

NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: January 2014 LETTER NO.: 14-FCU-01
TO: All Federal Credit Unions
SUBJ: Operating Fee Scale Reduced for 2014
ENCL: [Operating Fee Schedule for 2014](#)

Dear Board of Directors and Chief Executive Officer:

The NCUA Board has *decreased* the 2014 operating fee scale by 18.4 percent for federal credit unions with assets over \$1 million.

And the NCUA Board has extended the exemption for federal credit unions with assets of less than \$1 million; so these smallest federal credit unions will not be charged any operating fee.

The 2014 operating fee schedule for *your* credit union is enclosed. The enclosed chart will help you calculate the exact dollar amount of your credit union's operating fee. The chart also references the NCUA web link to the online calculator, which can be found at <http://opfee.ncua.gov>.

The rest of this letter provides additional insight into the calculation method.

How is the operating fee calculated?

The two major factors that influence the 2014 operating fee rate change are the overhead transfer rate (OTR) and the growth of federal credit union assets. The OTR is calculated from the annual allocation of NCUA resources toward insurance-related functions. For 2014, the OTR increased to 69.2 percent from 59.1 percent to maintain NCUA's focus on risks to the National Credit Union Share Insurance Fund (NCUSIF). The combination of the OTR increase and growth in federal credit union assets resulted in an *18.4 percent decrease* to the 2014 operating fee scale.

Each year, in order to preserve the relationship of the scale to federal credit unions within each asset tier, the asset range for each tier is adjusted by the projected growth of federal credit union assets. Based on projected federal credit union asset growth, the 2014 asset ranges are increasing by 5.1 percent. You will see the new asset ranges to the right of the adjusted fee rates on the attached chart.

When will NCUA bill credit unions for the 2014 operating fee?

In **March**, federal credit unions with assets over \$1 million will receive an invoice for their 2014 operating fee.

At the same time, all federally insured credit unions will receive notice of any amount needed to adjust their NCUSIF capitalization deposit to 1 percent of insured shares.

- Your operating fee will be based on assets reported as of December 31, 2013.
- Your capitalization deposit may adjust up or down, based on the insured shares reported as of December 31, 2013.

When is the payment due to NCUA?

NCUA will combine your operating fee and capitalization deposit adjustment into a single payment that will be due **April 15, 2014**.

For federal credit unions signed up to pay via Pay.Gov, no further action is required. Payment will occur automatically on the due date.

All other federal credit unions will need to send payment according to the instructions included with the March invoice.

If you have any questions regarding this letter, please contact NCUA's Office of the Chief Financial Officer at ocfomail@ncua.gov.

Sincerely,

/s/
Debbie Matz
Chairman

Enclosure