

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: February 3, 1998

LETTER NO: 98-FCU-1

Dear Manager and Board of Directors:

In March 1998, you will receive an invoice from NCUA for your 1998 operating fee and, if required, for the amount needed to adjust your National Credit Union Share Insurance Fund (NCUSIF) capitalization deposit to one percent of insured shares. The operating fee and the capitalization deposit adjustment will be based upon the assets and the insured shares you report as of December 31, 1997. Your combined payment will be due on April 15, 1998.

For four years in a row, 1994 to 1997, the operating fee was reduced. This was possible due to modest budget increases for those years, and our desire at NCUA to reduce the fund balance from \$15 million in 1993 to \$5 million by the end of 1997.

In 1998, a significant increase in the budget is required to provide the funding necessary to carry out an expanded corporate credit union program, and to provide the resources required to meet the challenges associated with Year 2000 issues, ensuring that the integrity of credit union information systems remains uncompromised. For this reason, the operating fee must be increased by 9.25 percent.

The other change to the fee scale is the adjustment of the rate bracket dividing points by 3.3 percent. These dividing points are adjusted each year by the same percentage as the projected federal credit union asset growth to maintain the same relationship of the scale to the asset base.

For 1998, the same operating fee scale will remain in effect for corporate federal credit unions. The scales are printed on the back of this letter.

If you have any questions regarding the rates, the invoice you will receive, or if you wish to participate in the ACH program, please call or write your NCUA regional office.

For the National Credit Union Administration Board,

/S/

Norman E. D'Amours
Chairman

1998 OPERATING FEE SCALE

Total Assets		Assessment Rate
over	but not more than	
\$ 0	\$500,000	\$0.00
\$500,000	\$750,000	\$100.00
\$750,000	\$449,714,407	0.0002665 X total assets
\$449,714,407	\$1,360,829,044	\$119,848.89 + 0.00007768 X total assets over \$449,714,407
\$1,360,829,044	and over	\$190,624.28 + 0.00002592 X total assets over \$1,360,829,044

CORPORATE FEDERAL CREDIT UNION FEE SCALE

\$2,854.89 plus 0.2234 per \$1,000 of assets over \$5,000,000*
\$6,110.11 plus 0.2111 per \$1,000 of assets over \$20,000,000
\$12,367.25 plus 0.1987 per \$1,000 of assets over \$50,000,000
\$22,362.33 plus 0.0123 per \$1,000 of assets over \$100,000,000

*The federal credit union operating fee scale is used for corporate federal credit unions with assets under \$5,000,000.

SENT E-MAIL TO ALL STAFF ON 2/6/98