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NCUA Media Release

Watts United Credit Union Closes

July 6, 2009, Alexandria, Va. The National Credit Union Administration (NCUA) accepted appointment as the liquidating agent of Watts United Credit Union of Los Angeles, California, following the decision of the California Department of Financial Institutions to place the credit union into liquidation on Monday, July 6, 2009.

The NCUA Asset Management and Assistance Center will issue checks to individuals once they have verified the balances in share accounts in the Watts United Credit Union. Through the NCUA National Credit Union Share Insurance Fund, credit union members' deposits are insured to at least \$250,000 on regular accounts and \$250,000 on certain retirement accounts.

The California Department of Financial Institutions made the decision to liquidate Watts United Credit Union and discontinue its operation after determining that the credit union is insolvent and has no prospects for restoring viable operations. At the time of liquidation, the credit union served 1,067 members and had deposits of approximately \$800,000. This is the second federally insured credit union to close in 2009.

Watts United Credit Union was chartered by the California Department of Financial Institutions to serve residents of the Los Angeles community of Watts.

The National Credit Union Administration is the independent federal agency that charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund, insuring the savings of nearly 89 million members in all federal credit unions and most state-chartered credit unions. NCUA operations are funded by credit unions, not tax dollars.

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