



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/HMU:jrm
4650
3/13/86

Office of General Counsel

Ms. Louise Meng
Administrative Officer
Bank-Fund Staff Federal Credit Union
1818 H Street, N.W.
Washington, D.C. 20433

Dear Ms. Meng:

This is in response to your letter of January 21, 1986, concerning Section 701.21(c)(8) of the National Credit Union Administration's Rules and Regulations (12 C.F.R. 701.21(c)(8)).

Specifically, you ask about the following three situations where a Federal credit union (FCU) employee is engaged in part-time real estate sales and the:

- 1 - employee solicits business from FCU members for the purpose of listing and/or selling properties;
- 2 - employee solicits business from individuals who are not FCU members but are within the field of membership;
- 3 - employee does not solicit but coincidentally encounters a member/potential member in the course of his/her real estate business.

Section 701.21(c)(8) provides:

"A Federal credit union shall not make any loan or extend any line of credit if either directly or indirectly, any commission, fee or other compensation is to be received by any of the credit union's directors, officials, committee members or employees or any immediate family members of such individuals, for procuring or insuring the loan"
(Emphasis added.)

FOIA file: Vol. I, C, 6 Real Estate Loans
Conflicts

Ms. Louise Meng
March 13, 1986
Page Three

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

Sincerely,

151

STEVEN R. BISKER
Assistant General Counsel

HMU:jrm