



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

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12/4/85

OFFICE OF GENERAL COUNSEL

~~Mr. George E. Meyers~~
President/Chief Executive Officer
~~Defense Credit Union Council~~
1730 Rhode Island Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Meyers:

This is in response to your letter of November 6, 1985, concerning whether ~~or not a Federal credit union (FCU) can charge a different loan interest rate at a remote branch office location than at its home office.~~

It is our opinion that an FCU would not be in violation of either the FCU Act or the NCUA Rules and Regulations by charging a different loan interest rate at a branch office than it does at its main office. However, such varying rates could potentially present problems under other Federal statutes and regulations. For example, problems of discrimination could arise under the Equal Credit Opportunity Act and its implementing regulation, Regulation B. We suggest that each FCU's loan policy be reviewed to ascertain that a legally supportable business reason exists for the disparate interest rates.

We hope that we have been of assistance. If further questions arise, please contact Hattie Ulan of this Office.

Sincerely,

STEVEN R. BISKER
Assistant General Counsel

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