

April 10, 2014

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

Dear Ms. Matz:

The American Bankers Association (ABA) is writing you about Quorum Federal Credit Union (Quorum).

Quorum is allowing anyone to join the credit union through an association, Select Savers Club, for the express purpose of qualifying individuals, who otherwise are ineligible for credit union membership.

Quorum's online membership application has an option "I would like to join the Select Savers Club and become a member of Quorum."

The simultaneous signing up of an individual to an association in order to make them eligible for credit union membership contradicts congressional intent that there needs to be a genuine affiliation between credit union members in order for credit unions to fulfill their public mission. Membership in Select Savers Club or any other association needs to be more than the checking of a box on a credit union's membership application.

In addition, there is evidence that Select Savers Club is no longer in existence. According to Guidestar.org, "[t]his organization has not appeared in IRS records for a number of months and may no longer exist."

ABA requests that the National Credit Union Administration order Quorum to cease the practice of allowing individuals, who are otherwise ineligible for membership, to simultaneously join the credit union by joining Select Savers Club.

Moreover, NCUA should amend its association common bond requirements by prohibiting the practice of qualifying individuals for membership in the credit union at the same time the individual joins an association.

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