



For Details, Contact  
NCUA Public &  
Congressional Affairs  
E-mail: [pacamail@ncua.gov](mailto:pacamail@ncua.gov)  
Phone: 703.518.6330

National Credit Union  
Administration  
1775 Duke Street  
Alexandria, VA 22314-3428  
Fax: 703.518.6409

## Media Release

FOR IMMEDIATE RELEASE

### NCUA Releases FAQs on PIMCO Credit Analysis and Recent Conservatorship Actions

**Alexandria, Va. March 23, 2009** -- The National Credit Union Administration (NCUA) today is releasing frequently asked questions (FAQs) regarding the Pacific Investment Management Company LLC (PIMCO) analysis of corporate credit union residential mortgage backed securities (RMBS) and NCUA's conservatorship of U.S. Central and Western Corporate Federal Credit Unions.

The NCUA Board requested PIMCO perform an analysis of corporate credit union RMBS in order to receive an independent, objective assessment of potential losses resulting from holding the securities to maturity and to verify NCUA's reserve methodology for calculating the credit union premium to recapitalize the National Credit Union Share Insurance Fund.

NCUA obtained an independent review because:

- The portfolios with RMBS have highly complex structures that require considerable expertise to model and analyze.
- The growing amount of unrealized losses on investment securities and the troubling amount of rating downgrades compelled NCUA to independently determine the amount of expected credit impairment.
- NCUA developed concerns about the portfolio management abilities of the largest corporate credit unions and did not want to rely solely on the institutions' own analyses.

The attached PIMCO action FAQs explain that taken together with other supervision and examination information, the PIMCO report augments National Credit Union Share Insurance Fund analysis of the potential losses stemming from corporate credit union portfolios.

The attached FAQs relating to NCUA's conservatorship of US Central and Western Corporate explain why NCUA conserved the corporate credit unions and provide a wide range of information about their liquidity, what credit unions can do to support stabilizations efforts, TARP funding, and the future structure of corporate credit unions.

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, operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of nearly 89 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.

[PIMCO FAQs](#)

[NCUA Conservatorship FAQs](#)

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