

Merrill Lynch
Asset Management, Inc.

Administrative Offices
800 Scudders Mill Road
Plainsboro, New Jersey 08536
609 282 2000

Mailing address:
Post Office Box 9011
Princeton, New Jersey 08543-9011



GC/SRB:sg
4660

November 20, 1986

November 17, 1986

Ms. Hattie Ulan
National Credit Union Administration
1776 G Street, N.W.
Washington, D.C. 20546

Re: Merrill Lynch Institutional Intermediate Fund

Dear Ms. Ulan:

In accordance with our conversation, I am writing to confirm that Merrill Lynch Institutional Intermediate Fund (the "Fund") will invest only in those assets in which federal credit unions are permitted to invest. In particular, the Fund will purchase government obligations only if such obligations are issued or fully guaranteed as to interest and principals by the U.S. Government or an agency of the U.S. Government, and the Fund will invest in bank obligations only if such obligations are issued by an institution whose accounts are insured by the FDIC or FSLIC.

The Fund would like to obtain a copy of your opinion at the earliest possible time. Therefore, I request that you call me at (609) 282-2026 when the opinion has been prepared in order that I may arrange for a messenger to pick it up and deliver it to Fund Counsel's Washington, D.C. office.

Thank you for your prompt attention.

Very truly yours,

Barbara G. Fraser

Barbara G. Fraser

The following investment,
Merrill Lynch Institutional Intermediate
Fund, Prospectus dtd. 11/4/86
is a LEGAL investment for FCU's.

NOT LEGAL -- not in compliance with:

_____ § _____
_____ § _____

Other _____



Steven R. Bisker 11/20/86

STEVEN R. BISKER
Assistant General Counsel

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