

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: February 2009 LETTER NO.: 09-FCU-04

TO: Federal Credit Unions

SUBJ: Supervision Considerations for Natural Person Credit Unions and the Announced Corporate Stabilization Efforts

ENCL: Supervisory Letter – Supervision Considerations for Natural Person Credit Unions and the Announced Corporate Stabilization Efforts

Dear Board of Directors:

The purpose of this Letter is to provide all Federal Credit Unions with the same guidance provided to NCUA field staff about supervision considerations on the recently announced corporate stabilization efforts. The attached Supervisory Letter was recently provided to NCUA field staff.

NCUA appreciates the delicate balance credit unions must strive to achieve between the short-term and long-term needs of the credit union. It is essential management and examiners have an open and ongoing dialogue on the strategic direction of the credit union in relation to earnings and net worth and not overly focus on the financial impact of the actions taken by the NCUA Board.

Sincerely,

/s/

Michael E. Fryzel
Chairman

Enclosure