

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: April 2002 **LETTER NO.:** 02-FCU-05

TO: Federal Credit Unions

SUBJ: Rural Housing and Economic Development Program

DEAR MANAGER AND BOARD OF DIRECTORS:

The National Credit Union Administration (NCUA) recognizes the importance of financial literacy, economic development and affordable housing, particularly in distressed communities. As such, we have sought to identify opportunities for credit unions to develop and implement programs that educate and foster economic empowerment for those who need it. The Rural Housing and Economic Development (RHED) Program is an example of such an opportunity.

The U.S. Department of Housing and Urban Development recently released a Notice of Funds Availability (NOFA) describing the RHED program. The NOFA can be found at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/grants/fundsavail. With this announcement, up to \$25 million is now available to support the development of programs which enhance financial literacy and extend housing and economic development services to low-income families and individuals in rural areas. Examples of such programs include:

- First-time Home Buyers Programs
- Home Improvement Programs
- Financial Literacy Programs
- Home Ownership Counseling Programs

I encourage you to carefully review the program requirements of this unique funding opportunity to assess whether this program would be beneficial for your members. If you are interested in this program and qualify based on your review of program requirements, please complete the program application, providing detailed responses to all the rating factors described in the NOFA. The application should be submitted by April 26th in accordance with the instructions in the NOFA.

For further information and clarification, you may contact Jackie Mitchell at HUD's Office of Economic Development, 202-708-2290 ext. 4611. Additionally, our Office of Credit Union Development (OCUD) will be available to provide limited guidance through the application process. OCUD may be reached at 703-518-6610.

Sincerely,

/s/

Dennis Dollar
Chairman