



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

July 25, 1990

Mr. John J. Haley
216 Morris Avenue
South Plainfield, NJ 07080-4746

Re: Mortgage regulation (Your letter of July 18, 1990)

Dear Mr. Haley:

Chairman Jepsen asked that we respond to your letter concerning mortgage regulations. Your credit union has notified you that, pursuant to a change in government regulations, your mortgage payments will now be applied to escrow first, interest second, and principal last. The National Credit Union Administration has no regulations governing the application of mortgage payments. The "government regulation" referred to in the credit union's letter to you may be a requirement of a government authority guaranteeing your mortgage.

You told me in a telephone conversation that you do not wish to pursue the matter further with us at this time. Please to not hesitate to contact us if further questions arise.

Sincerely,

Hattie M. Ulan

Hattie M. Ulan
Associate General Counsel

GC/HMU:sg
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