

NCUA designed the Short-Term Small Loan Program to provide flexibility to federal credit unions in providing alternatives to payday loans. The program allows you to serve members who are seeking this type of loan.

You may charge your members up to 28 percent on short-term small loans under conditions specified in NCUA's regulations.³

If you have any questions, please do not hesitate to contact your NCUA regional office.

Sincerely,

/s/

Debbie Matz
Chairman

³ The rule is available on the NCUA website at the following address:
<http://www.ncua.gov/Legal/Documents/Regulations/FIR20100916SmAmt.pdf>