



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

GC/SRB:sg
4660

MEMO

TO: Regional Director, Region II (Captial)
Harvey J. Baine III

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

SUBJ: West Virginia Restricted Consolidated Fund

DATE: April 6, 1987

This is in reply to your March 10, 1987, memorandum concerning the subject investment. Our August 25, 1986, opinion was based on the information provided by the State of West Virginia. In reliance on the current information provided in your memorandum that the Fund engages in, or has the authority to engage in, practices such as short selling, letter repo's and future option contracts, it is now our opinion that the Fund is not a permissible investment for FCU's. These practices are in contravention of Section 703.3(d) (letter repo's would be loans to nonmembers), Section 703.4(b) (futures), and Section 703.4(d) (short sale).

Please notify West Virginia FCU's accordingly.

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