November 1, 2007

Joshua Floum, General Counsel
Visa Inc.
P.O. Box 8999
San Francisco, CA 94119

Re: Receipt by Federal Credit Unions of Stock in Visa, Inc.

Dear Mr. Floum:

Visa Inc. recently announced completion of a restructuring that will result in Visa Inc. issuing common stock to members of Visa U.S.A., including credit unions. In the prospectus associated with this issuance of stock, Visa has stated "we expect that federal or state-chartered credit unions may be required to seek the advice of their relevant federal and state regulators in connection with the receipt and holding of our common stock." Visa Proxy-Statement Prospectus, dated June 22, 2007, at p.28.

This statement has likely prompted, at least in part, the inquiries the Office of General Counsel at the National Credit Union Administration has received regarding the permissibility of federal credit unions (FCUs) receiving the stock. Given our understanding of the stock issuance, which is based on our review of the prospectus and discussion with Visa staff, we conclude FCUs may receive and retain the Visa stock because it is a by-product of lending, a permissible activity for FCUs, and does not require FCUs to invest in an otherwise impermissible investment.

Summary of Transaction

Visa U.S.A. will become a subsidiary of Visa Inc. as part of a restructuring and its members will receive stock in Visa Inc. calculated on the basis of fees a member has generated in the past. Members will not compensate Visa Inc. for the stock, will receive the stock without taking any further action, and no cash or other rewards to members are available in lieu of the stock.

Analysis

Generally, the Federal Credit Union Act does not authorize FCUs to invest in the stock of companies other than credit union service organizations (CUSOs), and Visa Inc. is not a CUSO. 12 U.S.C. §1757; <u>See</u> OGC Op. No. 92-0916 (October 27, 1992)(attached). The Visa restructuring, however, presents a unique situation. FCUs are not actually making an investment in Visa stock, namely, they are paying no tangible consideration and are receiving it as the result of the business decisions of Visa, a third party. Further, one primary aspect of the business of credit unions is to lend to their members, and an FCU's eligibility for Visa stock is directly connected to the FCU's previous volume of lending as a part of the Visa program. Accordingly, we conclude FCU receipt of this Visa stock is the by-product of a permissible lending activity, and an FCU may receive and retain the stock unless its examiner determines holding the stock is a safety and soundness problem for that FCU.

State-chartered credit unions should consult with the appropriate state supervisory agency about the permissibility of their receipt of the stock and any regulatory restrictions that may apply.

Sincerely,

/S/
Sheila A. Albin
Associate General Counsel

OGC/PMP/SAA:bts
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Attachment