



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

March 21, 1990

Office of General Counsel

Mr. Joe Mangum
Director of Audit Services
Mississippi Credit Union System
P.O. Box 9575
Jackson, MS 39286-9575

Re: Distribution of Dividend Statements to Members
(Your March 2, 1990, Letter)

Dear Mr. Mangum:

You asked whether a federal credit union ("FCU") that pays dividends on regular shares on a quarterly basis is required to distribute statements to members on a quarterly basis. As a cost savings to smaller credit unions, you suggested that the statements be distributed semiannually rather than quarterly. Neither the FCU Act nor NCUA's Regulations require that statements be distributed at certain intervals. Section 5090.8 of NCUA's Accounting Manual suggests that statements be issued at least quarterly. This is not a legal requirement. As stated in Section 5090.8, an FCU must comply with the Federal Reserve's Regulation E (Electronic Transfers) requirements for sending statements to members.

Sincerely,

A handwritten signature in cursive script that reads "Hattie M. Ulan".

Hattie M. Ulan
Associate General Counsel

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