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## Media Release

FOR IMMEDIATE RELEASE

### CLF Advances Reach Nearly \$8 Billion in NCUA Initiative

February 13, 2009, Alexandria, Va. – The National Credit Union Administration today provided an additional \$2.9 billion to credit unions participating in the Credit Union System Investment Program (CU SIP), an NCUA Central Liquidity Facility (CLF) initiative designed to add liquidity to the credit union system.

This follows the initial January 9, 2009, issue when the CLF funded approximately \$4.9 billion in advances under CU SIP. Under SIP, credit unions borrow from the CLF and invest the funds in corporate credit union debt guaranteed by the National Credit Union Share Insurance Fund (NCUSIF). Corporate credit unions use the funds to pay down borrowing outside the credit union system, freeing collateral for future contingency liquidity needs.

CU SIP has brought external funds into the credit union system to bolster liquidity. In promoting the program, NCUA has noted there is no credit risk for participating credit unions because their investments are fully guaranteed by the NCUSIF. Further, since CU SIP notes are backed under the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) with a guarantee fee paid by the corporate credit union, there is no additional premium assessment for natural person credit unions.

“The continuing commitment of the credit union industry to the SIP program is both impressive for its size, as well as for what it says about the recognition of the need for everyone’s help during this critical time. Stabilized liquidity is one of the cornerstones of NCUA’s approach to dealing with the difficulties in the corporate system, and I encourage credit unions to utilize this important tool as we move forward together,” noted NCUA Chairman Michael E. Fryzel.

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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