



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

April 15, 1988

GC/TPM:sg  
8000

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 7303

Re: Insurance Coverage of Testamentary Accounts (Your  
December 7, 1987, Letter) (Our March 14, 1988,  
Response)

We made a mistake in our response to your inquiry. Under Section 745.4 of NCUA's Rules and Regulations [12 C.F.R. §745.4] a separately insured testamentary account can only be established for the benefit of the fund owner's "spouse, child, or grandchild." A child could not establish a separately insured testamentary account for the benefit of a parent. The child could, however, accomplish much the same thing through an irrevocable trust account under Section 745.9-1 [12 C.F.R. §745.9-1].

Sincerely,

TIMOTHY P. MCCOLLUM  
Assistant General Counsel

TPM:sg

FOIA IV (c)