NCUA LETTER TO FEDERAL CREDIT UNIONS

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

DATE: January 2007 **LETTER NO.:** 07-FCU-01

TO: All Federal Credit Unions

SUBJ: Operating Fee Schedule for FY 2007

ENCL: Operating Fee Schedule for FY 2007

Dear Board of Directors:

In March 2007, you will receive an invoice from NCUA for your 2007 operating fee and, if required, for the amount needed to adjust your National Credit Union Share Insurance Fund (NCUSIF) capitalization deposit to one percent of insured shares. The operating fee and the capitalization deposit adjustment will be based upon the assets and the insured shares, respectively, that you report as of December 31, 2006. For federal credit unions affected by Hurricanes Katrina and Rita, the asset base for the operating fee will reflect any necessary adjustments for hurricane-related funds in member accounts. These credit unions will be contacted separately and receive a letter on the application process. Your combined payment will be due no later than Monday, April 16, 2007.

For natural person federal credit unions, there are changes with the operating fee scale. The 2007 assessment rate has decreased by 1.54 percent from the 2006 rate. The decrease is primarily due to federal credit union asset growth for 2006 and agency operating expenses being less than anticipated. In addition, amounts for total assets within rate bracket categories (asset dividing points) have been increased by 3.25 percent. These amounts are adjusted each year by the same percentage as the projected federal credit union asset growth in order to maintain the same relationship of the scale to the asset base.

For corporate credit unions, the same operating fee scale as the prior year will remain in effect.

The scales are printed on the back of this letter.

If you have any questions regarding this letter, please contact the Office of the Chief Financial Officer at (703) 518-6570.

Sincerely,

/s/

JoAnn M. Johnson
Chairman

Enclosure