

(617) 292-1400

June 10, 1986

Steven R. Bisker, Esq.
Assistant General Counsel
National Credit Union Administration
Washington, D. C. 20456

GC/HMU:sg
4660
August 15, 1986

Re: Putnam U.S. Government Guaranteed Securities Income Trust

Dear Mr. Bisker:

Enclosed is the most recent prospectus dated February 7, 1986 for Putnam U.S. Government Guaranteed Securities Income Trust, which has been the subject of two favorable letters from you concerning its status as a permissible investment for federal credit unions. We would appreciate your confirmation of our view that the Fund continues to be a permissible investment.

No changes have been made in the substance of the updated prospectus. The investment policies and restrictions have not changed. In light of the fact that the Fund has no intention of writing covered calls, the prospectus no longer alludes to that practice.

I reconfirm the statement in my July 16, 1985 letter to Ms. Hattie Ulan of your office that the Fund does not engage in repurchase agreements with its custodian and direct your attention to the first line of page 6, which includes a limit of 120 days on forward commitments.

Please call me collect at (617) 292-1105 if I can answer any other questions about the Fund or its prospectus.

Very truly yours,

Karen R. Kay
Karen Rahnasto Kay
Vice President and Senior Attorney

KRK/jd
Enclosure

The following investment,
Putnam U.S. Gov't. Guaranteed Securities Income Trust Prospectus
is a LEGAL investment for FCU's. 2/7/86

NOT LEGAL -- not in compliance with:

_____ § _____
_____ § _____

Other _____

S. Bisker 8/15/86
STEVEN R. BISKER
Assistant General Counsel



FOIA VOL. I, E, 2