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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
ANDREW S. LEVIN, ACTING DIRECTOR

KEN ROSS
COMMISSIONER

DATE: August 2, 2010

LETTER NO.: 2010-CU-02

TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions

SUBJECT: Exclusion of CUSIP and CUHARP Assets from 2010 Credit Union Operating Fee Calculation

Several Michigan state-chartered credit unions participated in the National Credit Union Administration's Credit Union System Investment Program (CUSIP) and Credit Union Homeowners Affordability Relief Program (CUHARP). These NCUA programs were intended to provide liquidity to stabilize the corporate credit union system and assist homeowners. The related assets were included in participating credit union's total asset amount for calculation of the 2010 OFIR operating fee.

In response to inquiries from participating credit unions, I have determined that OFIR can, and should, exclude assets attributable to participation in the NCUA CUSIP or CUHARP programs from the calculation of OFIR's 2010 credit union operating fee. This is consistent with the treatment of these assets by NCUA in calculation of Federal credit union operating fees, and will provide parity for Michigan state-chartered institutions that participated in these programs.

State-chartered credit unions that held CUSIP or CUHARP investments at December 31, 2009 will receive a letter from the OFIR Credit Union Division showing the recalculation of their 2010 operating fee and the resulting refund amount. Refund checks will be issued to affected institutions on or before September 30, 2010.

If you have questions or need additional information, please contact the OFIR Credit Union Division at 517-373-6930.

Sincerely,

Ken Ross
Commissioner