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MAY 2 1 1985

Stanton R. Koppel, Esq.
VISA U.S.A., Inc.
P.O. Box 8999
San Francisco, CA 94128

Dear Mr. Koppel:

This is in reply to your letter dated April 25, 1985, to
Robert Fenner concerning the authority of Federal credit unions
(FCU's) to provide Emergency Card Replacement Service to VISA
Premier cardholders. The service would be provided to members of
the FCU as well as nonmember cardholders. This program provides
a system whereby a cardholder who loses his/her card calls VISA
and arranges to pick up a replacement card at a destination close
to the cardholder, usually within 48 hours. The new card may be
delivered through an office of another issuer (financial
institution other than the one that issued the VISA card to the
cardholder). The office performs various functions to assure
that the proper person is receiving the replacement card, and is
compensated for its service pursuant to VISA rules. Your letter
refers to a prior opinion of this Office (June 26, 1984, letter
to Stanley P. Spence, Esq., Tinker Credit Union) wherein we
opined that an FCU could provide cash advances to nonmember
cardholders pursuant to the VISA Cash Advance program.

For the same reasons as stated in our June 26, 1984, letter,
it is our opinion that an FCU is authorized to provide a replace-
ment card to a nonmember cardholder. Here again is a situation
in which, pursuant to an agreement among VISA card issuers, a
service, as outlined above, is provided to eligible card-
holders. It is clear that the benefits of this service will be
available to FCU members that comply with the terms of the
program. Providing such service to nonmember cardholders under a
reciprocal type of agreement would, in our opinion, be within the
incidental powers of an FCU (12 U.S.C. §1757(15)) in providing
lines of credit (e.g., credit cards) to their members.

I hope we have been of assistance.

Sincerely,

STEVEN R. BISKER
Assistant General Counsel

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cc: All RD's