

January 9, 2002

Daniel Morrissey, Treasurer  
Queen of Peace Arlington Federal Credit Union  
P.O. Box 4509  
Arlington, VA 22204-0509

Re: Regulation E Exclusions.

Dear Mr. Morrissey:

You have requested that we clarify our December 10, 2001, letter to Ms. Lori Krewalk of Open Solutions, Inc. concerning the requirements for periodic statements under Regulation E. 12 C.F.R. Part 205. Ms. Krewalk asked if Regulation E required that periodic statements contain certain information. In our response letter, we identified the type of information that must be contained in the periodic statement.

In your letter, you correctly point out that there is an exclusion in Regulation E for small institutions. 12 C.F.R. §205.3(c)(7). Under this provision, Regulation E excludes any preauthorized transfer to or from an account from most, but not all Regulation E coverage, if the account-holding financial institution has assets less than \$100 million. Credit unions, especially those with assets under \$100 million, should review Regulation E in its entirety to determine if this or any other exclusion applies. If a credit union determines that it must provide a member with a periodic statement, the statement must contain the type of information discussed in our December 10, 2001, letter to Ms. Krewalk.

Sincerely,

Sheila A. Albin  
Associate General Counsel

OGC/DMS: bhs  
SSIC 3251  
01-1257