

June 19, 1992

Daniel W. Fram, Esq.
Peterson, Fram & Bergman
300 Midwest Federal Bldg.
50 East Fifth Street
St. Paul, MN 55101-1197

Re: Official Compensation (Your Letter of June 9, 1992)

Dear Mr. Fram:

You requested copies of NCUA legal opinion letters regarding guidelines for reasonable and proper costs of reimbursement of volunteer officials of federal credit unions ("FCUs"). 12 C.F.R. ~701.33. First, we note that NCUA has recently requested comments on any recommendations for changes in Section 701.33 of the NCUA Rules and Regulations regarding volunteer official expenses and compensation. See Notice of Proposed Rulemaking, 57 Fed.Reg. 18837 (May 1, 1992) (en- closed). You are welcome to address comments to the NCUA Board concerning any topic in Section 701.33 of the NCUA. The comment period closes on June 30, 1992. Secondly, en- closed are numerous prior opinions regarding reimbursements of FCU official's expenses issued by this Office. In the past, the NCUA has found guidance provided in the Internal Revenue Code persuasive on issues of reasonable expenses. 26 U.S.C. ~162 (trade or business expenses) and 26 C.F.R. ~1.162 (business expenses). If you have any questions on the enclosures, please contact Martin Conrey, Staff Attorney, at 202/682-9630.

Sincerely,

Hattie M. Ulan **R Associate General Counsel**

Enclosures

GC/MEC:sg
SSIC 4062
92-0626