

February 7, 1997

Ms. Mona Marshall
Office Manager
Heartland Health Federal Credit Union
801 Faraon Street
St. Joseph, Missouri 64501

Re: Share Draft Cash Disbursement (Your January 16, 1997, Letter)

Dear Ms. Marshall:

You have written requesting opinion letters from this office on requirements for a federal credit union (FCU) establishing a share draft program. Specifically, you are interested in determining the timing requirements for cashing a draft for a nonmember drawn on a member's account. We have no opinion letters on this issue. I have enclosed for your review Section 6150 of NCUA's Accounting Manual which addresses Share Drafts. Section 6150.15 specifically advises an FCU establishing a share draft program to consult with a local attorney to assure that its program not only complies with federal law, but also all applicable state laws. Further, all FCUs which offer share drafts are subject to Federal Reserve Board Regulation CC.

I hope that we have been of assistance.

Sincerely,

Michael J. McKenna
Acting Associate General Counsel

GC/MFR:bhs
SSIC 4630
97-0148

Enclosure