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NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

March 14, 1988

Office of General Counsel

Ms. Virginia Thompson
Manager
El Reno (R.I.L.) Credit Union -- Rock Island Employees
P.O. Box 344
El Reno, OK 73036

Re: Insurance Coverage of Joint Accounts (Your December 7,
1987, Letter)

Dear Ms. Thompson:

You have asked how NCUA insurance covers individual, joint, and testamentary accounts. Though we are unsure of the exact nature of your question, we provide this general guidance:

1. All funds of an individual deposited in his or her own name or through an agent are added together and insured up a total of to \$100,000, no matter how many different accounts he or she establishes individually. 12 C.F.R. §745.3(a).
2. Joint accounts are insured separately from individual, trust and other kinds of accounts. "All joint accounts owned by the same combination of individuals" -- regardless of the order in which the names appear -- "shall be added together and insured up to 100,000 in the aggregate." 12 C.F.R. §745.8(d).
3. If a depositor establishes a testamentary account with spouse, child, or grandchild as beneficiary, the beneficiaries are insured up to \$100,000 for all accounts established by the depositor for that person, separate and apart from any individual account the beneficiary may have in the credit union. If the depositor establishes a testamentary account with some other beneficiary, the funds so deposited are added to the amount in his or her individual accounts and insured up to \$100,000. 12 C.F.R. §745.4.

Here is an example of how a family of three might obtain \$1,200,000 in insured funds at one credit union:

FCIA - Vol. IV Part C
Insurance Coverage

Ms. Virginia Thompson
March 14, 1988
Page Two

Individual accounts

Father	\$100,000
Mother	100,000
Child	100,000

Joint accounts

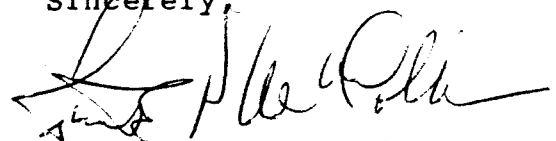
Father and Mother	100,000
Father and Child	100,000
Mother and Child	100,000

Testamentary accounts

Father in trust for Mother	100,000
Mother in trust for Father	100,000
Father in trust for Child	100,000
Mother in trust for Child	100,000
Child in trust for Father	100,000
Child in trust for Mother	100,000
	<u>\$1,200,000</u>

Enclosed for further study are copies of: (1) Part 745 of NCUA's Rules and Regulations, dealing with NCUA insurance; (2) the Appendix to Part 745; and (3) NCUA brochure "Your Insured Funds." Please note that Section 745.13 of NCUA's Rules and Regulations [12 C.F.R. §745.13] requires federally-insured credit unions to maintain copies of at least one of these documents in the main and each of the branch offices, and to make copies available to depositors on request.

Sincerely,



TIMOTHY P. MCCOLLUM
Assistant General Counsel

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Enclosures