

April 22, 1998

Cheryl Ernst, Manager
Bridgeport Post Office Federal Credit Union
120 Middle Street
P.O. Box 349
Bridgeport, CT 06601-0349

Re: Membership Issues, Your letter dated March 31, 1998.

Dear Ms. Ernst:

You have asked for a legal opinion on the following three issues.

First, you ask whether, under the "once a member, always a member" bylaw, immediate family members of a primary member may join a federal credit union (FCU) if the primary member is no longer in the field of membership, although still a member of the FCU. The attached letter from Richard S. Schulman to Sue Eckenrode, dated February 2, 1995, explains that, if a primary member is no longer within the field of membership, a family member would not be eligible to join.

Second, you ask whether it is permissible for an FCU to post the names of members who have caused a loss to the FCU. Article XIX, Section 2 of the Federal Credit Union Bylaws requires the officers, directors and employees of an FCU to hold in confidence all member transactions and all information respecting their personal affairs. The posting of members' names who have caused the FCU a loss would violate this provision of the Federal Credit Union Bylaws.

Finally, you ask whether an FCU may require proof of repairs prior to releasing an insurance payment to the member. The National Credit Union Administration has no regulations addressing this issue and we suggest you have an attorney familiar with state law review the insurance contract, as well as the FCU's contract with the member. Your own legal counsel would be able to assist the FCU in drafting a legally permissible policy.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/MFR:bhs
SSIC 3000
98-0404, Enclosure