



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/Gicck
8000
5/6/86

Office of General Counsel

Ms. Agnes Roznovsky
Sacred Heart Parish Federal
Credit Union
211 E. 2nd Street
Hallettsville, TX 77964

Dear Ms. Roznovsky:

This is in reply to your letter dated March 12, 1986, concerning the opening of a share account for an employee profit-sharing trust and the National Credit Union Share Insurance Fund coverage for such an account.

The account for the trust may be established by executing the proper membership cards/documents and depositing funds into the account. If the profit-sharing trust is a revocable trust, the settlor must be a member in order to establish the trust account. See Article III, Section 6(a) of your FCU Bylaws. If, on the other hand, the profit-sharing trust is an irrevocable trust, then the settlor or the beneficiaries must be members. See Article III, Section 6(b) of your FCU Bylaws.

You have indicated that not all the beneficiaries are members. Thus, regardless of whether it is a revocable or irrevocable trust (you did not state whether the trust is revocable or irrevocable), the settlor must be a member in order to open an account for the profit-sharing trust at your Credit Union. Accordingly, if the settlor is a member, the trust described in your letter would be insured in the following manner. The ascertainable interests of the nine members/beneficiaries will be insured up to \$100,000 each, for a maximum of \$900,000. The interests of the remaining sixteen nonmember/beneficiaries will be added together and insured up to \$100,000 in the aggregate.

I hope we have been of assistance.

Sincerely,

151

STEVEN R. BISKER
Assistant General Counsel

1A
Vol IV, C

x-gicck