

October 04, 2013

The Honorable Debbie Matz, Chairman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314-3428

Dear Ms. Matz:

The National Credit Union Administration (NCUA) in September wrote federal credit unions stating that “[i]f your credit union is advertising that anyone, without limitation, is able to become a member of your credit union, then you may be in violation of federal law and regulation.”

The American Bankers Association (ABA) has become aware that SCE Federal Credit Union (SCE) of Irwindale, California is advertising credit union membership on its website that appears to violate the spirit of NCUA’s letter.

The website states (see attachment):

“Is it easy to join the Credit Union?”

“If you’re reading this, you can join SCE FCU. You only need \$15 to open your account — \$5 goes into your savings and secures your ownership in the Credit Union, and the remaining \$10 is a tax-deductible donation to our non-profit SCE FCU Foundation.”

Stating that *if you’re reading this, you can join SCE FCU* indicates this credit union is open to anyone.

ABA requests that NCUA order SCE FCU to cease using its Foundation to process individuals for membership in the credit union. Moreover, ABA does not believe a \$10 tax-deductible donation to the credit union’s foundation meets the requirement of having a common bond.

In addition, ABA believes that NCUA should notify all federal credit unions that there needs to be a meaningful affinity and bond among members and a donation to a foundation or association does not fulfill this requirement.

In closing, as ABA becomes aware of other examples of credit unions improperly circumventing field of membership requirements, ABA will notify NCUA of these improprieties.

Sincerely,



Keith Leggett  
Vice President & Senior Economist

# Attachment

The screenshot shows a web browser window displaying the SCE FCU website. The address bar shows the URL <https://www.scefcu.org/who-is-sce-fcu>. The browser's address bar also shows [ncua.gov](http://ncua.gov) and a search bar with the text "Who is SCE FCU? | SCE Fed...". The website's navigation menu includes links for "Join Us", "Locations/ATMs", "Online Banking", "Forms/Info/Tools", "Contact Us", and "Careers". The main content area features a heading "BANKING THAT'S LESS BANKISH" and a sub-heading "It's called people powered banking". Below this, there is a list of questions and a "Join Us!" button.

**Who is SCE FCU?**

We're a financial institution owned by our members. Instead of profits going to a bunch of shareholders you don't even know, they get returned to you – in the form of great rates on savings and loans, and added conveniences. And if you thought that only people who work for Edison could join the Credit Union, that's not the case. If you're reading this, you can open an account. So [join us!](#)

- What's People Powered Banking?
- Why should I open an account?
- Are you safe and secure?
- What are your products and services?
- Is it easy to join the Credit Union?

If you're reading this, you can join SCE FCU. You only need \$15 to open your account – \$5 goes into your savings and secures your ownership in the Credit Union, and the remaining \$10 is a tax-deductible donation to our non-profit [SCE FCU Foundation](#). The Credit Union then matches that donation and helps disadvantaged youth and low-income families, offering financial education, assistance and improvement programs – all right here in the local community. So, just fill out a [membership application](#) or call us at 800.866.6474. It's that easy.

- Where are your branches and ATMs?
- How do I sign up?

[Join Us!](#)