NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: January 2008 LETTER NO.: 08-FCU-01

TO: All Federal Credit Unions

SUBJ: Operating Fee Schedule for FY 2008

ENCL: Operating Fee Schedule for FY 2008

Dear Manager and Board of Directors:

In March 2008, you will receive an invoice from NCUA for your 2008 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, respectively, that you report as of December 31, 2007. Your combined payment will be due no later than Tuesday, April 15, 2008.

For natural person federal credit unions, there are changes with the operating fee scale. The 2008 assessment rate has increased by 9.85 percent from the 2007 rate. This change is primarily due to: 1) the decrease in the overhead transfer rate for expenses charged to the National Credit Union Share Insurance Fund; 2) the increases with capital acquisitions, most notably the replacement of the agency's 11 year old legacy financial management system; and 3) the increases with merit and locality pay adjustments to employees as a result of the agency's first collective bargaining agreement. In addition, amounts for total assets within rate bracket categories (asset dividing points) have been increased by 6.00 percent. These amounts are adjusted each year by the same percentage as the projected federal credit union asset growth in order to maintain the same relationship of the scale to the asset base.

For corporate credit unions, the same operating fee scale as the prior year will remain in effect.

The scales are printed on the back of this letter.

If you have any questions regarding this letter, please contact the Office of the Chief Financial Officer at (703) 518-6570.

Sincerely,

/s/

JoAnn M. Johnson Chairman

OPERATING FEE SCHEDULE FOR FY 2008

Your operating fee is based upon the total assets of your credit union as of December 31, 2007.

FOR NATURAL PERSON FEDERAL CREDIT UNIONS

If total assets are less than \$750,000, the operating fee assessment is:	If total assets are	less than \$750,000	, the operating	fee assessment is:
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\$0	for assets up to	\$500,000
\$100	for assets from	\$500,001 to \$750,000

If total assets are more than \$750,000, the operating fee assessment is:

0.00022297	on the first	\$837,164,216 of assets, plus	
0.00006499	on the next	\$1,696,082,126 of assets, plus	
		(the portion between \$837,164,217 and \$2,533,246,342)	
0.00002170	on assets over	\$2,533,246,342	

Example: A credit union with \$5,000,000,000 in total assets has an operating fee of:

((\$837,164,216 x 0.00022297) + ((\$2,533,246,342 - \$837,164,216) x 0.00006499)

 $+((\$5,000,000,000 - \$2,533,246,342) \times 0.00002170)) = \$350,419.44.$

FOR CORPORATE CREDIT UNIONS

If total assets are over -	but not over -	the operating fee assessment is:
\$0	\$5,000,000	The natural person federal credit unions scale (above)
\$5,000,000	\$20,000,000	\$2,854.89 plus 0.02234% of the total assets over \$5,000,000
\$20,000,000	\$50,000,000	\$6,110.11 plus 0.02111% of the total assets over \$20,000,000
\$50,000,000	\$100,000,000	\$12,367.25 plus 0.01987% of the total assets over \$50,000,000
\$100,000,000	no limit	\$22,362.33 plus 0.00123% of the total assets over \$100,000,000

Operating Fee Calculator at http://www.ncua.gov/opfee