
**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision**

November 8, 2010

Mr. Timothy Segerson
Director, Division of Supervision
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Dear Mr. Segerson:

This letter clarifies the agencies' earlier letter dated October 13, 2010 ("October 13, 2010 Letter"). As a result of additional information recently provided by the National Credit Union Administration ("NCUA") to the federal banking agencies, we understand that NCUA-guaranteed notes ("NGNs") issued pursuant to the NCUA's Corporate Resolution Program are backed by an interest in residential mortgage-backed securities, commercial mortgage-backed securities, asset-backed securities, and/or corporate bonds from NCUA-regulated credit unions in liquidation. Importantly, these NGNs are directly, fully, and unconditionally guaranteed by the NCUA as to the payment of principal and interest. Therefore, consistent with the October 13, 2010 Letter, the NGNs may receive a zero percent risk weight under the agencies' general risk-based capital rules. Also consistent with the October 13, 2010 Letter, the unsecured senior notes issued pursuant to the NCUA's Temporary Corporate Credit Union Liquidity Guarantee Program ("TCCULGP Notes") may receive a zero percent risk weight because these, too, are directly, fully, and unconditionally guaranteed by the NCUA as to the payment of principal and interest.

This conclusion does not affect the ability of the agencies to exercise their supervisory, regulatory and examination authorities under applicable law and regulations and is subject to change if a material change in the information on which the agencies relied occurs.

Should you have any further questions with regard to this issue, please contact OCC: Paul Podgorski, Risk Expert, Capital Policy, (202) 874-4755; FDIC: Bobby Bean, Chief, Capital Markets Branch, (202) 898-6705; FRB: John F. Connolly, Manager, Capital and Regulatory Policy, (202) 452-3621; or OTS: Teresa A. Scott, Senior Policy Analyst, (202) 906-6478.

Sincerely,

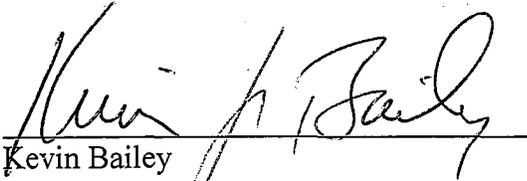
/s/Kevin Bailey
Kevin Bailey
Deputy Comptroller for Regulatory Policy
Office of the Comptroller of the Currency

/s/Anna Lee Hewko
Anna Lee Hewko
Assistant Director
Division of Banking Supervision and
Regulation
Board of Governors of the Federal Reserve
System

/s/Nancy Hunt
Nancy Hunt
Associate Director
Division of Supervision and Compliance
Federal Deposit Insurance Corporation

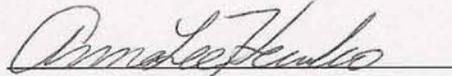
s/Michael Solomon
Michael Solomon
Managing Director
Risk Management
Office of Thrift Supervision

[This signature page refers to the interagency letter concerning the risk weight applicable to NGNs and TCCULGP Notes.]

A handwritten signature in black ink, appearing to read "Kevin P. Bailey", written over a horizontal line.

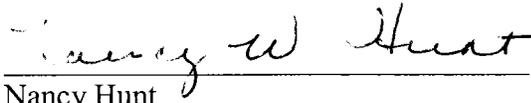
Kevin Bailey
Deputy Comptroller for Regulatory Policy
Office of the Comptroller of the Currency

[This signature page refers to the interagency letter concerning the risk weight applicable to NGNs and TCCULGP Notes.]

A handwritten signature in cursive script, appearing to read "Anna Lee Hewko", written over a horizontal line.

Anna Lee Hewko
Assistant Director
Division of Banking Supervision and Regulation
Board of Governors of the Federal Reserve System

[This signature page refers to the interagency letter concerning the risk weight applicable to NGNs and TCCULGP Notes.]

A handwritten signature in cursive script, reading "Nancy W. Hunt", positioned above a horizontal line.

Nancy Hunt
Associate Director
Division of Supervision and Compliance
Federal Deposit Insurance Corporation

[This signature page refers to the interagency letter concerning the risk weight applicable to NGNs and TCCULGP Notes.]

A handwritten signature in black ink, appearing to read "Michael Solomon", written over a horizontal line.

Michael Solomon
Managing Director
Risk Management
Office of Thrift Supervision