

July 7, 1998

William H. Yarborough, CEO
U.S. Postal Service Federal Credit Union
7905 Malcolm Road, 4th Floor
Clinton, Maryland 20735-1769

Re: Exclusionary Clauses, Your Letter dated June 15, 1998.

Dear Mr. Yarborough:

You have informed us that your primary field of membership is defined as "[a]ll employees of the U.S. Postal Service who do not have local credit union service available through another government employee-type credit union." Because of this exclusionary clause, credit union members that belong to smaller postal credit unions, which may not be able to provide a full range of services, cannot join your credit union and may have to go to other types of financial institutions for services. You would like to offer these members those services that are not currently available from their own credit union, regardless of the exclusionary clause.

Although your goal is laudable, such service to members of other postal credit unions is prohibited as long as the exclusionary clause remains in your field of membership. You can contact NCUA's Region II office to determine if it will consider an amendment to your charter to remove the exclusionary clause in its entirety. Alternatively, you can work with the other credit unions whose members you would like to serve and, on a case-by-case basis, request that those credit unions indicate to the Region II office that they have no objection to an overlap of their fields of membership. The regional office could then determine if it will amend your charter to permit your credit union to overlap those credit unions.

Sincerely,

Sheila A. Albin
Associate General Counsel

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98-0649