



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

GC/JT:sg
SSIC 3320
89-0727A

September 12, 1989

Office of General Counsel

Mr. G. Edward Phillips
Oklahoma Corporate Credit Union
P.O. Box 702297
Tulsa, Oklahoma 74170

Re: UCC-1 Security Forms

Dear Mr. Phillips:

NCUA's Region V Office has asked that this Office respond to your letter dated July 11, 1989, regarding the filing of UCC-1s. As we understand it, an NCUA examiner suggested that Oklahoma Corporate Credit Union (OK Corp) file UCC-1s to perfect its security interests. Your attorney has opined that it is unnecessary to file UCC-1s to perfect a security interest in certain types of collateral. Instead, possession of certain collateral is necessary for perfection.

The method of perfecting a security interest is one that is controlled by state law and is generally not an issue that will be addressed by this Office. As discussed in your attorney's opinion, the method of perfection will depend on the type of collateral involved. During the examination of a corporate credit union, the NCUA examiner will need to make a determination as to whether the corporate credit union's security interests are properly perfected. This is most easily accomplished through an opinion from the credit union's attorney addressing the perfection issue.

Your attorney has provided an opinion discussing the perfection of OK Corp's security interests. The opinion is sufficient to satisfy the examiner's inquiry.

Sincerely,

A handwritten signature in cursive script that reads "Hattie M. Ulan".

HATTIE M. ULAN
Assistant General Counsel

(b) Federally-insured state credit unions may include additional language in the notice and ballot regarding state requirements for mergers, where appropriate.

[FR Doc. 86-27018 Filed 12-01-86; 8:45 am]
BILLING CODE 7535-01-M

12 CFR Part 744

Payout Priorities for Involuntary Liquidation of Federally-insured Credit Unions

AGENCY: National Credit Union Administration.

ACTION: Proposed rule; withdrawal.

SUMMARY: The National Credit Union Administration is withdrawing its proposed rule to change the manner in which it makes payouts as the liquidating agent of federally-insured credit unions. The Board has determined that the proposed change is no longer necessary. Therefore, there will be no change in the payout priority schedule used to distribute a liquidating credit union's assets.

EFFECTIVE DATE: November 26, 1986.

FOR FURTHER INFORMATION CONTACT: James J. Engel, Deputy General Counsel, 1776 G Street, NW., Washington, DC 20456. Telephone (202) 357-1030.

SUPPLEMENTARY INFORMATION:

Background

On November 21, 1983, (48 FR 52588) the Board issued a proposed rule, adding a new Part 744 to 12 CFR, that would change the payout priority schedule followed by the Board, when acting as liquidating agent, in distributing the assets of a federally-insured credit union to creditors and other parties having claims against the liquidating credit union. The Board had previously issued the payout priority change as Interpretive Ruling and Policy Statement (IRIS) 82-2 (47 FR 18122, April 28, 1982), which was vacated October 25, 1983, by court order for failure to comply with the notice and comment requirements of the Administrative Procedure Act (APA) (5 U.S.C. 553). The Board, therefore, issued the proposed rule in compliance with the APA. The final comment period expired on July 20, 1984.

The most significant change in the proposal was to place credit union members/shareholders (and thus the National Credit Union Share Insurance Fund, to the extent it makes share payouts and assumes the members' claims) on equal footing with unsecured creditors. Under current payout priorities, shareholders' claims are subordinate to unsecured creditors.

Thirty-four comments were submitted on the proposal: 10 commenters supported the change; 22 commenters were opposed. Those opposed argued, among other things, that the proposal would increase borrowing costs for credit unions. Two commenters stated no position but raised tangential issues.

The Board took no final action on the proposed rule. Instead, efforts were directed at strengthening the National Credit Union Share Insurance Fund (NCUSIF) through increased supervisory and administrative efforts and through legislation providing for credit union capitalization of the NCUSIF, which was enacted July 18, 1984 (Pub. L. 98-369). The Board has now determined that, due to Agency programs and activities and the capitalization of the NCUSIF, the proposed change to the payout priority schedule is unnecessary and should be withdrawn. The schedule for Federal credit union involuntary liquidation payout priorities is set forth in NCUA's Involuntary Liquidation Manual for Federal Credit Unions. That manual is being revised and will be published in the near future. The schedule is as follows:

- a. Secured creditors to the value of their collateral (in actuality, secured creditors are satisfied up to that extent before priority comes into play);
 - b. Costs and expenses of liquidation;
 - c. Wages due employees of the FCU;
 - d. Costs and expenses incurred by creditors in successfully opposing release of the FCU from certain debts;
 - e. Taxes legally due and owing to the United States or any state or subdivision thereof;
 - f. Debts due and owing to the United States, including NCUA;
 - g. General creditors and secured creditors to the extent that their claims exceed their security interest;
 - h. Members to the extent of uninsured shares and the National Credit Union Share Insurance Fund ("NCUSIF").
- In the case of federally-insured state-chartered credit unions, priorities will continue to be determined in accordance with the applicable provisions of state law.

Accordingly, the proposal to add a new Part 744 to 12 CFR is withdrawn.

By the National Credit Union Administration Board on November 20, 1986.

Rosemary Brady,
Secretary of the Board.

[FR Doc. 86-27019 Filed 12-1-86; 8:45 am]
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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

(Docket No. 86-ANE-13)

Airworthiness Directives; CFM International CFM56-3/-3B Turbofan Engines

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes to amend an existing airworthiness directive (AD) to require installation of a riveted oil distributor which removes the requirement for inspection of the oil distributor and spirolock. The proposed amendment would amend AD 86-08-05 R1, Amendment 39-5339 (51 FR 24811), which requires inspection of the transfer gearbox for radial driveshaft oil distributor looseness and condition of the spirolock. The proposed amendment is needed to provide a permanent fix for oil distributor looseness and eliminate the need for repetitive inspections of the oil distributor and spirolock, reducing the risk of radial driveshaft disengagement which could result in an engine shutdown.

DATES: Comments must be received on or before February 12, 1987.

ADDRESSES: Comments on the proposal may be mailed in duplicate to: Federal Aviation Administration, New England Region, Office of the Regional Counsel, Attn: Rules Docket Number 86-ANE-13, 12 New England Executive Park, Burlington, Massachusetts 01803.

or delivered in duplicate to Room 311 at the above address.

Comments delivered must be marked: "Docket Number 86-ANE-13".

Comments may be inspected at the New England Region, Office of the Regional Counsel, Room 311, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

The applicable service bulletin (SB) may be obtained from CFM International, 1 Neumann Way, Cincinnati, Ohio 45215.

A copy of the SB is contained in Rules Docket Number 86-ANE-13, in the Office of the Regional Counsel, Federal Aviation Administration, New England Region, 12 New England Executive Park, Burlington, Massachusetts 01803.

FOR FURTHER INFORMATION CONTACT: Gordon Vertescher, Engine Certification Branch, ANE-142, Engine Certification