

February 1, 1993

Larry M. May  
Compliance Officer  
First Federal Credit Union  
1232 East Baseline Road  
Tempe, AZ 85283

Re: Business Share Draft Accounts (Your November 12, 1992, Letter to the Regional Office)

Dear Mr. May:

The above-noted letter has been forwarded to this office for a response. In the letter, you asked whether a federal credit union (FCU) may assess a business share draft account separate and larger fees unrelated to the fees charged to a consumer share draft account. You have also asked whether an FCU may pay the two accounts different dividend rates.

Analysis

There is nothing in the FCU Act or National Credit Union Administration (NCUA) Rules and Regulations prohibiting an FCU from establishing separate consumer and business share draft accounts. In our view, however, there must be a rational basis for establishing different fees and dividend rates for the two accounts. If, for example, business accounts generally require more FCU staff time, it might be appropriate to charge them higher fees. You may wish to contact the Regional Office to determine whether your basis for establishing different pricing guidelines is rational. You may also wish to have the FCU's attorney review any proposed program to determine that no other federal or state laws are violated.

Sincerely,

Hattie M. Ulan  
Associate General Counsel

GC/LH:sg  
SSIC 4630  
92-1228

cc: John Ruffin, Region V Director