

July 22, 1996

Tim Pryor
Director of Regulation and Compliance
National Association of Federal Credit Unions
P.O. Box 3769
Washington, D.C. 20007

Re: Phone Card Sales by Federal Credit Unions (Your July 10, 1996, Letter)

Dear Mr. Pryor:

You have asked us to reconsider our November 29, 1995, opinion regarding the ability of federal credit unions to sell prepaid telephone cards and to earn income from replenishing the card's value through a member's credit card. You have also provided us with a proposed program which could be implemented on a test basis. We will reconsider our position and have a response to you in the next few weeks.

Sincerely,

Richard Schulman
Associate General Counsel

GC/RSS: bhs
SSIC 3000
96-0734