

March 28, 1997

David P. Hagar, Manager
Baltimore County Employees FCU
23 W. Susquehanna Avenue
Towson, MD 21204-5291

Re: Bylaws
(Your May 19, 1997, Letter)

Dear Mr. Hagar:

You have asked whether a federal credit union (FCU) may only offer membership to entities composed exclusively of individuals within the field of membership. As explained below, unless the entity is specifically named in the FCU's charter, this limitation applies.

You state that your FCU's charter includes in its field of membership "organizations of such persons." Article XVIII, Section 2(b) of the FCU Bylaws defines "[o]rganizations of such persons" as "an organization or organizations composed **exclusively** of persons who are within the field of membership of this credit union." (Emphasis added). Therefore, unless the entity is composed exclusively of persons currently within the field of membership --for example, all the stockholders of the corporation or all the partners of the partnership-- it does not qualify for membership. It is normally difficult for a corporation, other than a closely held corporation with only a limited number of stockholders, to qualify.

I hope that we have been of assistance.

Sincerely,

Sheila A. Albin
Acting Associate General Counsel

GC/MFR:bhs
SSIC 6010
97-0327