



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/Amendment
4660

1/2/86

OFFICE OF GENERAL COUNSEL

Thomas J. Westerfield, Esq.
Midwest Group
Dixie Terminal Building
Cincinnati, OH 45202-3874

Dear Mr. Westerfield:

This responds to your letter dated October 14, 1985, to this Office concerning the permissibility of Federal credit union (FCU) investment in the LG U.S. Government Securities Fund (LG Fund) of the LG Investment Trust, Prospectus and Statement of Additional Information dated July 29, 1985.

You have already reviewed the pertinent provisions of the Federal Credit Union Act (Sections 107(7) and (8), 12 U.S.C. §§1757(7) and (8)) and the NCUA Rules and Regulations (Part 703, 12 C.F.R. §703) for analyzing FCU investments and deposits. We have previously interpreted these provisions as authorizing FCU investments in mutual funds if all of the investments and investment practices of the fund or trust are permissible if made directly by an FCU.

The Statement of Additional Information for the LG Fund states that, although not a fundamental policy of the Trust, investments and investment transactions will be limited to those permissible for FCU's pursuant to Sections 107(7) and (8) of the FCU Act and Part 703 of the NCUA Regulations. The Statement of Additional Information states further that if changes to this policy are made, all FCU investors will be notified.

Therefore, it is the opinion of this Office that the LG U.S. Government Securities Fund of the LG U.S. Investment Trust is a permissible investment for FCU's. This opinion letter should not be interpreted or represented as NCUA's endorsement, recommendation or approval of the Fund. It is merely our opinion

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that the investment is legal for FCU's. Any communication with Federal credit unions concerning our opinion must clearly state this distinction.

I hope we have been of assistance.

Sincerely,



STEVEN R. BISKER
Assistant General Counsel

YG/HMU:cch