



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

July 21, 1986

GC/YG:sg
4675

Office of General Counsel

Mary A. Novinski, Esq.
Sidley & Austin
One First National Plaza
Chicago, IL 60603

Dear Ms. Novinski:

This responds to your letter dated March 27, 1986, concerning the offering of a sweepstakes promotion in conjunction with the sale of traveler's checks at Federal credit unions (FCU's).

The proposed sweepstakes promotion consists of two parts: a consumer promotion and a teller promotion. No purchase or transaction is required to participate in either promotion. Entry blanks may be obtained by written request.

Participation in a sweepstakes program is authorized as incidental to an FCU's power to sell traveler's checks. Accordingly, FCU participation is within the discretion of an FCU's board of directors. We recommend, however, that you consider other state or Federal laws that may be applicable to such promotions. As you recognize, to the extent that the program would violate state laws, i.e. lottery laws, etc., FCU participation would not be permitted.

I hope we have been of assistance.

Sincerely,

151

STEVEN R. BISKER
Assistant General Counsel

YG:cch