

August 11, 2008

Joy Cousminer, President/CEO  
Bethex Federal Credit Union  
20 East 179<sup>th</sup> Street  
Bronx, NY 10453

Re: Permissibility of a Federal Credit Union (FCU) Providing Locked Box Accounting Services to Members.

Dear Ms. Cousminer:

You have asked if an FCU can provide locked box accounting services to its members under the operational programs category of NCUA's incidental powers regulation. Yes, it is within an FCU's incidental powers to offer these types of services to its members.

In a letter to this office, you stated that your FCU proposes to collect monthly rental payments on behalf of a housing cooperative and apply those payments to the cooperative's accounts. Also under your proposal, your FCU would pay, from the cooperative's accounts, certain monthly bills and reconcile the account ledger to the monthly statements.

NCUA defines operational programs as programs that an FCU establishes to deliver products and services to members that enhance member service and promote safe and sound operation. 12 C.F.R. §721.3(j). These programs include pre-authorized member transactions and loan collection services. Id. Accordingly, the services you have in mind on behalf of your member are permissible.

If you have any further questions please contact Staff Attorney Justin Anderson or me.

Sincerely,

/S/

Sheila A. Albin  
Associate General Counsel

GC/JMA:bhs  
08-0730