

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: February 2002 **LETTER NO.:** 02-FCU-03

TO: All Federal Credit Unions

SUBJ: First Accounts Program Grants

Dear Manager and Board of Directors:

The Federal Reserve's 1998 Survey of Consumer Finances indicates that nearly one out of ten families in the United States lacks either a checking or savings account. To address this disparity, Congress appropriated funds for the First Accounts Program and has authorized the United States Department of the Treasury (Treasury) to develop and implement programs to expand access to financial services for low- and moderate-income individuals.

Treasury defines low- and moderate-income as a family income that does not exceed (1) for non-metropolitan areas, 80 percent of the statewide median family income; or (2) for metropolitan areas, 80 percent of the greater of the statewide median family income or metropolitan area family income. Information regarding the median family income (by zip code, county, state, metropolitan area, city, town, or census tract) can be found at:

<http://mcdc2.missouri.edu/websas/xtabs3menus/mainmenu.html>.

Treasury intends to award up to \$8 million, through the First Accounts Grant Assistance Program, to institutions that provide low-cost electronic checking or other types of accounts to low- and moderate-income individuals not being served by a financial institution. To be eligible under the program, only those projects that propose new activities or expand existing activities will be considered for First Accounts Grant Assistance.

Treasury is currently inviting grant applicants to apply. The application can be found at www.treas.gov/firstaccounts. Applications may be submitted by mail, overnight/express delivery service, or electronically, in the format prescribed by Treasury. (Applications sent by facsimile or delivered by hand will not be accepted.) **The deadline for receipt of an application is March 20, 2002.** Refer to the Notice of Funds Availability -- that can be found at <http://www.treas.gov/firstaccounts> -- for information regarding the program specifics. For further information contact: Jean Whaley, Director, Office of the Assistant Secretary for Financial Institutions, at jean.whaley@do.treas.gov or at (202) 622-0741.

Sincerely,

/s/
Dennis Dollar
Chairman