

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: July 2009 **LETTER NO.: 09-FCU-XX**
TO: All Federal Credit Unions
SUBJ: Permissible Interest Rate Ceiling

Dear Manager and Board of Directors:

This letter is to inform you that, in accordance with the provisions of the Federal Credit Union Act, the NCUA Board determined at its meeting on July 16, 2009 to continue the current 18 percent rate as the permissible interest rate ceiling for loans made by federal credit unions.

Under the Federal Credit Union Act, federal credit unions are subject to a 15 percent interest rate ceiling unless the NCUA Board establishes a higher rate after considering certain statutory criteria. 12 U.S.C. §1757(5)(A)(vi)(I). The NCUA Board is required to reconsider its determination no less frequently than every 18 months. The NCUA Board determined at its July 16, 2009 meeting to continue the current 18 percent rate for loans beginning September 10, 2009.

If you have any questions, you should contact your regional office.

Sincerely,

Michael E. Fryzel
Chairman

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