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Media Release

FOR IMMEDIATE RELEASE

NCUA Statement on the Members First Federal Credit Union Decision

Alexandria, Va., July 21, 2008 -- Today the court rendered a decision in the American Bankers Association vs NCUA case concluding that the agency's approval in 2003 of a six county area in South Central Pennsylvania was arbitrary and capricious. The court has asked the parties to file briefs addressing the appropriate remedy. The agency is disappointed in the decision and is reviewing it to determine the best course of action.

It is important to note that this decision did not challenge NCUA's community charter regulations. Rather it was a fact-specific challenge to the granting of a six county community in Pennsylvania and affects only those credit unions serving that community.

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of nearly 87 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.

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