

NCUA LETTER TO CREDIT UNIONS

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

DATE: September 2005

LETTER NO.: 05-CU-14

TO: Federally Insured Credit Unions

SUBJ: Federal Reserve Policy on Contaminated Currency and Checks

**ENCLs: Federal Reserve Procedures on Contaminated Currency
Federal Reserve Procedures on Contaminated Checks**

DEAR BOARD OF DIRECTORS:

The Federal Reserve issued procedures for the handling of contaminated currency and checks as a result of the extensive flooding by Hurricanes Katrina and Rita. The Federal Reserve defines contaminated currency as “a note damaged by or exposed to a contaminant to the extent that it cannot be processed under normal operating procedures or may pose a health or safety risk.”

To minimize subsequent handling of contaminated currency passing through the collection stream because of health issues, the Federal Reserve Banks strongly recommend all depository financial institutions consider one of the alternatives for collection of contaminated items identified in the enclosure.

The Federal Reserve is accepting deposits of contaminated currency and coin from financial institutions in areas affected by Hurricanes Katrina and Rita. Institutions should contact their servicing Federal Reserve office to arrange for delivery of special shipping bags, provided free of charge from the Federal Reserve, and to obtain additional deposit instructions.

Should you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,
/s/
JoAnn M. Johnson
Chairman

Enclosures