

August 1, 1991

Lawrence W. Radak
Michigan Credit Union League
P.O. Box 5210
Detroit, Michigan 48235

Re: Insurance Coverage (Your July 2, 1991, Letter)

Dear Mr. Radak:

You have asked what the insurance coverage is for a nonmember credit union's share account deposited in another credit union. In general, a credit union with a single account in another credit union has \$100,000 worth of insurance cover- age.

ANALYSIS

Section 107(6) of the FCU Act (12 U.S.C. ~1757(6)) authorizes a federal credit union (FCU) to receive payments on accounts from other credit unions. Part 745 of NCUA's Rules and Regulations (12 C.F.R. Part 745) sets forth the rules for the insurance of member accounts. Section 745.1(b) of NCUA's Rules and Regulations defines member accounts to include "those nonmember accounts permitted under the Act to maintain accounts in an insured credit union, including nonmember credit unions. . . ." Such accounts, if properly main- tained, are insured by the National Credit Union Insurance Fund ("NCUSIF") up to the \$100,000 limit, just like an indi- vidual member account.

Sincerely,

James J. Engel
Deputy General Counsel

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SSIC 3000
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