

SHEREFF, FRIEDMAN, HOFFMAN & GOODMAN

919 THIRD AVENUE • NEW YORK 10022

(212) 758-9500

CABLE: SHERFRIED TELEX: 237328  
TELECOPIER: (212) 758-9526 AND (212) 308-4519

JOSEPH F. DONLEY  
STANLEY J. FRIEDMAN  
JOEL H. GOLDBERG  
RICHARD A. GOLDBERG  
EDWARD H. GOLDNER  
LAWRENCE G. GOODMAN  
DON D. GRUBMAN  
ALAN M. HOFFMAN  
JEFFREY HOFFMAN  
ROBERT J. JOSSEN  
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GEORGE W. KAUFMAN  
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JEROME MARSHAK  
MARTIN NUSSBAUM  
RICHARD S. ROTHBERG  
VICTORIA E. SCHONFELD  
HENRY D. SHEREFF  
RICHARD D. WEINBERG  
HOWARD R. DRESSNER  
COUNSEL

GERALD ADLER  
DIANE L. BODENSTEIN  
MARK O. CHRISTAL  
FREDDA COHEN  
JUDITH COULSTON  
ALYSON S. CUMMINGS  
DOUGLAS H. DANIELS  
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NINA D. RUFFINI  
SIMON SCHNEZBALG  
STEVEN F. SEIDENBERG  
JEFFREY S. SHERMAN  
WALTER SIEGEL  
GAIL A. SONNENSCHNEIN  
SHARI STEINBERG  
GREGORY K. TODD  
CHARLES I. WEISSMAN

July 22, 1986

BY FEDERAL EXPRESS

National Credit Union Administration  
1776 G Street, N.W.  
Washington, D.C. 20046  
Attention: General Counsel

GC/HMU:sg  
4660  
August 6, 1986

Gentlemen:

On behalf of Neuberger & Berman Government Money Fund, Inc. (the "Fund"), we hereby request your concurrence in our conclusion that the purchase of shares of capital stock of the Fund by a Federal credit union organized pursuant to the Federal Credit Union Act, 12 U.S.C. §1751 et. seq. (the "Act"), constitutes a legal investment under the Act.

The Fund is an open-end investment company -- i.e., a mutual fund -- which is registered and regulated under the Investment Company Act and the shares of which are registered under the Securities Act of 1933. The Fund offers its shares to the public pursuant to its Prospectus and Statement of Additional Information, copies of which are enclosed for your review.

The Act permits credit unions to invest in, among other things, "obligations of the United States of America, or securities fully guaranteed as to principal and interest thereby" (12 U.S.C. §1757(7)(B)). Page 3 of the Fund's current Prospectus establishes that the Fund's permitted investments fall within this category under the Act. It states that the Fund may invest in 1) direct obligations of the U.S. Treasury (e.g., bills, notes, bonds and other such debt securities); and 2) securities backed by the full faith and credit of the U.S. Government (e.g., securities issued by government agencies such as Government National Mortgage Association, General Services Administration, Farmers Home Administration and Small Business Administration, in each case backed by the full faith and credit of the U.S. Government). When the Fund invests in direct obligations of the U.S. Treasury, such investments clearly constitute "obligations of the United States of America" under the Act. Further,

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investments by the Fund in securities backed by the full faith and credit of the U.S. Government constitute "securities fully guaranteed as to principal and interest thereby" under the Act. Therefore, a purchase of Fund shares by a credit union would, in essence, produce an investment legally permitted under the Act.

We emphasize that the Fund invests only in the limited types of securities described above. The Fund does not enter into repurchase or reverse repurchase transactions and does not engage in any of the "prohibited activities" described in the regulations promulgated pursuant to the Act (17 C.F.R. §703.4). We have also been advised by representatives of the Fund that all securities transactions on behalf of the Fund are settled within 7 days of the trade date and that the Fund does not engage in transactions resulting in delayed deliveries of securities.

On the basis of the foregoing, we respectfully request your concurrence in our conclusion that the purchase of shares of capital stock of the Fund by a Federal credit union organized pursuant to the Act constitutes a legal investment under the Act.

If you have any questions or would like further information regarding this request, please feel free to call me collect at (212) 758-9500 ext. 318.

Sincerely,


*Douglas H. Daniels*  
Douglas H. Daniels

Enclosures

The following investment,  
Neubinger + Brown Govt Money Fund  
(Fidelity - 5-1-86 - 4000)  
 is a LEGAL investment for FCU's.

NOT LEGAL -- not in compliance with:  
 \_\_\_\_\_ § \_\_\_\_\_  
 \_\_\_\_\_ § \_\_\_\_\_

Other \_\_\_\_\_

 *St. Bisker 8/6/86*  
 STEVEN R. BISKER  
 Assistant General Counsel