

# **NCUA LETTER TO CREDIT UNIONS**

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

**DATE: March 2007** **LETTER NO.: 07-CU-04**

**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 2007 Community Development Revolving Loan Fund Technical Assistance Grant Program.

As a result of NCUA's ongoing efforts to provide credit unions with grants that build capacity and enhance services to members, Congress has again appropriated funds to the Community Development Revolving Loan Fund (CDRLF). For 2007, the CDRLF received a \$940,500 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 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority and concurrence from NCUA.

NCUA is pleased to announce this year's technical assistance grant initiatives:

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

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

NCUA's technical assistance grants are reimbursable grants. In order to be reimbursed, credit unions applying for grants must receive approval of the proposed expenditures before making the expenditures.

The guidelines for the 2007 TAG policies are attached for your review. 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](http://www.ncua.gov) under the Credit Union Development heading.

Loans are also available to qualified credit unions from the CDRLF. Eligible credit unions may borrow up to \$300,000 for five years at an interest rate of 1 percent. The interest earned on loans is used to fund a portion of the annual technical assistance grant program.

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 utilized for your credit union.

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

Additional information about the Office of Small Credit Union Initiatives and its programs can be found on NCUA's website at [www.ncua.gov](http://www.ncua.gov) under the Credit Union Development heading.

This letter supersedes NCUA letter 06-CU-02, Community Development Revolving Loan Fund—Technical Assistance Grant Program, February 2006.

Sincerely,

JoAnn Johnson  
Chairman