



NCUA Media Release

Matz Outlines 3 Core Elements of a Strong Credit Union System

Effective Regulation, Volunteer Leadership, and Outreach

Alexandria, Va. (May 2, 2011) – National Credit Union Administration Chairman Debbie Matz today outlined three core elements of a strong credit union system: “effective regulation, effective volunteer leadership, and effective outreach.”

Speaking at the Credit Union National Association Volunteer Institute, Chairman Matz both praised and challenged credit union volunteers. “Volunteers have led credit unions diligently from recession toward recovery. Now it’s incumbent upon credit unions to adapt to meet changing demands and attract the consumers of tomorrow.”

Effective Regulation

Chairman Matz described recent NCUA actions that have saved credit unions \$1.5 billion in potential losses and hundreds of millions of dollars in additional insurance premiums.

“Whenever a credit union is taking chances that threaten to cause serious losses, we are doing everything in our power to prevent those losses before they impact all federally insured credit unions,” Chairman Matz asserted. “Effective regulation is how we protect your investment in the National Credit Union Share Insurance Fund.”

Effective Volunteer Leadership

However, Chairman Matz continued, “Responsiveness to regulation is not enough to keep credit unions strong. There must also be responsiveness to credit union members and communities at large. That’s why strong credit unions need informed, engaged and effective volunteer leadership. And that’s why NCUA is clarifying and codifying the skills volunteer leaders need.”

Chairman Matz emphasized that NCUA’s fiduciary duties rule requires federal credit union board members to “have a certain base level of financial skills, consistent with the size and complexity of the credit union they serve. At a minimum, board members must be able to understand their credit union’s balance sheet and income statement.”

For board members who need financial training, NCUA is providing 34 free workshops and will post online modules at www.ncua.gov before the compliance date of July 27.

Effective Outreach

“The most successful credit unions in the days ahead will not only be those with effective leadership, but also those that conduct effective outreach,” Chairman Matz concluded. “Right now, a huge potential market is being underserved by credit unions: younger consumers.”

The average age of credit union members is up to 47 – several years past the peak borrowing ages of 25 to 44. “To survive in the future,” Matz projected, “credit unions must begin attracting more members who are younger than the current peak borrowers.” Yet the percentage of credit union members ages 18-24 has shrunk to just 4 percent of membership.

“Today’s younger market expects services like mobile banking, ATM fee rebates, and online bill-paying,” Chairman Matz pointed out. “They expect to be able to open accounts and be approved for loans online. They expect immediate customer service 24/7. And they want to make deposits using their iPhones. It is absolutely essential to use all of the tools at your disposal to win over this generation.”

For example, Matz suggested, “your credit unions need to have a presence on Facebook, Twitter and YouTube. Connect to tech-savvy potential members on their own turf; speak to them in their own language. Social media, the Internet and technology are the tools that are redefining ‘community’ for a new generation. If you can take your traditional member service and marry it with today’s cutting-edge technology, then you’ll have unlimited potential for a more prosperous tomorrow.”

For complete text of Chairman Matz’s remarks to the Credit Union National Association Volunteer Institute, [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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