NCUA LETTER TO FEDERAL CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA

DATE: May 2003 LETTER NO.: 03-FCU-05

TO: All Federal Credit Unions

SUBJ: Enhanced Field of Membership Internet Application

RE: NCUA Letter to Federal Credit Unions No.: 02-FCU-08,

Subject: Field of Membership Internet Application

Dear Manager and Board of Directors:

To improve the efficiency of submitting multiple common bond expansion requests via the Internet and incorporate changes in field of membership (FOM) expansion policies, enhancements have been made to the FOM Internet Application (FOMIA). These changes will become effective May 15, 2003. This Letter updates our previous Letter to Federal Credit Unions (FCU) 02-FCU-08 issued in May 2002.

Multiple common bond FCUs may add both occupational and associational groups with up to 2,999 primary potential members. Credit unions are not limited in the number of select groups added per electronic request. The FOMIA enables you to receive an immediate electronic confirmation of the action taken. Once approved by your Board of Directors, you can immediately begin serving the group.

Our regional offices have received positive feedback from credit unions using FOMIA. While use of the Internet application is optional, I strongly encourage you to take advantage of this expedited method of expanding your FOM. Since its implementation, 15,862 select groups with over 870,000 primary potential members have been added via the Internet. With the expanded ability to add associational groups and the increase in the numerical limitation up to 2,999 primary potential members, I anticipate even greater use of the application.

In order to bring you this enhanced FOMIA system, the current application will be unavailable from May 1, 2003, through May 14, 2003. During this time, FOM expansion requests may be submitted via fax or US mail to your regional office. I recognize the

temporary inconvenience this may cause, but am confident you will find the enhanced system provides many valuable new features.

The enhanced FOMIA provides the ability to:

- add groups with 2,999 primary potential members or less (increased from 500 members or less);
- add associational groups;
- > add the new standard corporate account clause; and
- > access FOMIA without the need to download an NCUA certificate.

The new system includes enhanced security features requiring new Personal Identification Numbers (PIN). The new PINs, along with detailed information and user instructions, will be mailed to all multiple common bond credit unions prior to May 15, 2003.

If you encounter any problems when using FOMIA, please contact NCUA's Office of the Chief Information Officer's (OCIO) Customer Service Desk at 800-827-3255.

If you have any questions regarding FOM amendments, please contact your regional office.

Sincerely,

/S/

Dennis Dollar Chairman