

**NCUA LETTER TO FEDERAL CREDIT UNIONS**  
**NATIONAL CREDIT UNION ADMINISTRATION**  
**1775 Duke Street, Alexandria, VA 22314**

**LETTER NO.: 96-FCU-5**

**DATE: DECEMBER 26,1996**

**Letter to all Federal Credit Unions**

The NCUA Board wishes to inform you that the U.S. Court of Appeals for the D.C. Circuit has ordered a partial stay of the nationwide injunction recently issued by the U. S. District Court in the ongoing litigation over NCUA's field of membership policies. The practical effect of the Circuit Court's order is that, effective immediately, Federal credit unions are free to enroll new members from all membership groups that NCUA authorized prior to the District Court's October 25, 1996, injunction. NCUA and credit unions continue to be barred from adding new select employee groups or groups under the streamlined expansion procedures that do not share a common bond with the credit union's "core membership".

The partial stay of the District Court's injunction will remain in effect at least until the Supreme Court rules on NCUA's pending petition for review of the lower court rulings invalidating our multiple group chartering policies. The Supreme Court is expected to decide in mid-January of 1997 whether to grant NCUA's petition for review. If review is granted, a decision on the merits could be expected by the end of June 1997. We continue to believe that NCUA and credit unions have a very strong case for Supreme Court review, and we are optimistic that review will be granted.

We will keep you informed of all further developments. Meanwhile, if you have any questions, please contact your regional office. Thank you for your perseverance, and have a happy holiday season and a prosperous new year.

Sincerely,

Norman E. D'Amours  
Chairman of the Board