

August 16, 1996

Randy Ingram
Southwest Corporate Federal Credit Union
P.O. Box 655147
Dallas, Texas 75265-5147

Re: Corporate Nonmember Deposits (Your August 6, 1996, "E-Mail")

Dear Mr. Ingram:

As a follow-up to our July 22, 1996, letter to you regarding the insurability of deposits in credit unions, you have asked whether federal credit union deposits in federally insured state chartered credit unions are also insured. Yes. Those deposits are insured under the Federal Credit Union Act, 12 U.S.C. §1781(a) in accordance with 12 U.S.C. §1787(k), and Part 745 of NCUA's Regulations. NCUA's Regulations define "member" to mean, "those nonmembers permitted under the [FCU] Act to maintain accounts in an insured credit union, including nonmember credit unions . . ." 12 C.F.R. §745.1(b). State chartered credit unions must also look to state law to determine their authority to make deposits in other credit unions.

Thanks for using our e-mail on the internet at "ncua.gov."

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/RSS:bhs
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