

January 24, 1994

Carolyn McCandless, President  
SRU Federal Credit Union  
Slippery Rock University  
Slippery Rock, PA 16057

Subject: Sponsor Liability (Your January 11, 1994, Letter)

Dear Ms. McCandless:

You have requested an opinion from this Office concerning your sponsor's ability to participate in the control of the credit union. A Federal credit union is a legal entity separate and apart from the sponsoring organization. The sponsoring organization serves as the "group possess(ing) a recognizable and appropriate common bond" and provides the initial viability to get the credit union started. See 12 C.F.R. 701.1 and Interpretative Ruling and Policy Statement 89-1 -- Chartering and Field of Membership Policy.

I hope this information is of assistance.

Sincerely,

Richard S. Schulman  
Acting Associate General Counsel

GC/RSS:bhs  
SSIC 3600  
94-0118