

August 23, 1999

Donna J. Chardeen, Director of Compliance
New York State Credit Union League
P.O. Box 15118
Albany, New York 12212-5118

Re: Service to Select Groups after Credit Union Conversion to a Community Charter.

Dear Ms. Chardeen:

You have asked two questions regarding service to select groups that are located within a community charter's geographic boundaries. First, if federal credit union (FCU) A, a multiple common bond FCU converts to a community charter and had select groups within the community boundaries, does the new community charter serve its old select group or the individuals who live, work, worship or attend school in the community. Since a community charter does not have select groups, the FCU serves individuals that have a community charter affinity - persons who live in, worship in, attend school in or work in the community. Chapter 2, Section V.A.1 of NCUA's Chartering and Field of Membership Manual.

Second, you ask whether FCU B, a multiple common bond FCU can request to add select groups that are within the community boundaries of FCU A to its field of membership. Yes, a multiple common bond FCU can request to add a select group that is within the geographic boundaries of a community charter. This is considered an overlap because a group of persons is eligible for membership in two or more credit unions. In general, a community charter will not receive any overlap protection. Chapter 2, Section V.E.1 of NCUA's Chartering and Field of Membership Manual.

Sincerely,

Sheila A. Albin
Associate General Counsel

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