

November 18, 1994

J. Angela Ables, Attorney at Law
201 Robert S. Kerr Avenue
Suite 600
Oklahoma City, Oklahoma 73102-4267

Re: 66 Financial Services, Inc. (Your October 28, 1994, Letter)

Dear Ms. Ables:

You have advised us that your firm represents 66 Federal Credit Union in Barnesville, Oklahoma and its CUSO, 66 Financial Services, Inc. The CUSO is in the process of applying for trust authority. You wish to determine if this is permissible under federal law and whether federal law would prevail over state law should there be a conflict in this area.

Section 701.27(d)(5)(ii) of NCUA's Regulations lists "trust services" as a permissible CUSO activity. NCUA regulates federal credit union investments in CUSOs but not the CUSO's directly. However, Section 701.27(e) further provides that a CUSO "must comply with applicable Federal, state and local laws." To the extent that a permitted CUSO activity is limited or curtailed by state law, state law is applicable.

I hope that we have been of assistance.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/MFR:bhs
SSIC 3320
94-1107