



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/RD:sg
4700

January 15, 1988

Office of General Counsel

Walter H. Hotz, Esq.
Hotz and Associates, P.C.
Suite 150
11 La Vista Perimeter Office Park
Tucker, Georgia 30084

Re: Trust Account Insurance Coverage Requirements (Your
November 4, 1987, Letter)

Dear Mr. Hotz:

You requested our opinion as to whether an irrevocable trust signature card must contain the name of the settlor. We conclude that the account signature card need only be executed by the trustee indicating the fiduciary capacity of the trustee. You also inquire as to whether the credit union's records must actually contain the name of the settlor. We conclude that the records of the credit union must at least unmistakably identify the settlor.

Part 745, Appendix G, imposes the following recordkeeping requirements for insurance coverage of trust accounts:

In connection with each trust account, the credit union's records must indicate the name of both the settlor and the trustee of the trust and must contain an account signature card executed by the trustee indicating the fiduciary capacity of the trustee. In addition, the interests of the beneficiaries under the trust must be ascertainable from the records of either the credit union or the trustee, and the settlor or beneficiary must be a member of the credit union.

You are correct in suggesting the only signature required on the trust account signature card be that of the trustee, with an indication of the fiduciary capacity of the trustee; no other name or execution is required on the trust account signature card itself.

FOIA Vol. II Part I Signatures Card I.D. of Settlor

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The credit union's records, however, must "indicate" the name of the settlor. We cannot say at this point that only setting out the settlor's name will be sufficient. But any other "indication" in a credit union's records will have to provide evidence of the settlor's identity which is at least as unmistakable as the person's name. Interested parties in a trust account where a settlor's identity is "indicated" by other than setting forth the person's name are at risk that the account is not insured as a trust account under 12 C.F.R. 8745.9-1.

Sincerely,



TIMOTHY P. McCOLLUM
Assistant General Counsel

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