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## Media Advisory

FOR IMMEDIATE RELEASE

### Fryzel Statement on the Congressional Increase in the CLF Lending Limit

September 27, 2008, Alexandria, Va. – "I am extremely pleased that Congress has responded favorably to our request that NCUA be given authority to lend to its statutorily set Central Liquidity Facility loan level, which is now \$41 billion," NCUA Chairman Michael E. Fryzel stated. "The careful case that we built in asking for the authority was based on the concept that I wanted to be proactive and preventative, rather than reactive during a crisis, and I commend Congress for providing NCUA an additional tool with which to address liquidity needs that may develop."

"Overall, the actions of Congress this week will play a major role in determining the health of the financial institutions for decades to come," according to Chairman Fryzel. "The magnitude of the asset repurchasing legislation being considered, regardless of the final product, will impact all financial institutions, including credit unions."

Fryzel noted the NCUA has taken an aggressive interest in the legislation and related issues that could assist credit unions in withstanding the market turbulence. Since he took office in early August, the Chairman has directed NCUA staff to provide both House and Senate staff with information relating to the health of the credit union system, along with possible scenarios for future liquidity demands and loan requests.

Separately, Chairman Fryzel has advocated credit union inclusion in the asset repurchase legislation proposed by Treasury Secretary Henry Paulson, as part of his overall efforts to maximize safe and sound operations and financial flexibility.

"Credit unions comprise a significant component of the financial system," Fryzel said, "My goal is to make certain that they remain safe, sound and well-positioned to deal with the uncertainties presented by problems in the broader markets. Credit

union members rightfully depend on NCUA's strong and vigilant oversight, and I am confident that, working closely with Congress, we will find solutions to put in place the kinds of safeguards that achieve that goal."

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, also operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 87 million account holders in all federal credit unions and the majority of state-chartered credit unions.

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