

# Template: Deny 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 reduce the amount of your quarterly earnings transfer for the quarter ending [QUARTER END DATE ]. I acknowledge receipt of your request; however, I cannot approve a reduction in the earnings transfer requirement for [QUARTER END DATE ]. Specifically, I cannot approve your request because [CU NOT MEETING EXPENSE GOALS IN ITS APPROVED RBP/NWRP/LUA, PAYING DIVIDENDS ABOVE CURRENT MARKET, ETC.]. I remind you that any income earned during the quarter must be transferred to the regular reserve even if it does not meet the regulatory requirements.

In the future, you should adjust operations to the extent possible to generate sufficient earnings to make the transfer. 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. Your request must include 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.

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

Sincerely,

[NAME]  
Regional Director

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

cc: SE  
EX  
SSA (when applicable)