



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

October 20, 1986

GC/YG:sg
4660A

Office of General Counsel

Mr. Ray E. Knerr
Bluebonnet Federal Credit Union
P.O. Box 2100
Houston, Texas 77252

Dear Mr. Knerr:

This replies to your letter dated August 14, 1986, to this Office concerning the permissibility of Federal credit union (FCU) participation in the FAIC Securities Inc., (FAIC) program.

The July 12, 1983, opinion you enclosed with your letter analyzes FCU participation with FAIC as it relates to the "itself" requirement of a prior version of Section 703.1(a)(1), of the NCUA Rules and Regulations, 12 C.F.R. §703.1(a)(1). This provision of Part 703 has since been deleted from the NCUA regulations. Accordingly, the discussion of the "itself" requirement is no longer applicable.

With respect to the remainder of the July 12, 1983, opinion, there is insufficient information provided in your letter and enclosures for this Office to make a determination as to whether there are any circumstances which would result in this Office reaching an opinion different from that of the July 12, 1983, opinion. If you still desire an opinion from this Office concerning FAIC, you must provide this Office with detailed information and analysis describing the program. Only then can we concur with the July 12, 1983, opinion or state our present objections to the program.

Please contact me at (202) 357-1030 if you have further questions.

Sincerely,

A handwritten signature in cursive script, appearing to read 'S. Bisker'.

STEVEN R. BISKER
Assistant General Counsel

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