



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456  
January 5, 1988

GC/JT.sg  
3500

Office of General Counsel

Mr. W.F. Broxterman  
President  
California Credit Union League  
2350 South Garey Avenue  
Pomona, California 91766

Re: Requirement of CPA Audit Reports for CUSO's (Your  
October 19, 1987, Letter)

Dear Mr. Broxterman:

We have reviewed your proposal that Section 701.27 be amended to permit Federal credit unions (FCU's) to receive non-CPA audit reports from CUSO's. Requiring an FCU to receive from its CUSO an annual CPA audit might perhaps be more restrictive than needed in some circumstances, depending upon the size of the CUSO, the extent of the CUSO's activities, and the amount of the FCU's investment. We plan to present a proposal on this matter to the NCUA Board in early 1988.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Timothy P. McCollum'.

TIMOTHY P. MCCOLLUM  
Assistant General Counsel

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