

April 8, 1996
William G. Berg
Financial Management
Services Specialist
Florida Credit Union League, Inc.
P.O. Box 3108
Tallahassee, FL 32315-3108

Re: Balance Computation Methods
(Your Letter of March 27, 1996)

Dear Mr. Berg:

You requested an opinion regarding the ability of a credit union, which pays dividends using the average daily balance method, to use the daily balance method to calculate a minimum balance requirement to avoid a monthly fee on the same account. The NCUA Truth in Savings Official Staff Commentary permits this practice:

1. Methods and periods. Credit unions may use different methods or periods to calculate minimum balances for purposes of imposing a fee (the daily balance method for a calendar month, for example) and accruing dividends (the average daily balance for a statement period, for example). Each method and corresponding period must be disclosed. 12 C.F.R. Part 707, App. C, Comment 707.4(b)(3)(ii)-1, Balance computation method.

Sincerely,

Richard S. Schulman
Associate General Counsel

GC/MS:sg
SSIC 3253
96-0404
cc: H. Allen Carver