Date

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

I received your request for a waiver of the regulatory fixed asset limit on [date]. Before investing in additional fixed assets that will result in a ratio of fixed assets/shares and retained earnings above five percent, management must first request and obtain approval from the Regional Director. You failed to seek the waiver prior to the acquisition of fixed assets that caused your aggregate investment in fixed assets to exceed the regulatory limit as required by Section 701.36 of the NCUA rules and regulations. NCUA does not approve fixed asset waiver requests retroactively.

I have completed my review of your request for a waiver of the limitation on the ownership of fixed assets as provided under Section 701.36(a) of the NCUA rules and regulations. I am granting you forbearance only for the proposal provided in your letter of [date], which includes the investment in new computers, office equipment, software, and to budget for an increase in your monthly lease for one of your offices. I anticipate the board of directors will make every effort to reduce the percentage of fixed assets to below five percent of shares and retained earnings in a timely manner.

As provided under Section 701.36(a)(2)(iii), you may make future acquisitions of fixed assets provided the aggregate of all such acquisitions does not exceed [DOLLAR AMOUNT]. This provision is to assist the credit union in obtaining assets required for its day-to-day operations, and will cease after the investment in fixed assets has decreased below [PERCENT] percent of shares and retained earnings.

In the future, I expect full compliance with all NCUA rules and regulations. *(Note: For repeat or intentional violators, add:* Should you fail to do so again, I will consider taking administrative action, which may require you to divest of fixed assets.*)*

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)