

February 5, 1996

John F. Stuart, Esq.
Reitner & Stuart
1730 K St., NW 11th Floor
Washington, DC 20006

Re: CUSO Regulation (Your Letter of January 31, 1996)

Dear Mr. Stuart:

You have asked about the term "securities brokerage services," as used in Section 701.27(d)(5)(ii) of the National Credit Union Administration Rules and Regulations, 12 C.F.R. §701.27(d)(5)(ii). Please be advised that the term includes the sponsoring or administering of a mutual fund, even by an entity not licensed as a broker-dealer.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/LH:sg
SSIC 3501
96-0201