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Media Release

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Loan and Share Growth Continues

Alexandria, Va., November 20, 2007 – Federally insured credit unions reported strong asset and share growth through September 30, 2007, according to third-quarter 2007 Call Report data submitted by the nation's 8,163 federally insured credit unions.

“The loan to share ratio increased to 82.66 percent signifying credit unions diligently fulfill their mission of being a major lending source for their members,” said NCUA Chairman JoAnn Johnson. “A significant portion of loan growth can be attributed to real estate lending during the first nine months of 2007. Looking at annualized figures, first mortgage real estate loans increased 12.49 percent and other types of real estate loans increased 8 percent. NCUA continues to stress the importance that credit unions offer their members safe, stable mortgage lending products.”

While real estate lending remained strong, credit union 1st mortgage fixed, hybrid, and balloon delinquency increased from 0.28 percent to 0.44 percent, and 1st mortgage adjustable delinquency increased from 0.33 percent to 0.46 percent. Net charge-offs for 1st mortgage real estate was an annualized 0.02 percent, the same rate as 2006.

Details of annualized, major balance sheet categories and membership growth in federally insured credit unions from December 31, 2006, to September 30, 2007, follow:

- Assets increased 6.5 percent to \$744.4 billion from \$709.9 billion;
- Loans increased 6.7 percent to \$519.2 billion from \$494.4 billion;
- Investments increased 5.5 percent to \$186.7 billion from \$179.5 billion;
- Shares increased 6.0 percent to \$628.1 billion from \$601.2 billion;
- Net worth increased 6.1 percent to \$85.6 billion from \$81.9 billion; and
- Membership increased 1.9 percent to 86.97 million members

The shift in the share structure continues through September 30, 2007. Share certificates grew an annualized 14.4 percent to \$209.3 billion while money market shares grew 10.5 percent to \$108.4 billion, and IRA/KEOGH accounts grew 10.3

percent to \$56.0 billion. Regular shares declined an annualized 3.1 percent to \$176.9 billion and share drafts declined 2.5 percent to \$69.0 billion, which may indicate members are transferring funds, taking advantage of the often higher rates offered in money market accounts or share certificates.

In addition to growth in mortgage lending, unsecured credit card loans expanded an annualized 7.21 percent to \$28 billion and other types of unsecured loans increased 6.54 percent to \$23.7 billion in the first nine months of 2007. Used automobile loans grew 2.80 percent to \$89.4 billion, and new automobile loan volume decreased a slight 0.47 percent to \$88.2 billion.

While gross income increased, the cost of funds and net operating expenses increased. As a result, the return-on-average-assets remained at the 0.75 level reported at mid-year 2007.

Third quarter 2007 data details are available in a consolidated balance sheet and a September 2007 Facts/Summary posted online at [click here](#).

The National Credit Union Administration is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of over 86 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.