

February 1, 1993

Barry Schwartz
1520 Sixth Avenue
San Diego, CA 92101-3216

Re: Voting Rights (Your January 3, 1993, Letter)

Dear Mr. Schwartz:

You have asked whether all members of a joint membership multiple-party account at a federal credit union (FCU) have the right to cast individual ballots in FCU elections. Joint owners who are within the field of membership of the FCU and have completed a membership application and paid any entrance fee are members of the FCU in their own right and are entitled to vote in FCU elections.

ANALYSIS

You describe a situation in which a joint account contains five account owners each of whom qualifies for membership and are members of an FCU according to the FCU's bylaws. You ask whether all five members are entitled to cast separate ballots for the election of the board of directors.

An FCU member must have completed a membership application, purchased (or pay the initial installment on) one share of stock, and paid any applicable entrance fee. See 12 U.S.C. 1759. In the case of joint account holders, however, the requirement for the purchase of a share is satisfied by the individual's interest in the joint account; each individual does not need to have purchased a share in a separate account. Section 5030.1.5 of the NCUA Accounting Manual, addresses this situation, stating "[i]f the joint owner is within the field of membership, that person may become a member by filling out" an application for membership "and paying the entrance fee if any. A separate individual account for each joint member is not needed."

Therefore, in your situation, each of the joint account holders is entitled to vote in the FCU board elections, as long as each joint owner is within the field of membership, filled out an application for membership, and paid any membership fees.

Sincerely,

Hattie M. Ulan
Associate General Counsel

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