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## Media Release

FOR IMMEDIATE RELEASE

### Statement of NCUA Board in Response to Treasury Department Report on Financial Regulatory Structure

March 31, 2008, Alexandria, Va - The Executive Summary of the Treasury Report raises important issues about the optimal structure for governmental oversight of U.S. financial markets. While NCUA agrees with the premise of the report that the ultimate objective of that oversight is "a sound and competitive financial services industry grounded in robust consumer protection and stable and innovative markets," we have significant concerns that the many consumer benefits of the credit union system would be threatened by any restructuring proposal that may blur the credit union charter and that eliminates the separate regulatory and insurance function for federally insured credit unions.

Credit unions provide an important and unique financial services alternative for America's consumers. Credit unions, as member owned and democratically controlled cooperatives, are fundamentally different in both their structure and mission from other financial service providers. The cooperative form of organization, and the mission of serving a broad spectrum of consumers, including those of modest means, have fostered a credit union system that consistently provides better rates for consumers across a broad range of products and that consistently outranks the competition in consumer satisfaction surveys. Moreover, the cooperative structure of the National Credit Union Share Insurance Fund assures that the credit union system stands united against a taxpayer bailout of this one segment of the financial marketplace. Great care should be exercised to preserve these important benefits.

NCUA will conduct a detailed review of the report, and we look forward to a full and public dialogue on the issues raised. Our starting point in NCUA's review will be the proposals reflected in NCUA Chairman JoAnn Johnson's letter of November 20, 2007, to Treasury Secretary Paulson, which strongly recommended a continued separate charter and separate regulatory and insurance regime for credit unions, and recommended further strengthening of the credit union system through capital reform and other measures. A copy of that letter is available at [ncua.gov/NCUABoard/BoardMembers/Johnson/TreasuryNov202007letter.pdf](http://ncua.gov/NCUABoard/BoardMembers/Johnson/TreasuryNov202007letter.pdf).

NCUA notes that the Treasury intends its report to begin a discussion of these important issues, and we look forward to being part of that discussion.

