



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

December 11, 1986

Office of General Counsel

GC/SRB.sg  
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Mr. Scotty Broome  
Keesler Federal Credit Union  
P.O. Box 5369  
Keesler AFB, MS 39534

Dear Mr. Broome:

This responds to your latest letter and is a follow-up to our telephone conversations concerning clarification of the Merrill Lynch Asset Management (MLAM) Program.

This Office previously addressed the MLAM Program in a letter to you dated July 29, 1986. The July 29 opinion noted that there was insufficient information provided in the investment guidelines to determine whether the MLAM investments and investment activities were in compliance with the Federal Credit Union (FCU) Act and the NCUA Rules and Regulations. We have received a revised copy of the "Suggested Investment Guidelines - Kessler Federal Credit Union", which, for the most part, satisfy the concerns expressed in our July 29 opinion. However the "Suggested Investment Guidelines" at paragraph 5. refers to "Approved investments." As you know, NCUA does not approve investments. NCUA merely expresses its opinion as to the legality of a particular investment for FCU investment purposes.

In conclusion, while the "Suggested Investment Guidelines" generally appear to be acceptable to us, as previously noted, we cannot provide you with an opinion with respect to the overall propriety of the MLAM Program. You or your counsel need to make the final determination.

I hope we have been of assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read 'S. Bisk'.

STEVEN R. BISKER  
Assistant General Counsel

SRB:sg