

February 27, 1992

Marc J. Gold, Esq.
Wellesley Corporate Plaza
7951 Southwest 6th Street
Suite 104
Plantation, FL 33324

Re: Conflicts of Interest (Your Letter of February 10, 1992)

Dear Mr. Gold:

You requested an opinion regarding Section 701.21(c)(8) of the NCUA Rules and Regulations (12 C.F.R. ~701.21(c)(8)), as applied to a state-chartered credit union. Section 701.21(c)(8) does apply to federally insured state-chartered credit unions through Section 741.3(a) of the NCUA Rules and Regulations. Section 701.21(c)(8) prohibits directors from receiving any compensation "in connection with underwriting, insuring, servicing, or collecting the loan or line of credit." Thus, the NCUA Examiner is absolutely correct in his interpretation that you, as a director of the credit union and its attorney, cannot generate any fees relative to collections on bad loans, or other lending related legal work.

Sincerely,

Hattie M. Ulan
Associate General Counsel

GC/MEC:sg
SSIC 4062
92-0223