

December 4, 1995

Larry Mastrean
President and C.E.O.
New Alliance FCU
835 Merchant Street
Ambridge, Pennsylvania 15003-2325

Re: Foreclosed Real Estate Sale (Your November 16, 1995, Letter)

Dear Mr. Mastrean:

NCUA General Counsel Robert Fenner has asked me to respond to your request for written authorization for New Alliance FCU ("FCU") to finance and sell an apartment building to a non-member. The FCU acquired the building through a foreclosure and has been attempting to sell it for more than two years. While we are always happy to assist credit unions, the agency does not approve specific credit union business transactions.

Based on your letter, your credit union has the authority to conduct this sale. Section 107(4) of the FCU Act authorizes an FCU to dispose of property necessary or incidental to its operations. 12 U.S.C. §1757(4). If you are concerned that your NCUA Region will take exception to any part of the sale, you should address those concerns with them directly. To assist you, we have enclosed a letter from Ms. Hattie M. Ulan, Associate General Counsel to David Seely, Kirtland FCU, Re: Financing Abandoned Property, dated October 11, 1990.

If you have any additional questions, please contact NCUA's Region II Office at (703) 838-0401.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/JSM:bhs
SSIC 3500
95-1129
Enclosure