

NCUA LETTER TO CREDIT UNIONS

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

DATE: April 2009 **LETTER NO.:** 09-CU-09
TO: Federally Insured Credit Unions
SUBJ: Community Development Revolving Loan Fund
Technical Assistance Grant Program
ENCL: General Guidelines for Technical Assistance Grants

Dear Board of Directors:

The National Credit Union Administration (NCUA) is pleased to announce the 2009 Community Development Revolving Loan Fund (CDRLF) Technical Assistance Grant Program.

As a result of NCUA's ongoing efforts to provide credit unions with resources for offering better services to their members and improving technologies and operations, Congress has again appropriated funds to the CDRLF. For 2009, the CDRLF received a \$975,000 appropriation for technical assistance grants.

The NCUA's CDRLF was established by Congress to support credit unions that serve low-income communities by providing loans and technical assistance grants (TAGs) to qualifying institutions. The programs are designed to increase income, ownership, and employment opportunities for low-income residents, and to stimulate economic growth. In addition, the programs provide assistance to improve the quality of services to the community and formulate more effective and efficient operations of low-income designated credit unions.

Credit unions wishing to participate in the CDRLF's programs must be designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority and concurrence from NCUA.

This year's technical assistance grant initiatives are:

- Building Capacity/Building Technology;
- Enhancing Member Services;
- Staff, Official, and Board Member Training;
- Student Internship; and
- Volunteer Income Tax Assistance (VITA).

In addition NCUA has set aside some funds for the *Urgent Needs Grant*, to be used by eligible credit unions in cases of extreme necessity.

NCUA's TAGs are reimbursable grants. That is, in order to be reimbursed, credit unions applying for grants must receive approval before making any expenditure.

Attached for your review are the guidelines for the 2009 TAGs. The guidelines address factors such as grant amounts, grant allocations by type, and application procedures. Guidelines for each CDRLF program can be found on the NCUA website at www.ncua.gov under the *Credit Union Development* heading.

All low-income designated credit unions should consider the advantages of the CDRLF programs. If your credit union is not currently low-income designated, we encourage you to review the criteria to explore if the designation may be appropriate for your credit union.

Your local NCUA Regional Office and the Office of Small Credit Union Initiatives can provide additional information regarding the CDRLF programs and how credit unions may qualify for a low-income designation and participate in these special programs.

Additional information about the CDRLF and the Office of Small Credit Union Initiatives can be found on NCUA's website at www.ncua.gov under the *Credit Union Development* heading.

This letter supersedes NCUA letter 08-CU-02, Community Development Revolving Loan Fund—Technical Assistance Grant Program, dated February 2008.

Sincerely,

/S/

Michael E. Fryzel
Chairman

Encl.