

STUART M. STEINBERG

Attorney at Law

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July 11, 1986

GC/SRB:sg  
4660

August 15, 1986

Steven R. Bisker  
Assistant General Counsel  
National Credit Union Administration  
1776 G Street, N.W.  
Washington D.C. 20456

Dear Mr. Bisker:

An analysis of the Federal Credit Union Act and the NCUA Rules and Regulations indicates that the Government Securities Income Fund (the Prospectus of which is enclosed for your convenience) is a qualified legal investment for F.C.U.s. Sections 107(7) and (8) of the Federal Credit Union Act (12 U.S.C. Section 175(7) and (8)) and Part 703 of the NCUA Rules and Regulations (12 C.F.R. Part 703) are the pertinent provisions of Federal law regulating F.C.U. investments and deposits. Investments in mutual funds or trusts are legal for F.C.U.s if all of the investments of the fund or trust are legal investments, if made directly by a F.C.U. The Government Securities Income Fund invests exclusively in residential mortgages guaranteed by the Federal Home Loan Mortgage Corporation (FHLMC) or (FREDDIE MAC). These investments are expressly authorized for F.C.U.s by Section 107(7) (e) of the Federal Credit Union Act (12 U.S.C. Section 175(E)), thus indicating that the Government Securities Income Fund is a legal investment.

Based on the above analysis, I request that the National Credit Union Administration Agency confirm this opinion. If you have questions with respect to the foregoing, please do not hesitate to contact the undersigned. Thank you for your prompt attention to this matter.

Very truly yours,

The following investment,

GSIF - Freddie Mac Series

Prim. Prospectus dated 7/15/86

Stuart M. Steinberg

is a LEGAL investment for FCU's.

NOT LEGAL -- not in compliance with:

\_\_\_\_\_ § \_\_\_\_\_

\_\_\_\_\_ § \_\_\_\_\_

Other \_\_\_\_\_



STEVEN R. BISKER  
Assistant General Counsel

SMS:gb  
Enclosure

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