

June 5, 1991

Ms. Delia Colon
Treasurer
Caribe Federal Credit Union
7th Floor
U.S. Courthouse and Federal Building
Avenida Carlos Chardon
Hato Rey, Puerto Rico 00918

Re: Reinstatement of Member (Your Letter of April 24, 1991)

Dear Ms. Colon:

You requested a legal opinion regarding whether a former member of the Caribe Federal Credit Union ("FCU") may be reinstated as a member, even though the individual is no longer in the field of membership of the FCU. Only if the FCU had adopted a "once a member, always a member" resolution and the closing of her account was solely by mistake of the FCU, could the former member be reinstated as an FCU member. Otherwise, there is no other option available for reinstatement as an FCU member, unless the individual comes within the field of membership of the FCU again.

ANALYSIS

The Standard FCU Bylaws provide:

The membership of members who are no longer within the field of membership on the day this bylaw is effective or thereafter, is terminated immediately: Provided, however, That the board may resolve that such members may retain membership if they meet certain reasonable minimum standards established by the board. NCUA Standard FCU Bylaws, Art. II, ~5.

Usually, the standard followed by most credit unions adopting a "once a member, always a member" board of director's resolution is that the member maintain a share account in the credit union, although other reasonable minimum standards may also be adopted by a board of directors.

In your letter you state that when the former member was transferred to an agency outside of the FCU's field of membership that "by an apparent misunderstanding of a former [FCU] employee" the member "was forced to close her account because 'now she does not work in an agency within our field of membership'." If the FCU had a "once a member, always a member" board of directors' resolution in effect at the time of the closing of the member's account, and the closing was a mistake of the FCU, as it appears from your letter, the NCUA would have no objection to the FCU reinstating the former member.

However, if the FCU did not have an "once a member, always a member" board of directors' resolution in effect at the time the account was closed, reinstatement as an FCU member is not possible. The adoption of an "once a member, always a member" resolution is not retroactive, and would not place a member already terminated back into the field of membership. Nor may the former member join as a secondary member under her husband's FCU membership. Your letter stated that the former member's husband and her family are secondary members. It is NCUA long-standing policy that a former member, no longer within the FCU's field of membership, may not rejoin the credit union through a secondary or derivative member. Any other interpretation would vitiate the common bond requirement for FCU membership.

Sincerely,

Hattie M. Ulan
Associate General Counsel

GC/MEC:sg
SSIC 6010
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