

November 4, 1996

Howard Lein
Regional Sales Manager
Inter-Americas Insurance Corp., Inc.
10619 North Hayden Rd., Suite 100
Scottsdale, AZ 85260

Re: Balloon Auto Lending (Your Letter of September 9, 1996)

Dear Mr. Lein:

You have asked for our opinion regarding an insurance product you are offering to a federal credit union (FCU). The insurance would cover the future value of a vehicle financed with a balloon loan. You have provided us with a brochure describing the product.

Please be advised that while the National Credit Union Administration (NCUA) will provide answers to specific legal questions, it does not review business literature to determine whether a product offered to an FCU is legally permissible. Either you or a prospective FCU purchaser of the product should have an attorney determine whether it is permissible under the FCU Act, NCUA Rules and Regulations, and applicable state law.

Sincerely,

Michael J. McKenna
Acting Associate General Counsel

GC/LH:sg
SSIC 4650
96-0913