Date

SENT VIA FEDEX

Mr. John Doe

Board Chairperson

ABC Federal Credit Union

Address

City, State Zip

Dear Mr. Doe:

We received your [ DATE ] letter on [ DATE ] requesting an exemption from the nonmember deposit limitations of Section 701.32(b)(1) of the NCUA rules and regulations, which limits payment on shares from public unit and nonmembers to 20 percent of total shares and deposits or $3 million, whichever is greater. [*For state credit unions, add* [name] Credit Union is subject to the limitations per Section 741.204 of the NCUA regulations.]

We cannot approve your request at this time. [DESCRIBE REASON FOR DENIAL]

We expect you to reduce the credit union’s nonmember deposits to the regulatory limitation within thirty days of receiving this letter.

You may appeal this decision to the NCUA Board through this office. Please see Section 701.32(b)(2)(iv)(5) of the regulation for the appeals process. If you choose to appeal, submit your appeal request in a timely manner, providing specific reasons why you believe your request should be approved.

*OR*

Although you exceeded the limitation without prior approval, we are willing to allow the credit union to hold the excess nonmember deposits based on the recommendation of Examiner [examiner name]. However, all future exemption requests must be made prior to accepting nonmember deposits above the regulatory limitation.

This exemption authorizes you to accept nonmember deposits up to a maximum limit of [SPECIFY A PERCENTAGE OF TOTAL SHARES OR A DOLLAR AMOUNT]. This exemption is effective immediately and will expire on [SPECIFY A DATE NOT MORE THAN TWO YEARS FROM DATE OF APPROVAL]. Upon expiration of this exemption, you must apply for another exemption or reduce your nonmember deposits to the regulatory limitation of 20 percent of total assets or $3.0 million, whichever is greater.

Mr. John Doe

Date

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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)