

NCUA LETTER TO FEDERAL CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA 22314

DATE: January 2008 **LETTER NO.:** 08-FCU-02
TO: All Federal Credit Unions
SUBJ: Permissible Interest Rate Ceiling

Dear Manager and Board of Directors:

This letter is to inform you that, in accordance with the provisions of the Federal Credit Union Act, the NCUA Board determined at its meeting on January 24, 2008 to continue the current 18 percent rate as the permissible interest rate ceiling for loans made by federal credit unions.

Under the Federal Credit Union Act, federal credit unions are subject to a 15 percent interest rate ceiling unless the NCUA Board establishes a higher rate after considering certain statutory criteria. 12 U.S.C. §1757(5)(A)(vi)(I). The NCUA Board is required to reconsider its determination no less frequently than every 18 months. The NCUA Board determined at its January 24, 2008 meeting to continue the current 18 percent rate for loans beginning March 10, 2008.

If you have any questions, you should contact your regional office.

Sincerely,

/s/

JoAnn M. Johnson
Chairman