

October 23, 1997

Ms. Debra Walker  
ExpressData Corp.  
1800 Sandy Plains Pkwy.  
Marietta, GA 30066

Re: Definition of "Nonmember,"  
Your E-mail of August 25, 1997

Dear Ms. Walker:

You have asked for clarification of a federal credit union's (FCU's) authority to accept nonmember deposits.

Under Section 107(6) of the FCU Act, 12 U.S.C. § 1757(6), any FCU may receive shares from nonmember public units and credit unions, subject to the limitations set forth in Section 701.32 of the National Credit Union Administration (NCUA) Rules and Regulations. 12 CFR § 701.32. (FCUs may also maintain nonmember U.S. Treasury accounts under 12 U.S.C. § 1767, which are addressed in 12 CFR §§ 701.32(c) and 701.37.) Section 107(6) also authorizes certain FCUs to receive shares from other nonmembers. In order to do so, however, an FCU must receive a designation of low income status as provided in Section 701.34 of NCUA's regulations.

You expressed confusion regarding language in Section 701.32, but that language is no longer in effect. NCUA revised the regulation to more clearly distinguish the authority of FCUs in general from those with a low income designation. Both Sections 701.32 and 701.34 are attached for your convenience.

Sincerely,

Sheila A. Albin  
Associate General Counsel

GC/JJE:bhs  
SSIC 4630  
97-0850

Attachments