Date

SENT VIA FEDEX – RETURN SIGNATURE REQUIRED

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

According to the June 30, 2XXX Call Report that [CU Name] originally submitted to NCUA, your net worth ratio was 6.01 percent, placing the credit union in the “adequately capitalized” net worth category. During the August 2XXX onsite supervision contact, the June 30, 20XX Call Report was corrected based on agreed-upon errors, decreasing your net worth to 1.70 percent, and placing the credit union in the “critically undercapitalized” net worth category.

[Include additional details as necessary]

This letter serves as written notice to [Name of CU], pursuant to 12 CFR 702.101(b)(2), that the date of this letter (above) is the effective date of [Name of CU’s] reclassification to the “critically undercapitalized” net worth category.

[Include description of required actions and timeframes] Within 90 days of the effective date that an insured credit union is classified “critically undercapitalized,” NCUA is required by law to either conserve or liquidate the credit union or to order other corrective action to better achieve the purpose of PCA. 12 U.S.C. 1790d(i)(1); 12 CFR 702.204(c)(1). In [Name of CU’s] case, the 90-day period during which NCUA must act on the statutory mandate closes on December X, 2XXX.

Sincerely,

[NAME]

Regional Director

[Office]/[WRITER’S INITIALS]

SSIC XXXX

Charter #

cc: SE

EX

SSA (when applicable)

Date

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

As you are aware, Part 702 of the NCUA rules and regulations, Prompt Corrective Action (PCA) requires credit unions with net worth less than 6 percent of assets [or fails to meet its risk-based net worth (RBNW) requirement ] to file a net worth restoration plan (NWRP) with NCUA for approval. The NWRP and its supporting documents must meet the minimum standards set forth in Section 702.206(c).

The December 31, 2005, examination [follow-up examination] recently completed by examiner John Smith determined the credit union’s correct net worth as of December 31, 2005, was x percent [and your risk-based requirement was y percent]. As of March 4, 2006, the date you received the final examination report, your credit union was reclassified as undercapitalized under PCA (see Section 702.101(b)) and the credit union must now file an NWRP.

As outlined in Section 702.101(b) and 702.206(a), you must submit your NWRP to me by April 18, 2006 [set a response date that is 45 days from the date the credit union received the final examination report; if the contact did not include an examination report, use a reasonable estimate of the date the credit union would receive this notification letter and set the response date 45 days from the receipt of the letter]. I will provide you with my written response within 45 days of the receipt of your plan.

[For credit unions $10 million or less in need of a NWRP including the following: NCUA’s Office of Small Credit Union Initiatives (OSCUI) is available to assist with drafting a NWRP. To request assistance, complete the OSCUI Consulting Nomination Form found at <http://www.ncua.gov/Resources/OSCUI/Documents/ConsultNomination.pdf> and check the Net Worth Restoration Plan box in the Immediate Services Requested section of the form.]

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)