

October 14, 2003

Lisa Koene, Deputy Assistant Director, Asset Management  
Department of Homeland Security  
Administrative Services/Asset Management, Room 3522-10  
Washington, D.C. 20528

Re: Field of Membership Issues for Department of Homeland Security (DHS).

Dear Ms. Koene:

You have asked our opinion on the appropriate course of action for DHS to obtain credit union service for new DHS employees. A credit union currently serving employees of a so-called legacy agency, meaning an agency or division that previously was independent or part of another government department or agency but now is part of DHS, can apply to NCUA for a housekeeping amendment due to corporate restructuring to serve all DHS employees; such an amendment may be subject to a geographic limitation. Alternatively, a credit union serving employees of a legacy agency could apply for a housekeeping amendment to serve employees that, as a result of the reorganization, are now in a certain DHS division or regional office. Other credit unions, if they comply with certain legal requirements for select employee group expansions, can obtain approval from NCUA to serve all or certain DHS employees. We also note that DHS, if it wishes, could consider sponsoring its own credit union for all DHS employees.

DHS consists of 22 previously separate agencies that have been consolidated, some in whole and some in part, into one executive department to protect the United States against threats to the homeland. See Homeland Security Act of 2002, Pub. L. No. 107-296 (2002). DHS has approximately 180,000 employees located nationwide with its headquarters currently located in Washington, D.C.

Numerous, different credit unions serve employees from the 22 legacy agencies of DHS, who are now DHS employees. These credit unions serve the legacy agencies in whole or in part, and sometimes subject to geographic limitations. These credit unions can apply to NCUA for a housekeeping amendment under NCUA's corporate restructuring provisions to serve all or some DHS employees. See NCUA's Chartering and Field of Membership Manual, Interpretive Ruling and Policy Statement 03-1, pp. 2-6 and 2-31 to 2-32. While DHS and the legacy agencies are not corporations, our view is that it is appropriate to apply the principles and procedures in our corporate restructuring provisions to government agencies that merge or are reorganized because the impact on the credit unions and the sponsoring organizations is the same as far as making credit union service available for employees.

The credit unions would apply for a housekeeping amendment from NCUA's regional director where each credit union is located. *Id.* For these credit unions serving multiple groups, the credit union's service to DHS will be subject to any existing geographic limitation on current service to the legacy agency. Chartering Manual, p. 2-32.

Other multiple common bond credit unions can also apply to NCUA to serve all or part of DHS as a select employee group. These credit unions must complete the attached NCUA Form 4015, have a service facility within reasonable proximity of the group, and meet other legal requirements. 12 U.S.C. §1759(d), (f); Chartering Manual, pp. 2-27 to 2-31. The credit union would submit its application to the NCUA regional director where the credit union is located.

Finally, in reply to your questions about specific credit unions serving DHS, the credit unions should contact the NCUA regional office where the credit union is located directly for assistance on those matters. We hope that you find this information helpful. If you have any follow-up questions, feel free to call me at (703) 518-6540 or Staff Attorney Regina Metz at (703) 518-6561.

Sincerely,

Sheila A. Albin Associate General Counsel

GC/RMM:bhs

03-0821

Enclosure