

# NCUA LETTER TO CREDIT UNIONS

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

**DATE:** August 31, 2011                      **LETTER NO.:** 11-CU-13  
**TO:** Federally Insured Credit Unions  
**SUBJ:** Emergency Financial Services for Disaster Victims

Dear Board of Directors:

This letter provides guidance regarding the services federal credit unions may offer to persons who are experiencing financial emergencies because of Hurricane Irene. In addition to providing services to their members, federal credit unions (FCUs) may provide emergency financial services to nonmembers as part of their authority to engage in charitable activities under their incidental powers.

Under the long-recognized authority of FCUs to engage in charitable activities, FCUs can and should provide an appropriate range of emergency financial services, including check cashing for nonmembers, access to their ATM networks, or other means to cash, to meet the short-term, emergency needs of persons who are in the areas affected by Hurricane Irene. Because the Federal Credit Union Act generally limits FCUs to providing services to members, FCUs providing these emergency services must do so on a charitable basis, meaning that FCUs may not impose charges for services that exceed their direct costs.

FCUs may also provide services to persons who are members of another credit union under their correspondent services authority. Under this authority, an FCU may provide services to other credit unions that it is authorized to perform for its own members or as part of its operation. This activity is part of an FCU's incidental powers and, therefore, FCUs may derive income from correspondent activities.

If you have any questions related to this letter, please contact your NCUA regional office, district examiner, or state supervisory authority.

Sincerely,

/s/

Debbie Matz  
Chairman