

NCUA LETTER TO CREDIT UNIONS

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

DATE: April 2010 **LETTER No.:** 10-CU-04

TO: Federally Insured Credit Unions

SUBJ: Grants Available from NCUA

ENCL: *General Guidelines: 2010 Technical Assistance for Credit Unions*

Dear Board of Directors:

The National Credit Union Administration (NCUA) is pleased to announce the 2010 Community Development Revolving Loan Fund (CDRLF) Technical Assistance Grant Program.

As a result of NCUA's ongoing efforts to provide credit unions with resources for offering better services to their members and improving technologies and operations, Congress has again appropriated funds to the CDRLF. For 2010, the CDRLF received a \$1,250,000 appropriation for technical assistance.

NCUA is allocating this appropriation for the following grant initiatives:

Grant Initiatives	NCUA Allocation	Maximum Grant
Financial Education *	\$300,000	\$15,000
Partnerships & Outreach *	\$300,000	\$15,000
Building Internal Capacity	\$150,000	\$5,000
Volunteer Income Tax Assistance	\$125,000	\$6,500
Staff, Official & Board Training	\$125,000	\$3,000
Building Technology	\$100,000	\$5,000
Student Internship & Job Creation *	\$100,000	\$5,000
Capital Plan *	\$50,000	\$2,500

** new grant initiatives in 2010*

In addition, NCUA has set aside some funds for Urgent Needs Grants to be used by eligible credit unions in cases of extreme necessity.

To learn more about each of these specific grant initiatives, see the enclosed guidance. Further information is also available on NCUA's new website at www.ncua.gov. (Scroll to Resources for Credit Unions, then click Credit Union Development.)

NCUA's CDRLF was established by Congress to support credit unions that serve low-income communities by providing loans and technical assistance grants (TAGs) to qualifying institutions. These programs benefit credit unions as well as the communities they serve.

CDRLF programs provide credit unions with resources to improve the quality of services to their communities and facilitate more effective and efficient operations. In their communities, credit union services help stimulate economic growth and increase income, ownership, and employment opportunities for low-income residents.

Federal credit unions wishing to participate in the CDRLF's programs must be officially designated as "low-income" as set forth in NCUA's Rules and Regulations Section 701.34. This means more than half of the members must meet NCUA's definition for "low-income member." NCUA amended this definition last year to use median family income (MFI) instead of median household income (MHI). The amendment eliminated confusion over adjusting MHI in high-cost areas. For more information on obtaining a low-income designation, visit the following link: <http://www.ncua.gov/Resources/CUs/Dev/Pages/Underserved.aspx>

State-chartered credit unions must have the equivalent low-income designation from the respective state supervisory authority and concurrence from NCUA.

I strongly encourage all credit unions serving low-income memberships to consider the advantages of CDRLF programs and apply for grants. If your credit union is not currently low-income designated, I invite you to review the criteria to explore if the designation may be appropriate.

Your NCUA Regional Office and the Office of Small Credit Union Initiatives can also provide additional information regarding the CDRLF programs and how credit unions may qualify for a low-income designation and participate in these special initiatives.

Sincerely,

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Debbie Matz
Chairman

Encl.