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Media Advisory

FOR IMMEDIATE RELEASE

Fryzel to Congress: NCUA Ready to Help with Assets

November 19, 2008, Alexandria, Va. -- National Credit Union Administration Chairman Michael E. Fryzel today called upon Congress to encourage Treasury to equip NCUA with additional flexibility in dealing with troubled assets in the credit union industry.

“The (Treasury Department) decision not to undertake the purchase of distressed assets...is of concern to me,” Fryzel stated in a letter to Congressional leaders. “A TARP-like program, which creates a market for certain distressed assets, would be of significant and tangible benefit to credit unions. I therefore request your assistance in securing those funds necessary for NCUA to construct a TARP identical to the one” created by Congress for Treasury administration under the Emergency Economic Stabilization Act (ESSA). “NCUA would establish standards and procedures for the use of such funds.”

Characterizing the TARP set forth in ESSA as “an important potential avenue of relief for financial institutions” Fryzel told House and Senate lawmakers that “I see a demonstrated need” for Treasury assistance. Chairman Fryzel’s letter did not call for new legislation, but instead requested Congressional intervention with Treasury Secretary Paulson in enabling NCUA to implement the program Congress had already created.

The appeal came as part of a broader letter outlining other proactive steps being taken by Chairman Fryzel during the mortgage and credit dislocations, including yesterday’s proposed Credit Union Homeowner Affordability Program (CU HARP) and the request to Treasury for the guarantee of non-interest bearing transaction accounts at credit unions.

Chairman Fryzel’s letter to Congress

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 89 million account holders in all federal credit unions and the majority of state-chartered credit unions.

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