

# NCUA LETTER TO CREDIT UNIONS

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

Date: April 1999 Letter No.: 99-CU-07

To: Federally Insured Credit Unions

Subject: Restructuring of the national Small Credit Union Program (SCUP)

DEAR BOARD OF DIRECTORS:

You may be aware that the National Credit Union Administration Board last month endorsed a restructuring of our national small credit union program that has been operating in each of the agency's six regions since 1994. The restructuring is intended to provide conformity and consistency among the regions.

The purpose of the national Small Credit Union Program (SCUP) is to facilitate the Board's goals of promoting the development of financially healthy small and low-income designated credit unions, and encouraging the formation of newly chartered credit unions.

This national program will be monitored by the Office of Community Development Credit Unions (OCDCU) at the NCUA Central Office in Alexandria, Virginia. The OCDCU is responsible for semi-annually reporting on the progress of the SCUP and developing specialized training programs for NCUA's Economic Development Specialists (EDSs) and Small Credit Union Specialists (SCUs.) The Office will also continue to administer the Community Development Revolving Loan Program and, along with NCUA field staff, recommend credit unions for inclusion in the program.

Credit unions eligible for the Small Credit Union Program include:

- federally insured credit unions with assets under \$5 million;
- newly chartered credit unions (those which have been in existence 10 years or less and with assets under \$10 million); and
- all credit unions which have been designated as low-income as defined in NCUA's Rules and Regulations.

A core component of the SCUP will continue to be the use of EDSs to provide mentoring, training and other technical assistance to small credit unions that need and desire the extra attention. Another important function of the EDSs is to match these small credit unions with credit union mentors.

Each regional office currently has one EDS working in the field and will have the ability to add an additional EDS during 1999. The EDSs are experienced examiners who are specially trained to provide a variety of assistance to small credit unions that are in need of the additional guidance. In some cases, field examiners may also be identified and designated as SCUSs.

The major objectives of the national Small Credit Union Program are to:

- encourage credit union outreach to people of modest means and underserved communities;
- facilitate a regulatory environment in which small, newly chartered and low-income designated credit unions can provide appropriate and needed services to members; and
- promote successful and financially healthy small credit unions through appropriate technical and financial assistance.

If your credit union qualifies for this program and you would like to add your name to the list of participants, or become a mentor to a small credit union, please contact your NCUA regional office. If you would like to inquire about the advantages of your credit union receiving the low-income designation, you may also contact the Office of Community Development Credit Unions at (703) 518-6610.

Sincerely,

/S/

NORMAN E. D'AMOURS  
Chairman