



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

Office of General Counsel

GC/YG:ckk
4060
4/23/86

Mr. Joseph H. Bridges
Controller
Tower Federal Credit Union
Box 123
Annapolis Junction, MD 20701

Dear Mr. Bridges:

This is in reply to your letter dated February 28, 1986, concerning the propriety of providing free travelers checks to directors of your Credit Union.

It is the opinion of this Office that the receipt of free travelers checks constitutes compensation or a fringe benefit generally associated with compensation. Further, as you have correctly pointed out in your letter, directors are prohibited from receiving compensation. Accordingly, it is a violation of Section 111(c) of the Federal Credit Union Act (12 U.S.C. §1761(c)) for directors to receive free travelers checks.

However, it would be proper, under Section 111(c), to provide free travelers checks to directors when they are traveling on official credit union business.

I hope we have been of assistance.

Sincerely,

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STEVEN R. BISKER
Assistant General Counsel

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