



NCUA Media Advisory

Matz: Credit Unions Remain Resilient In Tough Times

NCUA Actions Saved Credit Unions Over \$1 Billion

February 28, 2011, Alexandria, Va. – National Credit Union Administration Chairman Debbie Matz today said that strong NCUA oversight, combined with industry resilience, has saved credit unions over \$1 billion in potential losses.

Speaking to an audience of over 4,000 at the Credit Union National Association’s Governmental Affairs Conference in Washington, DC, Chairman Matz detailed the “untold story of the last 18 months is how we prevented another crisis.”

Matz described how several consumer credit unions, including some with over \$1 billion in assets, teetered on the brink of failure. “We knew that business as usual was not going to work. We had to be creative. We had to tailor remedies to unique situations at each credit union. And we had to act quickly.”

Matz detailed the four strategies NCUA promptly implemented to prevent catastrophic losses:

- “We used very prescriptive Letters of Understanding and Agreement to commit certain credit unions to specific performance targets with very close supervision.”
- “We found merger partners for credit unions that simply could not survive on their own.”
- “We worked with several credit union boards to select new CEOs who had the skills and experience to address the specific problems that their credit unions faced.”
- “We conserved some credit unions in order to stabilize them so they could ultimately be returned to their members.”

In each of these cases, Matz concluded, “Failing to take action would have incurred significant losses to the National Credit Union Share Insurance Fund – and to credit unions.”

“If NCUA had not prevented these credit unions from failing,” Matz added, “we estimate they would have cost the credit union industry \$1.5 billion. Instead, in 2010, we had just 28

consumer credit union failures – five times fewer than the banking industry – and actual losses of only \$221 million.”

“We’ve always known that the credit union system was strong,” Matz reminded the credit union audience. “This year you showed it’s resilient, as well.”

For a complete version of Matz’s remarks to the Credit Union National Association’s Government Affairs Conference, [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 over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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