

September 1, 1995

Debbie Caine, Manager
Steel Works Service Corporation
3501 Main Street
P.O. Box 427, Cove Station
Weirton, West Virginia 26062

Re: Credit Union Service Organization (CUSO) Fees to Member Credit Unions (Your August 28, 1995, Letter)

Dear Ms. Caine:

You have asked us to comment on the permissibility of setting different fees to the various member credit unions served by your CUSO. Your CUSO provides check and data processing, and ATM and form services. You state, as an example, that the CUSO might set a fee which is lower for the credit union which owns the CUSO than any other credit union using the same service. You have also asked whether an investment in the CUSO would affect the pricing of fees. If the CUSO provides consumer lending services to credit union members, the CUSO would have to comply with the various federal and state consumer protection and anti-discrimination laws. However, there is nothing in the Federal Credit Union Act or the Rules and Regulations of the National Credit Union Administration which would restrict the CUSO's fees to credit unions.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/RSS:bhs
SSIC 3000
95-0856