



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

June 4, 1991

Tom P. Johnson
Loan Manager
Fort Jackson Federal Credit Union
Fort Jackson, SC 29207

Re: Regulation B (Your April 16, 1991, Letter)

Dear Mr. Johnson:

You have attached a copy of our January 29, 1991, letter to Gary Greenwald, in which we stated that a federal credit union could offer a package of special services to members aged 50 and older as long as the services did not include extensions of credit. You have asked about the permissibility of a seniors program for members aged 55 and older which includes a discount on all collateralized loans.

Regulation B prohibits discrimination in extensions of credit on a number of bases, including age. See 12 C.F.R. Part 202. Reg B also states, however, that a creditor may consider the age of an elderly applicant when such age is used to favor the applicant in the extension of credit. See 12 C.F.R. §202.6(b)(2). The Federal Reserve Board, which issues official interpretations of Reg B, has determined that a credit program that offers more favorable terms to applicants aged 62 and older is permissible. Your program, which offers more favorable credit terms to individuals under age 62, is impermissible. If you raised your age limit to 62, it appears that you would be in compliance with Reg B.

Sincerely,

Hattie M. Ulan

Hattie M. Ulan
Associate General Counsel

GC/LH:sg
SSIC 3228
91-0432

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