

Template: Respond to Incomplete Request to Reduce Earnings Transfer Requirement

Date

Mr. John Doe
Board Chairperson
ABC Federal Credit Union
Address
City, State Zip

Dear Mr. Doe:

I received your [DATE] letter requesting approval to waive your quarterly earnings transfer for the quarter ending [DATE]. I acknowledge receipt of your request; however, I cannot approve a reduction in the earnings transfer requirement without evidence to support a determination that such a reduction in the earnings transfer is necessary to avoid a significant redemption of shares as stated in 12 CFR §702.201(b).

I will reconsider your request if you provide evidence of your need to pay dividends at your current rates, such as a rate survey of your local area with a comparison to the credit union's rates, by [DATE – Note – must be approved by last day of month].

In the future, requests to reduce the earnings transfer must be received by this office 14 days prior to the quarter end in which a reduction in the earnings transfer is necessary. You should adjust operations to the extent possible to generate sufficient earnings to make the transfer.

Please contact examiner [examiner name] at [phone number] with any questions.

Sincerely,

[Regional Director Name]
Regional Director

[Office]/[WRITER'S INITIALS]
SSIC XXXX
Charter #

cc: SE
EX
SSA (when applicable)