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NCUA Media Advisory

Matz Marks Anniversary of Stabilization Fund, Looks to Future

NCUA Provides Transparency on Upcoming Assessments

May 20, 2010 Alexandria, Va.-- National Credit Union Administration Chairman Debbie Matz today marked the first anniversary of the creation of the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) by noting its success in helping credit unions manage the costs stemming from corporate credit union losses, and urging continuing progress in reforming the system.

"Tomorrow marks the first anniversary of President Obama's signing of the law that created the Corporate Stabilization Fund," Chairman Matz stated as she opened the NCUA Board's May 20 meeting. "This milestone marks a fitting moment to recognize how much has been accomplished since the fund was established. The Stabilization Fund has played an important role in helping credit unions better manage the costs associated with the corporate crisis. Moreover, the fund has provided both NCUA and the credit union industry with greater flexibility in moving toward a resolution of the corporates' problems.

Chairman Matz reflected on the actions that led to creation of the Stabilization Fund. "Intense pressure on the credit union industry called for quick and decisive action by the NCUA Board. Then-Chairman Fryzel, then-Vice Chairman Rodney Hood, and Board Member Hyland recognized the urgency of the situation – and, even more importantly, they envisioned solutions. By devising the Stabilization Fund, and by securing its approval in record time, NCUA took a reasoned and responsible course of action that has clearly worked. Its continuing success will ease the way toward our next phase of dealing with the corporate situation. I commend the NCUA Board and staff for their diligence, their vision and their perseverance. These qualities have defined our agency's efforts to this point, and will continue to serve the credit union industry well in the months and years ahead."

Matz's remarks at the opening of the NCUA Board meeting led to a detailed discussion of the separate funding process for both the TCCUSF, which was set up to absorb losses related to corporate credit union investments, and the National Credit Union Share Insurance Fund (NCUSIF), the federal insurance fund that stands behind consumer deposits. That discussion was the latest effort by NCUA to maintain transparency regarding the roles, costs and functions of the two funds.

The NCUA Board is responsible for assessing credit unions the amounts necessary to repay the Treasury on behalf of the TCCUSF, and for maintaining a strong equity ratio on behalf of the NCUSIF.

As a result of the discussion led by Chairman Matz, NCUA staff detailed the analyses being conducted to recommend specific assessment amounts to the NCUA Board. Deputy Executive Director Larry Fazio plans to recommend the TCCUSF assessment amount this summer. Examination & Insurance Director Melinda Love plans to recommend the NCUSIF assessment amount this fall.

To see the factors that will determine each assessment payment, for the NCUSIF Assessment Analysis [click here](#), and for the TCCUSF Assessment Analysis [click here](#).

NCUA is the independent federal agency that regulates, charters and supervises federal

credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 90 million account holders in all federal credit unions and the majority of state-chartered credit unions.

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