



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

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OCT 03 1985

Mr. Rick Nelson
Darryl D. Smith Company, Inc.
P.O. Box 478
Atlantic, IA 50022

Dear Mr. Nelson:

This is in reply to your letter dated August 30, 1985, to this Office concerning permissible investments for Federal credit unions (FCU's).

Sections 107(7) and (8) of the Federal Credit Union Act (12 U.S.C. §§1757(7) and (8)) and Part 703 of the National Credit Union Administration Rules and Regulations (12 C.F.R. Part 703) (copies enclosed) are the pertinent provisions of law regulating FCU investments and deposits. Although not expressly stated in these provisions, we have previously opined that investments in mutual funds or trusts are permissible for FCU's if all of the investments and investment practices of the fund or trust are legal if made directly by an FCU.

We do not maintain a list of permissible FCU investments. However, you may wish to call the NCUA Investment Hotline, (800) 424-3205, to determine whether or not a particular investment has previously been reviewed by the Agency.

I hope we have been of assistance.

Sincerely,

LSI

STEVEN R. BISKER
Assistant General Counsel

Enclosures

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