

UNITED STATES OF AMERICA  
BEFORE THE NATIONAL CREDIT UNION ADMINISTRATION BOARD

In the Matter of

**JOHNS HOPKINS FEDERAL CREDIT UNION**    *Docket No. 02-FOM-001*

**Decision and Order on Appeal**

This matter comes before the National Credit Union Administration Board (Board) on appeal from Johns Hopkins Federal Credit Union (Johns Hopkins or FCU). The Region II Director denied the FCU's request to add the Johns Hopkins Bayview Medical Campus to its field of membership. The FCU appealed the Region II Director's denial.

**Background**

Johns Hopkins Federal Credit Union, located in Baltimore, Maryland, is a multiple common bond credit union. It serves employee groups in the Baltimore area that are academic, medical, science or research oriented. Employees of the Johns Hopkins Bayview Medical Center are one of the groups served by the FCU. The FCU currently has approximately 27,700 members and \$151,000,000 in assets.

On July 8, 2002, the FCU wrote to Region II, requesting that all employees who work on the Johns Hopkins Bayview Medical Campus (Bayview Campus) be added to the FCU's field of membership. The Bayview Campus is a 130-acre site that is owned/operated by Johns Hopkins Real Estate. It is several miles away from Johns Hopkins University campus and the Johns Hopkins Hospital, two of the employee groups served by the FCU. There are many buildings on the Bayview Campus, most of which are occupied by groups within the FCU's current field of membership (e.g. employees of the Johns Hopkins Bayview Medical Center). The FCU would like to add all employees who work on the Bayview Campus, regardless of their affiliation with any group already being served by the FCU. The FCU describes the requested group as employees that work for any employer who has a contract with Johns Hopkins Real Estate for space on its own campus. The Region II Director denied the request on July 22, 2002, because the addition of all employees who work on the Bayview Campus as one group is not consistent with current field of membership policy. The Region II Director noted in her denial that the employees of each occupational/associational group working on the Bayview Campus could be added individually to the FCU's field of membership as select group additions. However, the FCU chose to pursue an appeal of the Region II Director's denial rather than apply for select group additions. The FCU appealed the Region II Director's denial on August 14, 2002.

**Issue for appeal**

Do all of the employees of companies who have a contractual lease agreement with Johns Hopkins Real Estate and are physically on property owned by Johns Hopkins on the Bayview Campus have the requisite common bond to be added to the field of membership? As explained below, the answer is no.

**Field of membership policy and analysis**

NCUA's chartering and field of membership policy is set forth in Interpretative Ruling and Policy Statement (IRPS) 99-1, as amended by IRPS 00-1 and 02-2. This policy is set forth in the NCUA's Chartering and Field of

Membership Manual (Chartering Manual)(1). The policy provides for single common bond (occupational and associational), multiple common bond (more than one group each having a common bond of occupation or association), and community chartered federal credit unions. (Chartering Manual, ch.1, II, p. 1-1.)

Johns Hopkins FCU is a multiple common bond credit union. The FCU has set forth a definition of common bond for its own internal purposes. The FCU believes that the types of medical research, medical care, and support services provided in the specific geographic area requested for expansion (Bayview Campus) create a strong associational common bond that fits within its own definition of its multiple common bond. The FCU may be correct in its analysis that the employees it wants to serve are within its internal definition of common bond, but in order to add the group requested, NCUA field of membership policy must be followed.

#### *Multiple group expansions*

In order to expand a multiple common bond credit union, each group to be added must, among other things, have its own occupational or associational common bond. (Chartering Manual, ch.2, IV, B, 3, p. 2-34.)

#### *Associational common bond*

The requirements for associational common bond are set forth in ch.2, III, A, 1. of the Chartering Manual, (p.2-16).

A single associational federal credit union may include in its field of membership, regardless of location, all members and employees of a recognized association. A single associational common bond consists of individuals (natural persons) and/or groups (non natural persons) whose members participate in activities developing common loyalties, mutual benefits, and mutual interests.

Emphasis added.

For field of membership purposes, an association must exist in order to consider whether the group has an associational common bond. Although the FCU argues that their group has a common bond of association, there is no association in existence to which the employees belong. Clearly, there is no common bond of association as required by chartering policy because there is no association in existence.

#### *Occupational common bond*

The requirements for occupational common bond are set forth in ch.2, II, A. of the Chartering Manual, (p. 2-1). Generally, in order to add an occupational group to a multiple common bond charter, the group to be added consists of employees working for a single legal entity or closely related legal entities. The employees working on the Bayview Campus work for multiple employers and do not qualify as one select occupational group addition. Each separate employee group on the Bayview Campus could be added individually.

#### *Comparison to existing multiple group charters*

In its appeal, the FCU comments on the charters of several existing multiple common bond credit unions whose fields of membership are similar to or more expansive than the addition of all employees of the Bayview Medical Campus. However, those fields of membership were all within policy at the time they were approved. None of them justify approval of the FCU's expansion request under current policy.

## **Conclusion**

We conclude that the Region II denial of the FCU's request for field of membership expansion was made in accordance with IRPS 99-1, as amended. The select group addition of employee groups is the only permissible way to add employees of the Bayview Campus. [\(2\)](#)

## **Order**

For the reasons set forth above, it is ORDERED as follows:

The Region II Director's decision denying Johns Hopkins Federal Credit Union's request for a field of membership expansion to add all employees who work on the Johns Hopkins Bayview Medical Campus, regardless of affiliation, to its charter is upheld and the appeal is denied.

So **Ordered** this 19th day of December, 2002, by the National Credit Union Administration Board.

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Hattie Ulan

Acting Secretary, NCUA Board

1. Citations to IRPS 99-1, as amended, are to the Chartering Manual as published in February 2001, and updated by Change 1 (dated April 2001) and Change 2 (dated June 2002).
2. Currently, employee groups of 500 or less may be added through the Internet application process. The FCU should contact the Region II Office for the Internet application procedures.