



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/YG:cch  
4650  
11/25/85

OFFICE OF GENERAL COUNSEL

Ms. Jill Arnott  
Wyoming Credit Union League, Inc.  
864 S. Spruce Street  
Casper, WY 82601

Dear Ms. Arnott:

This responds to your letter dated June 24, 1985, to Yvonne Gilmore of this Office concerning the definition of "member-borrower's residence" in Section 701.21(f)(1) of the NCUA Rules and Regulations. Specifically, you ask whether the use of that phrase in Section 701.21(f)(1) refers to primary residences only or does it also include summer or vacation residences, etc.

The use of the phrase "member-borrower's residence" in Section 701.21(f)(1) has been interpreted to mean primary or principal residence. FCU's are not permitted to make 15 year loans for summer or vacation residences under the authority of Section 701.21(f)(1). However, pursuant to the authority contained in Section 701.21(c)(4), a loan with a maturity of up to 12 years could be made to finance a summer or vacation residence. Only those loans with maturities in excess of 12 years would be restricted.

I hope we have been of assistance.

Sincerely,

(31)

STEVEN R. BISKER  
Assistant General Counsel

YG:cch

FOIA Vol I C 6