NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: **January 2008** **LETTER NO.: 08-FCU-01**

TO: **All Federal Credit Unions**

SUBJ: **Operating Fee Schedule for FY 2008**

ENCL: **Operating Fee Schedule for FY 2008**

Dear Manager and Board of Directors:

In March 2008, you will receive an invoice from NCUA for your 2008 operating fee and, if required, for the amount needed to adjust your National Credit Union Share Insurance Fund (NCUSIF) capitalization deposit to one percent of insured shares. The operating fee and the capitalization deposit adjustment will be based upon the assets and the insured shares, respectively, that you report as of December 31, 2007. Your combined payment will be due no later than Tuesday, April 15, 2008.

For natural person federal credit unions, there are changes with the operating fee scale. The 2008 assessment rate has increased by 9.85 percent from the 2007 rate. This change is primarily due to: 1) the decrease in the overhead transfer rate for expenses charged to the National Credit Union Share Insurance Fund; 2) the increases with capital acquisitions, most notably the replacement of the agency's 11 year old legacy financial management system; and 3) the increases with merit and locality pay adjustments to employees as a result of the agency's first collective bargaining agreement. In addition, amounts for total assets within rate bracket categories (asset dividing points) have been increased by 6.00 percent. These amounts are adjusted each year by the same percentage as the projected federal credit union asset growth in order to maintain the same relationship of the scale to the asset base.

For corporate credit unions, the same operating fee scale as the prior year will remain in effect.

The scales are printed on the back of this letter.

If you have any questions regarding this letter, please contact the Office of the Chief Financial Officer at (703) 518-6570.

Sincerely,

/s/

JoAnn M. Johnson
Chairman

Enclosure