

October 4, 2000

C. Kipp Stecher, President  
AmeriChoice Federal Credit Union  
20 Sporting Green Drive  
Mechanicsburg, PA 17055

Re: Federal Credit Union's Authority to Hold Nonmember Deposits.

Dear Mr. Stecher:

You have asked us whether AmeriChoice Federal Credit Union (FCU) may hold share certificates from an organization on the basis that the organization's treasurer is within the FCU's field of membership. No, the FCU may not hold the share certificates because they belong to the organization, and it is not a member or within the FCU's field of membership.

With a few exceptions not relevant to the question you raise, FCUs may only accept payments on shares from their members. 12 U.S.C. §1757(6). The share certificates in question belong to the organization, the Pennsylvania State Grange (State Grange). The State Grange is an organization headquartered in Dauphin County with approximately 400 local Granges in the state.

The FCU's charter generally limits its field of membership to: "Persons who live, work, worship, or go to school in, and businesses and other legal entities in Cumberland County." The fact that the State Grange treasurer, who has custody of the funds, is a resident of Cumberland County does not establish the State Grange as a legal entity within the county.

We are aware that two local Granges, which operate under the umbrella organization of the State Grange, are located in Cumberland County. Our understanding, however, is that these local Granges are separate entities, with their own members and separate funds, apart from the State Grange. Therefore, the presence of the local Granges does not establish the State Grange as a legal entity within Cumberland County.

Sincerely,

Sheila A. Albin  
Associate General Counsel

GC/RMM:bhs  
SSIC 6010  
00-0736  
cc: Region II

