599 East Henrietta Road  
Rochester, NY 14623

Re: Definition of Immediate Family Members  
(Your May 31, 1996, Letter)

Dear Mr. Beckhorn:

You have written seeking a legal opinion on a proposed definition of "immediate family member", as well as an interpretation of membership eligibility as it relates to "members of their immediate family", as stated in your federal credit union's (FCU's) charter. You state that a large portion of your field of membership (FOM) consists of young people who discontinue employment with the sponsor organization prior to starting a family. You are specifically interested in determining whether the immediate family member of a primary member who has left the FOM may join. As explained below, the answer is no.

As stated in the enclosed January 17, 1992, letter from Hattie M. Ulan, Associate General Counsel to Larry J. Cox, Esq., "a family member of a primary member comes within the FOM only by virtue of his relationship to another individual (the primary member) who is within the field of membership." *See also*, the attached February 2, 1995, letter from me to Sue Eckenrode, President, Vigo County FCU. NCUA's Chartering and Field of Membership Manual (Interpretive Ruling and Policy Statement 94-1) states that immediate family members are secondary/derivative members and defines them as follows:

**Secondary or derivative members** - Members included in the field of membership by virtue of their close relationship to a *common bond group* (e.g. immediate family members, employees of the credit union, etc.)

Chartering Manual, p. A-3. (Emphasis added). What you have proposed is to allow a family member to join by virtue of their close relationship to a primary member, and not by virtue of their close relationship to the common bond group. This is not permissible based on the Chartering Manual and our prior interpretations.

You also seek to expand your FCU's definition of "members of their immediate family" to include any family member related naturally or by marriage. The NCUA's position is that David B. Beckhorn as long as there is an ongoing "familial" relationship between the primary member and those individuals who qualify for membership as immediate family members, the definition is acceptable. Since the Standard FCU Bylaws allows an FCU to create its own definition of the term "members of their immediate family," your credit union may add the proposed definition by board resolution. The change does not require formal NCUA approval.

Sincerely,

Richard S. Schulman  
Associate General Counsel

GC/MFR:bhs  
SSIC 3700  
96-0615

Enclosures