



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

August 31, 1990

Mr. John Cipriano  
105 Carver Street  
Waterbury, CT 06708

Re: Bidding on Property (Your June 11, 1990, Letter)

Dear Mr. Cipriano:

You have asked whether it is permissible for a federal credit union ("FCU") to bid at a foreclosure sale on a piece of property on which they have a lien. There is nothing in the FCU Act or NCUA Rules and Regulations prohibiting an FCU from engaging in such activity. We view this as part of the collection process on a defaulted loan. In many cases, it would be sound business practice for an FCU to bid on such property. Please feel free to contact us if you have any further questions in this area.

Sincerely,

HATTIE M. ULAN  
Associate General Counsel

GC/MM:sg  
SSIC 3501  
90-0627

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C, 13 Collection Procedures