



NCUA Media Release

Hyland Addresses AICPA Conference

ORLANDO (Oct. 24, 2011) – National Credit Union Administration (NCUA) Board Member Gigi Hyland was the keynote speaker at the American Institute of Certified Public Accountants National Conference on Credit Unions here today.

Before approximately 450 attendees, Hyland addressed issues facing the credit union system in the context of the dynamic economy and provided an update on regulatory issues before the NCUA Board. The conference attracts CPAs working with credit unions, internal auditors, controllers, financial managers, board members and other credit union volunteers.

Key topics covered by Hyland included the status of the National Credit Union Share Insurance Fund (NCUSIF), the recently issued net worth and equity ratio rule, and agency staff's work to develop revised regulatory reporting guidance for credit unions on troubled debt restructurings (TDRs).

In discussing the strength of the NCUSIF, Hyland noted, "At the end of August, we deducted \$160 million from the insurance loss expense so that the NCUSIF ending reserve balance is now \$1 billion. This is good news since it reflects the incremental progress and improvements we've seen in credit unions over the past several months."

Hyland also pointed out the steady decrease in the percentage of CAMEL Code 4/5 credit union shares to total insured shares from a high in December 2009 of 5.72 – 3.96 percent as of Aug. 31, 2011.

"One of the issues that continues to vex credit unions and accounting practitioners is the regulatory reporting of TDRs," Hyland stated. She alerted attendees to the webinar she hosted in February 2011 to address this issue and she also indicated that the agency is in the process of reviewing its TDR regulatory reporting guidance to provide clearer direction on loan rewrites and modification frequency standards.

Other topics discussed included the proposed rule on credit union service organizations, the member business lending cap, and supplemental capital.

NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise 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 more than 91 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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