

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNIONS ADMINISTRATION

1775 Duke Street, Alexandria, VA 22314

DATE: June 30, 1997

LETTER NO.: 97-CU-7

TO: ALL FEDERALLY INSURED CREDIT UNIONS

SUBJ: NCUA PAYMENTS TO BE MADE BY ELECTRONIC FUNDS TRANSFER

In accordance with the Debt Collection Improvement Act of 1996 (Public Law 104-134), all Federal payments, with the exception of Internal Revenue Service tax refunds, must be made by Electronic Funds Transfer (EFT) effective January 1, 1999. Payments by the National Credit Union Administration (NCUA) to credit unions consist primarily of dividend and refund payments issued by the National Credit Union Share Insurance Fund (NCUSIF). Other types of payments relate to credit union assistance and operating fee overpayments.

Under Public Law 104-134, all recipients of Federal payments (except recipients of tax refunds) are required to provide federal agencies the information necessary to effect payments electronically. Enclosed with this letter is a form for your credit union to complete and return to NCUA. The information provided on this form will be used to electronically transmit all NCUA payments to your credit union.

Although not specifically required by this legislation, NCUA also requests authorization to use this same data to effect transfers of funds from your credit union to NCUA for the annual insurance and, if applicable, operating fee assessments. By providing this authorization, the annual collection process will become more streamlined and result in lower operating costs to all federally insured credit unions. If your credit union desires to use EFT for payments to NCUA using the same account data, please indicate by checking the appropriate block on the attached form.

Credit unions that do not have their own electronic address should designate a correspondent financial institution where an account is established as the depository institution to receive NCUA payments. The depository institution will subsequently transfer payments received to the credit union's respective account at that institution.

The testing of all credit union EFT data will be completed through a pre-notification process before the actual transfer of any funds will occur. It is anticipated that the EFT implementation will take place during late 1998. You will be notified as to actual date of implementation.

Please complete the enclosed Authorization Agreement for Electronic Funds Transfer Payments form and return it to NCUA using the envelope provided by September 30, 1997.

If you have any questions, please contact Mary McCarrick in the Office of the Chief Financial Officer at (703) 518-6570.

Sincerely,

/S/

Norman E. D'Amours
Chairman

[Enclosure](#)