

January 12, 2015

Board of Directors
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Board Members:

This letter responds to your request regarding any public disclosure by the Board of the National Credit Union Administration (the "NCUA Board"), or any member thereof, of the December 30, 2014 opinion letter (the "Opinion Letter") issued by Paul Hastings LLP (the "Firm"). The Opinion Letter addressed the National Credit Union Administration's (the "NCUA") proposal (79 Fed. Reg. 11184 (Feb. 27, 2014)) to amend Part 702 of the NCUA's rules and regulations regarding prompt corrective action and risk-based capital measures.

As noted in the Opinion Letter, and as is typical in such letters, the Firm provided its opinion only to the Board and only for the Board's consideration, and thus the disclosure or further distribution of the Opinion Letter is restricted. By its terms, the Opinion Letter may be relied upon only by the NCUA Board. Without the Firm's prior express written consent, the Opinion Letter may not be furnished to, or be used or relied upon, by any other person or entity, or in any other context, and may not be quoted, in whole or in part, or otherwise referred to, filed with or furnished to any other governmental agency or other person. Further, without the Firm's prior express written consent, the Opinion Letter may not be relied upon by the NCUA or NCUA Board for any other purpose than in relation to the Proposed Rule, or relied upon by any other person. Thus, absent our prior written approval, public disclosure of the Opinion Letter is contrary to the terms of the Opinion Letter and the basis on which it was provided.

Among the reasons for such restrictions is to assure the maintenance of applicable legal privileges. The Opinion Letter was provided to the NCUA Board by the Firm as counsel to the NCUA Board. A discussion or disclosure of the substance of the Opinion Letter could constitute a waiver of the attorney-client and other privileges protecting the Board's consultations with its counsel and its predecisional discussions, and thus, potentially, make the Opinion Letter and such consultations or discussions discoverable under the Administrative Procedure Act (5 U.S.C. Chapter 5) and/or releasable under the Freedom of Information Act (5 U.S.C. § 552). We note that a disclosure of the fact that an opinion was obtained, or the fact that Board has reviewed and discussed relevant issues, each by themselves, should not constitute a waiver, so long as the substance of the discussions or advice is not referenced or disclosed.

Understanding the concerns and considerations noted herein, and pursuant to your request, this letter confirms the Firm's consent to reference during the NCUA Board's open meeting scheduled for January 15, 2015 to the fact that the NCUA Board sought and obtained the Opinion Letter from the Firm, but the Firm expressly does not consent to disclosure or discussion in the open meeting of any of the substance, analysis or conclusions set forth in the Opinion Letter.

Please feel free to contact me if you have any questions regarding this correspondence.

Very truly yours,



Kevin L. Petrasic
PAUL HASTINGS LLP