



NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

March 19, 1992

William M. Klewin  
Associate General Counsel  
CUNA Mutual Insurance Group  
P.O. Box 391  
Madison, Wisconsin 53701-0391

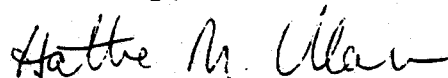
Re: Loanliner Home Equity System (Your January 31,  
1992, Letter)

Dear Mr. Klewin:

In a letter to Timothy Hornbrook, Director, Department of Supervision, Office of Examination and Insurance, you requested a nonaction letter for CUNA mutual concerning certain provisions of the Loanliner Home Equity system ("Loanliner"). You also requested a general review of the Loanliner documents. The Office of Examination and Insurance had no specific problems with the package submitted. Mr. Hornbrook requested that our office also review and respond to your request. NCUA does not normally issue nonaction letters or review loan forms. However, this office has reviewed the Loanliner documents you provided us for legal sufficiency.

Although a cursory review of the documents you provided us did not reveal any apparent violations of the FCU Act or NCUA's Rules and Regulations, it is the responsibility of each credit union contracting with CUNA Mutual Insurance Group to review the Loanliner program to ensure conformance with any applicable state and federal laws. We strongly recommend that any credit union considering using the Loanliner documentation to consult with its own attorney or otherwise assure itself of the legality of the documentation of the Loanliner program.

Sincerely,



Hattie M. Ulan  
Associate General Counsel

cc: Timothy Honbrook  
Examination and Insurance

GC/MM:sg  
SSIC 3501  
92-0305

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