

June 25, 1998

John U. Barker, Manager
Hudson River Teachers Federal Credit Union
2085 East Main Street, RT #6
Cortlandt Manor, New York 10566

Re: Accounting Manual - Permanent Retention of Records (Your letter dated May 28, 1998)

Dear Mr. Barker:

You have asked for the authority for the provision in the Accounting Manual for Federal Credit Unions (Accounting Manual) that requires federal credit unions (FCUs) to retain individual statements or ledgers for share and loan accounts permanently. Accounting Manual, §5190.3(h). The Accounting Manual generally represents agency policy, not law or regulation.

The Accounting Manual "is not incorporated by reference in the NCUA Rules & Regulations" and, except for Section 2000 that addresses full and fair disclosure required by regulation, "is intended to provide guidelines . . . with information on recommended procedures and practices." Accounting Manual, §1010.1 (copy attached). You may find the attached letter from James J. Engel to Mark Baron dated September 10, 1991, helpful. It reiterates that the Accounting Manual is NCUA policy as opposed to law or regulation and discusses various considerations in connection with retention of records.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/MFR:bhs
SSIC 3500
98-0603
Enclosures