



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

Office of General Counsel

Stuart M. Steinberg, Esq.  
1001 Franklin Avenue  
Garden City, NY 11530

GC/VG/ck  
11/6/86  
3/17/86

Dear Mr. Steinberg:

This responds to your letter dated February 12, 1986, concerning the permissibility of Federal credit union (FCU) investment in the Government Securities Income Fund, GNMA Series F; GNMA Series G; GNMA Series I, Prospectuses dated January 25, 1985, March 29, 1985, and October 11, 1985, respectively.

As you know, Sections 107(7) and (8) of the FCU Act, 12 U.S.C. §§1757(7) and (8), and Part 703 of the NCUA Rules and Regulations, 12 C.F.R. §703, are the pertinent provisions of Federal law regulating FCU investments and deposits. We have interpreted these provisions as authorizing FCU investment in mutual funds if all of the investments and investment practices made by the fund are permissible if made directly by an FCU.

Each of the above GNMA series invests exclusively in GNMA's and obligations issued or guaranteed by the Small Business Administration, a United States government agency. These investments are expressly authorized for FCU's by the FCU Act.

Accordingly, it is the opinion of this Office that the Government Securities Income Fund, GNMA Series F, GNMA Series G and GNMA Series I are legal investments for FCU's. This should not, however, be interpreted or represented as NCUA's endorsement, recommendation, or approval of the Fund. It is merely our opinion 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,

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STEVEN R. BISKER  
Assistant General Counsel

YG:cch

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