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Media Advisory

FOR IMMEDIATE RELEASE

Chairman Johnson to CUNA GAC Participants: Transparency is Vital

Alexandria, Va. March 5, 2008 – National Credit Union Administration Chairman JoAnn Johnson today stressed the importance of member rights and transparency in her remarks to CUNA's Governmental Affairs Conference.

"I have aspired to make transparency the best vehicle for ensuring credit union members have access to accurate information on which to base their decisions," Chairman Johnson said. "NCUA is not in the business of making decisions for the members, but to provide the opportunity for members to make informed decisions. And NCUA is not in the business of dictating management decisions for credit unions, only to ensure decisions are made with members' best interests at heart."

Johnson told the audience that at her direction NCUA continues to take steps to ensure members are fully informed when decisions require an open, transparent understanding of what specific actions will mean for their institution. Outlining a regulatory philosophy focused on minimal but effective regulation, Johnson cited the need for NCUA to reincorporate the *Federal Credit Union Bylaws* when it became apparent state courts would not enforce their prescriptions.

"I hope that all credit union boards will view transparency as fulfillment of a contract on behalf of their members, members who not only cooperatively own the institution but who place their trust in the board," Johnson said.

NCUA issued an advance notice of a proposed rule (ANPR) in February that Chairman Johnson said may be the most important ANPR issued during her tenure. The ANPR seeks comment on the accuracy of communication to members, integrity of member voting and fiduciary obligation of senior executives.

"Please give the ANPR your thoughtful consideration and let us hear from you on this proposal regarding mergers, credit union charter conversions and insurance termination transactions. While the transparency issue can be complex, a member-centric answer is deceptively simple and one the credit union industry should be eager to embrace," Johnson said.

The National Credit Union Administration is the independent federal agency that charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund (NCUSIF), insuring the savings of nearly 87 million members in all federal credit unions and the vast majority of state-chartered credit unions. NCUA is supported by credit unions, not federal tax dollars.

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