BOARD ACTION MEMORANDUM

TO:	NCUA Board	**DATE:**	November 30, 2010
FROM:	Office of General Counsel	**SUBJ:**	Tri-State FCU Appeal of Region II decision to deny its application to add an association to its FOM.

ACTION REQUESTED: Board determination of an appeal by Tri-State Federal Credit Union (FCU) in which the FCU is asking the Board to reverse the Region II Director's denial of its application to add the YMCA of East Liverpool, Ohio to its field of membership (FOM).

DATE ACTION REQUESTED: December 16, 2010.

OTHER OFFICES CONSULTED: None.

BUDGET IMPACT, IF ANY: None.

RESPONSIBLE STAFF MEMBER: Sheila A. Albin, Staff Attorney, Office of General Counsel.

SUMMARY: The FCU is a multiple group credit union located in Midland, PA, which has an office and serves various employee groups in East Liverpool, Ohio. It applied to add the members of the YMCA for East Liverpool in January 2010, and Region II denied the request in February 2010 on the basis that the proposed group does not meet the common bond requirements for an associational group under the provisions of NCUA's Chartering and Field of Membership Manual. The Region subsequently denied a request for reconsideration in May 2010. In its initial denial and its denial upon reconsideration, the Region relied particularly on its finding that the proposed group is an association based primarily on a customer-client relationship.

RECOMMENDED ACTION: Board determines the requirements for common bond of association have not been met and recommend that the Region II denial be upheld and the appeal be denied and delegate to the Office of General Counsel preparation of a final decision and order for signature by the Secretary of the Board.