



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

December 24, 1986

Office of General Counsel

GC/HMU:sg  
4660

Mr. Ralph Fishman  
Vice President - Investments  
A.G Edwards & Sons, Inc.  
372 Washington Street  
Wellesley Hills, MA 02181

Dear Mr. Fishman:

This is in response to your letter concerning an institution holding certificates of deposit as nominee for a Federal credit union (FCU).

In general, such an arrangement is not illegal for a Federal credit union if the certificate of deposit is with an institution in which the FCU can invest. (See Section 107(8) of the FCU Act, 12 U.S.C. 1757(8).) We reach no conclusion as to the legality or safety and soundness of the particular program described in the attachments to your letter. Any agreement entered into by an FCU should be evaluated as to its safety and soundness by the FCU board of directors and to its legality by the FCU's counsel, if necessary.

I hope that we have been of assistance.

Sincerely,

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

STEVEN R. BISKER  
Assistant General Counsel

HMU:sg