Date

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

On [Month XX, 20XX], your credit union’s Net Worth Restoration Plan (NWRP) was approved by the National Credit Union Administration (NCUA) as required by Part 702 of the NCUA rules and regulations.

Our review of your [Month XX, 20XX], 5300 call report shows your credit union’s net worth position has been at least “adequately capitalized” for four consecutive calendar quarters. Therefore, your NWRP is no longer required. I appreciate the hard work and dedication your management team showed in restoring the credit union’s financial health.

Although your credit union no longer operates under a net worth restoration plan, you must continue to comply with Part 702 by increasing the dollar amount of your net worth quarterly by at least 0.10 percent of assets and transferring that amount to the regular reserves. This requirement remains in effect until your credit union is well capitalized, with net worth of seven percent or more.

Please note that if the credit union is classified as undercapitalized or lower at some point in the future, it will be necessary to submit a new NWRP to NCUA for approval within 45 days of the new effective date of classification [*or, in the case of a credit union that is still classified as “new” under PCA:* Please note if the credit union is classified as moderately capitalized or lower at some point in the future and it is still classified as “new” under Section 702.301(b) it will be necessary to submit a new RBP to NCUA for approval within 30 days of the new effective date of classification].

[*For credit unions $50 million and less, newly chartered (less than three years old) or low income designated consider including the following statement:* In your efforts to improve your financial condition, you may wish to take advantage of programs offered by NCUA’s Office of Small Credit Union Initiatives (OSCUI). OSCUI provides guidance and assistance to small, new, and low-income designated credit unions through four primary programs - Training, Grants and Loans, Partnerships and Outreach, and Consulting Services. More information is available from your examiner or at <http://www.ncua.gov/Resources/OSCUI>.]

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)