

March 18, 1993

Roger B. Goff, Esq.
700 North Pacific Coast Hwy.
Suite 302
Rendondo Beach, CA 90277

Re: Non-Recourse Automobile Lease Loan Program (Your Letter of March 2, 1993)

Dear Mr. Goff:

You requested reconsideration of the November 4, 1991, opinion entitled "Proposed Automobile Leasing Program," addressed to Cary C. Boyden, Esq., Pillsbury, Madison & Sutro (the "1991 Opinion"). This is the third time that lawyers affiliated with your client's program have requested reconsideration of the 1991 Opinion. See Letter from me to Mr. Boyden, Re: Leasing of Automobiles by Federal Credit Unions, dated January 22, 1992; and Letter from me to David A. Brewer, Esq., Saxon, Dean, Mason, Brewer & Kincannon, Re: Automobile Leasing, dated April 22, 1992. As in the present instance, no new facts have been presented to NCUA to alter the 1991 Opinion. The proposed program is still structured as a loan to a nonmember lessor, with the title retained by the third-party lessor. Other than your client, no other third-party lessors or federal credit unions have requested reconsideration of the 1991 Opinion. Only the NCUA Board can modify the terms of Interpretive Ruling and Policy Statement No. 83-3, Federal Credit Union Leasing of Personal Property to Members ("IRPS 83-3"). As we suggested to Mr. Brewer, if you wish to pursue an amendment of IRPS 83-3, you should petition the NCUA Board. See 12 C.F.R. ~791.8(c). If you do petition the NCUA Board, you should suggest alternative language and your reasons for desiring changes to the existing IRPS. We caution that even if IRPS 83-3 were amended, it could not change the statutory requirement that an FCU can make loans only to members, and not to nonmember third-parties, such as lessors. See 12 U.S.C. ~1757(5).

Sincerely,

Hattie M. Ulan
Associate General Counsel

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