

# NCUA LETTER TO CREDIT UNIONS

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

**DATE:** March 2014 **LETTER NO.:** 14-CU-05

**TO:** Federally Insured Credit Unions

**SUBJ:** Liquidity Requirements Take Effect March 31

**ENCL:** Supervisory Letter – Liquidity and Contingency Funding Plans  
AIREs Checklist – Liquidity Review Questionnaire

Dear Board of Directors and Chief Executive Officer:

New regulatory requirements associated with NCUA's final rule on [Liquidity and Contingency Funding Plans](#) (Part 741.12) will become effective on March 31, 2014. These new requirements will apply to all federally insured credit unions except for corporate credit unions.<sup>1</sup>

Credit Union Asset Size	Requirement(s)
Under \$50 million	Maintain a basic written liquidity policy that provides a credit union board-approved framework for managing liquidity and a list of contingent liquidity sources that can be employed under adverse circumstances.
\$50 million or more	In addition to the requirement above, have a contingency funding plan that clearly sets out strategies for addressing liquidity shortfalls in emergencies.
\$250 million or more	In addition to the requirements above, establish access to at least one contingent federal liquidity source: the Federal Reserve Discount Window and/or NCUA's Central Liquidity Facility (CLF).

For a complete overview of the requirements, please refer to NCUA Letter to Credit Unions, [Guidance on How to Comply with NCUA Regulation §741.12 Liquidity and Contingency Funding Plans](#) (13-CU-10), which was issued in October 2013.<sup>2</sup>

<sup>1</sup> See <http://www.ncua.gov/Legal/Documents/Regulations/FIR20131024LiquidityContingencyFunding.pdf>

<sup>2</sup> See <http://www.ncua.gov/Resources/Documents/LCU2013-10.pdf>

Enclosures in this new letter provide further insight into NCUA's plans to examine for compliance. NCUA has developed the enclosed Supervisory Letter and examination questionnaire for examiners to use when reviewing liquidity risk management at credit unions.

If you have any questions about liquidity and contingency funding plans, I encourage you to contact your regional office or state supervisory authority.

Sincerely,

/s/

Debbie Matz  
Chairman

Enclosures