



GC/RD:sg
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NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

February 9, 1988

Office of General Counsel

Mr. Geoffrey Chao,
Assistant Vice President
American Asian Bank
9430 Wilshire Blvd.
Beverly Hills, California 90212

Dear Mr. Chao:

David Satinover, Chief Executive Officer of Air Lift Equipment Corporation, has asked that we provide the following information in connection with Air Lift's pledging a share certificate issued by a Federal Credit Union as collateral for a short term loan:

- (1) NCUA is an independent agency of the U.S. Government. (See 12 U.S.C. §1751a).
- (2) NCUA protects insured accounts in the event of failure due to insolvency or bankruptcy up to \$100,000. per account. (See 12 U.S.C. §1787).
- (3) All Federal credit unions are insured by NCUA. (See 12 U.S.C. §1781).
- (4) In the event of failure, NCUA comes in, verifies deposits, etc., and "as soon as possible" (usually within three weeks) issues a check to the insured account holder. (See 12 U.S.C. §1787(C)(1)).

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy P. McCollum'.

Timothy P. McCollum
ASSISTANT GENERAL COUNSEL

FOIA - Vol. IV, Part A (1) Ins. coverage