



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

LS/HMU:cch  
4693

MAR 25 1985

Ms. Joan C. Rosoff  
White and Williams  
17th Floor  
1234 Market Street  
Philadelphia, PA 19107

Dear Ms. Rosoff:

This is in response to your letter of March 11, 1985, to Hattie Ulan of this Office concerning credit union service organizations (CUSO's). Specifically, you ask for our opinion as to whether a CUSO can act as a ~~title agent and sell title insurance.~~

Sections 107(5)(D) and 107(7)(I) of the Federal Credit Union Act, 12 U.S.C. §§1757(5)(D) & (7)(I), permit Federal credit unions (FCU'S) to make loans to and invest in CUSO's. Section 701.27 of the NCUA Regulations, 12 C.F.R. §701.27, governs FCU involvement in CUSO's. Pursuant to Section 701.27(b)(3), a CUSO may act "as agent for the sale of liability, casualty, automobile, life, health, accident, title and other insurance." (Emphasis added.) Therefore, as authorized by Section 701.27(b)(3), a CUSO may act as agent for the sale of title insurance.

As you may know, the NCUA Board recently proposed changes to its CUSO regulation (see 50 Fed. Reg. 4698, February 1, 1985). Although we do not anticipate a change in the permissibility of currently authorized CUSO activities, it should be noted that a change in the regulation could result in changes affecting existing CUSO operations.

We hope that we have been of assistance.

Sincerely,

STEVEN R. BISKER  
Assistant General Counsel

FOIA file: Vol. III, C, 2a. CUSOs