

March 15, 1995

Patrick B. Augustine
McKenna & Cuneo
Suite 4800
370 Seventeenth Street
Denver, Colorado 80202

Re: Application of North American Free Trade Agreement ("NAFTA") to Foreign Credit Union Branches
(Your January 29, 1995, Letter)

Dear Mr. Augustine:

You have asked various questions regarding NAFTA and how it applies to a Mexican credit union opening a branch office in the state of California. NCUA is not the appropriate agency to answer most of your questions. Each NAFTA country has designated one government agency to be responsible for overseeing the financial services provision of NAFTA. The U.S. Representative is the Department of Treasury. NCUA's contact person at Treasury is Timothy Geithner at (202) 622-0656. You may also wish to direct your inquiries to California's credit union regulator, Louisa Brody at (213) 736-2776.

We can provide answers to the following two questions: 1) Must a Mexican credit union file an application with NCUA in order to open a branch in California? There is nothing in NAFTA that imposes such a filing requirement. 2) If state law requires the deposits of a branch office of a Mexican credit union to be federally insured, will NCUA provide insurance for deposits placed in a California branch office of the Mexican credit union? NCUA insures all federally-chartered and many state-chartered credit unions through the National Credit Union Share Insurance Fund. 12 U.S.C. 1781. The Federal Credit Union Act does not authorize NCUA to insure a branch office of a Mexican credit union located in the United States.

Sincerely,

Richard S. Schulman
Associate General Counsel

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