



STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA



**DEFINITION OF IMMEDIATE FAMILY FOR PURPOSES OF
THE LOUISIANA CREDIT UNION LAW**

**OFI Advisory Opinion No. 9
December 3, 2009**

Purpose

This Advisory Opinion is intended to provide a definition of “immediate family” that may be adopted by state-chartered credit unions in their Bylaws pursuant to the Commissioner’s authority under LSA-R.S.6:665 of the Louisiana Credit Union Law (LCUL.)

Issue

While a definition of “immediate family” is not found in the LCUL, the Model Bylaws for state-chartered credit unions previously approved by the Commissioner in conformity with LSA-R.S. 6:641 et seq., currently define “immediate family” as any relative by blood or marriage, or foster and adopted children, grandchildren, sons-in-law, and daughters-in-law of a member. The portion that refers to "by blood or marriage" appears to be very broad and subject to interpretation.

Recently, the Commissioner has been asked to consider expanding this definition in order to broaden membership eligibility for state-chartered credit unions consistent with LSA-R.S. 6:641.1 of the LCUL which states that “It is the declared public policy of the State of Louisiana to encourage and to foster the development of credit unions under the dual chartering system of the state and federal governments. In order to carry out this policy, the Office of Financial Institutions of the State of Louisiana is authorized and requested to use its resources in the promotion and development of credit unions chartered under the laws of Louisiana.”

Analysis

The LCUL requires state-chartered credit unions to obtain the Commissioner’s written approval of their Bylaws or Bylaw amendments. Specifically, LSA-R.S. 6:665(B) provides, “No by-laws or amendments of the by-laws shall become effective, however, until approved in writing by the commissioner.”

LSA- R.S. 42:1102, paragraph 13, under the Louisiana Code of Governmental Ethics defines "Immediate family" as the term relates to a public servant means his children, the spouses of his children, his brothers and their spouses, his sisters and their spouses, his parents, his spouse, and the parents of his spouse.

The National Credit Union Administration (NCUA) defines "immediate family" as spouse, child, sibling, parent, grandparent, or grandchild. This includes stepparents, stepchildren, stepsiblings, and adoptive relationships.

In addition, OFI reviewed the laws and regulations of 21 other states that either defined "immediate family" or generally required that the field of membership be defined within the credit union's Bylaws as approved by the Commissioner or Director of the state chartering agency.

Conclusion

Consistent with his authority and responsibilities under the LCUL, the Commissioner hereby issues the following interpretation: "immediate family" as the term relates to a credit union member of a state-chartered credit union shall mean the member's spouse; parents; grandparent; the member's children; the spouses of the member's children; grandchild; the parents of his spouse; the member's brothers and their spouses; the member's sisters and their spouses; stepparents; stepchildren; stepsiblings; and adoptive relationships consistent with the previously stated relationships.

State-chartered credit unions with Bylaws previously approved by the Commissioner or based on previous versions of the Model Bylaws should review their Bylaws to see how "immediate family" is defined. If your Bylaws currently define "immediate family" as any relative by blood or marriage, the credit union should utilize the definition contained in this Advisory Opinion as the criteria for determining future member eligibility. If not, the credit union may amend its Bylaws to redefine "immediate family" consistent with this Advisory Opinion. Such amendments must be approved by the Commissioner in accordance with the LCUL.

A handwritten signature in cursive script, reading "John Ducrest", is written over a horizontal line.

John Ducrest, Commissioner
Office of Financial Institutions