



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/HMU:sg  
4660

TO: Director Office of Examination and Insurance  
D. Michael Riley

FROM: Assistant General Counsel  
Steven R. Bisker *SRB*

SUBJ: Taxable Municipal Bonds

DATE: February 13, 1987

This is in response to your memorandum concerning the permissibility of FCU investment in the El Paso Housing Finance Corporation Securitized MultiFamily Housing Revenue Bonds, Series 1986A, Preliminary Statement dated September 29, 1986 ("Revenue Bonds").

We agree with your conclusion that the Revenue Bonds are a permissible investment for FCU's pursuant to Section 107(7)(K) of the FCU Act. The Revenue Bonds are an issuance of an instrumentality (El Paso Housing Finance Corporation) of the City of El Paso pursuant to Texas State law. Section 107(7)(K) limits FCU investments in such issuances to 10 percent of the FCU's unimpaired capital and surplus.

We also note that the document describing the issuance submitted with your memorandum is a preliminary statement only and is subject to change. Based on the preliminary statement, the Revenue Bonds are a permissible investment.