

May 2, 2006

Guy A. Messick
The Madison Building
108 Chesley Drive
Media, Pennsylvania 19063-1712

Re: Clarification of OGC Opinion Letter 05-1018 (November 23, 2005).

Dear Mr. Messick:

You asked for a clarification of OGC Opinion Letter 05-1018 (November 23, 2005) (available on the web at www.ncua.gov). The referenced letter addressed whether a real-estate brokerage credit union service organization (CUSO) could purchase an equity interest in a non-CUSO title insurance agency. We concluded the CUSO could not make this investment because the facts presented indicated the investment was not necessary to obtain services or to receive a price reduction from the non-CUSO service provider. The November letter only concerns investments by CUSOs in a non-CUSO service provider. It does not address investments by credit unions in CUSOs.

A federal credit union (FCU) may invest in a CUSO whose owners include parties that are not credit unions. The CUSO must primarily serve credit unions, the investing credit union's membership, or the membership of credit unions contracting with the CUSO. 12 C.F.R. §§ 712.2(b) and 712.3(b).

Please contact Staff Attorney Linda Dent or me if you have any questions.

Sincerely,

/S/

Sheila A. Albin
Associate General Counsel

GC/LKD:bhs
06-0436