

NCUA LETTER TO FEDERAL CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA

DATE: January 2004 **LETTER NO.:** 04-FCU-01
TO: All Federal Credit Unions
SUBJ: Operating Fee Schedule for FY 2004
ENCL: Operating Fee Schedule for FY 2004

Dear Manager and Board of Directors:

In March 2004, you will receive an invoice from NCUA for your 2004 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 that you report as of December 31, 2003. Your combined payment will be due no later than Friday, April 16, 2004.

For natural person federal credit unions, there are changes with the operating fee scale. The 2004 assessment rate has decreased by 6.81 percent from the 2003 rate. The change is primarily due to federal credit union asset growth for 2003. In addition, amounts for total assets within rate bracket categories (asset dividing points) have been increased by 10 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/

Dennis Dollar
Chairman

Enclosure

OPERATING FEE SCHEDULE FOR FY 2004

FOR NATURAL PERSON FEDERAL CREDIT UNIONS

<u>Total Assets</u>	<u>Assessment Rate</u>	
Rate bracket categories:		
over	but not more than	
\$0	\$500,000	\$0.00
\$500,000	\$750,000	\$100.00
\$750,000	\$690,573,213	0.00021287 x total assets
\$690,573,213	\$2,089,664,170	\$147,002.32 + 0.00006204 x total assets over \$690,573,213
\$2,089,664,170	and over	\$233,801.92 + 0.00002071 x total assets over \$2,089,664,170

FOR CORPORATE CREDIT UNIONS

\$ 2,854.89 plus 0.0002234 of assets over \$5,000,000*
 \$ 6,110.11 plus 0.0002111 of assets over \$20,000,000
 \$12,367.25 plus 0.0001987 of assets over \$50,000,000
 \$22,362.33 plus 0.0000123 of assets over \$100,000,000

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