

January 3, 1996

Larry M. Ray
Vice President/Compliance
First Federal Credit Union
1232 East Baseline Road
Tempe, AZ 85283

Re: Credit Union Membership/ Revocable Living Trusts
(Your Letter of October 2, 1995)

Dear Mr. Ray:

You have asked us whether a successor trustee must, along with the settlors, trustees, and beneficiaries, be required to be within the credit union's field of membership prior to the trust qualifying for membership. We apologize for the delay in our response. As long as the trust remains within the control of the trustee, the successor trustee does not need to be within the credit union's field of membership. The successor trustee must be a credit union member at the time he/she becomes the actual trustee or the trust account would no longer qualify as a member account. *See generally*, Part 745.2(c)(3) of NCUA Rules and Regulations regarding the requirement for a valid signature card. 12 C.F.R. §745.2(c)(3).

We are reviewing issues related to living trusts and may provide additional guidance in future amendments to Part 745 of NCUA Rules and Regulations.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/MS:sg
SSIC 7000
95-1035
cc: John Ruffin, Region V Director