

**DCU Opinion Number 01-6**

**Date: August 3, 2001**

**From: Parker Cann, Director of Credit Unions**

**Subjects:**

**#1 Non-US Citizens In A Credit Union's Field of Membership May Join The Credit Union  
#2 Credit Union CUSOs May Serve Non-Member IRnet Customers, Subject to RCW  
31.12.436(8)**

**Issue #1**

Can an "undocumented" individual who is within the field of membership (FOM) of a Washington State-chartered credit union (credit union) join the credit union?

**Analysis**

Chapter 31.12 RCW and the Division's rules set forth in Title 208 WAC do not specifically address this issue. However, RCW 31.12.404 grants credit unions all the powers and authorities that federally-chartered credit unions (FCUs) had on December 31, 1993, or on a subsequent date no later than July 22, 2001.

By letter dated December 17, 1988, the Office of General Counsel confirmed that a non-citizen who is within an FCU's FOM may be a member of the FCU. I understand that the NCUA reaffirmed this opinion in February 2001. See "Guidance On Serving Undocumented Individuals," dated April 2001, by the World Council of Credit Unions (WOCCU). I have assumed that a non-US citizen is the same as an undocumented individual.

**Conclusion**

Yes, non-US citizens within a credit union's FOM may join the credit union.

**Issue #2**

Can a credit union service organization (CUSO) serve non-member IRnet customers?

**Analysis**

I understand that IRnet, or International Remittance Network, was set up by WOCCU in order to provide a safe and inexpensive method for consumers to send money to family members overseas.

Under RCW 31.12.436(8), a credit union may invest certain amounts in a CUSO whose *primary* purpose is to strengthen, advance, or provide services to:

- (a) The credit union industry; or
- (b) Credit union members.

We have determined that the term “primary,” as used in RCW 31.12.436(8), has the same meaning as the term “primarily” is defined in RCW 31.12.005(20). Consequently, we have determined that the term “primary” means over one-half.

Serving non-members may not satisfy the primary purpose test (strengthening, advancing, providing service to the industry or members). However, as long as over half of the CUSO’s overall activity satisfies this test, the CUSO may engage in other activities, such as serving non-members through *IRnet*.

**Conclusion**

Yes, a credit union’s CUSO may serve non-member *IRnet* customers as long as the CUSOs activities overall comply with the investment limits and satisfy the “primary purpose” requirements of RCW 31.12.436(8).

**Opinion index heading:      Membership/FOM: RCW 31.12.382 - .388**  
**Powers (including parity powers): RCW 31.12.402 -.408**

**Opinion index and list descriptor:**  
**Non-US Citizens In A Credit Union’s Field of Membership May Join The Credit Union;**  
**and**  
**Credit Union CUSOs May Serve Non-Member *IRnet* Customers, Subject to RCW**  
**31.12.436(8)**