Date

SENT VIA [PREFERRED DELIVERY SERVICE] – SIGNATURE REQUIRED

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

I am writing to notify you that I have reviewed CREDIT UNION’s request for derivatives authority pursuant to Part 703, Subpart B of NCUA rules and regulations*.* Based on a review of the application and supporting documentation provided, CREDIT UNION has not been approved for derivatives authority. Specifically:

* Indicate reason(s) for denial (ineligible, safety and soundness, etc.)
* Describe reasons in full

We recognize CREDIT UNION’s commitment to reducing interest rate risk, and commend your efforts in developing a strategic plan to enter into the derivatives market. However, your goals and objectives must be supported by reasonable assumptions, projections, and data.

You may appeal this decision to the NCUA Board through this office. If you choose to appeal, you must submit a request, in writing, within 60 days. Your appeal should address the above items. Please see Section 703.111(d) of the regulations for details about the appeals process, or contact examiner [EXAMINER NAME] at [PHONE NUMBER].

Sincerely,

[Field DIRECTOR NAME]

Field Director

[Office]/[WRITER’S INITIALS]

SSIC XXXX

Charter #

cc: E&I (Assigned SCMS)

Field supervisor (supervisory examiner, national field supervisor, or Director of Special Actions)

Field staff (district examiner, problem case officer, examiner, or specialized examiner)

Assigned RCMS