

UNITED STATES OF AMERICA
BEFORE THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

In the Matter of

CACL Federal Credit Union

Docket No. 00-FOM-002

Decision and Order on Appeal

This matter comes before the National Credit Union Administration Board (Board) on appeal from the CACL Federal Credit Union (Appellant). The Region II Director denied the Appellant's application to add the Pottsville Club to its field of membership.

Appellant is a multiple common bond credit union located in Pottsville, Pennsylvania. It was chartered in 1953 to serve government employees in Schuylkill County, Pa. It presently has over 30 groups in its field of membership, with 3439 members and 10,000 potential members. The Credit Union has approximately \$26 million dollars in assets and is financially healthy and well run.

In June of 1999, the Credit Union submitted an application to add the Pottsville Club to its field of membership. The Pottsville Club is a dining club. The Pottsville Club maintains and operates a dining facility for its members. Banquet facilities are also available for member use. The Pottsville Club has approximately 700 members. Members pay an entrance fee, annual dues and, at an annual meeting, elect a board of managers who operate the dining facility. The Region II Director denied the request to add the Pottsville Club to the Credit Union's field of membership. The Credit Union appealed the denial in September, 1999.

The issue in the matter of this appeal is whether the Pottsville Club meets the standards for associational common bond. The Pottsville Club is an association and the Board has determined it meets the standards for associational common bond. There are membership eligibility requirements, members pay substantial entrance fees and annual dues and attend an annual meeting where a board of managers is elected. As an association, the Pottsville Club is distinguishable from an association based primarily on a client customer relationship, which would not meet the associational common bond requirements. See Chartering Manual at Ch2,III.A.1, p. 2-17.

Order

It is ordered as follows:

The Region II Director's decision denying CACL Federal Credit Union's application to add the Pottsville Club to its field of membership is reversed and the appeal is granted.

So Ordered this 13th day of April, 2000, by the National Credit Union Administration Board.

Hattie M. Ulan
Acting Secretary of the Board