

# CORPORATE CREDIT UNION GUIDANCE LETTER

No. 2001-01

DATE: January 29, 2001

SUBJ: Computing Moving Daily Average Net Assets (MDANA)

TO: The Corporate Credit Union Addressed:

Many corporate credit unions have investments in Credit Union Service Organizations. According to Generally Accepted Accounting Principles, some are required to prepare their financial statements on a consolidated basis.

Part 704.3 of the NCUA Rules and Regulations require capital and reserve ratios be computed using MDANA. Part 704 does not specify whether MDANA is required to be computed using consolidated or unconsolidated assets. As a result, there is an inconsistent approach being used by corporates.

It is the intent of Part 704 to require calculation of MDANA using only corporate credit union assets. Therefore, effective with the January 2001 (5310 Reporting), MDANA is to be calculated using unconsolidated assets. This will ensure a consistent approach and should lessen the burden when calculating MDANA.

If you have any questions, please contact this office at (703) 518-6640.

Sincerely,

Robert F. Schafer  
Director  
Office of Corporate Credit Unions

OCCU/GWC:gc

cc: State Supervisory Authorities  
NASCUS

bcc: Reading File  
All OCCU Staff  
SSIC 3500  
F/U 2/16/01 (FASB 133 Questions)

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