



NCUA Media Release

NCUA Stabilization Fund Receives Clean 2010 Audit

ALEXANDRIA, Va. (Dec. 27, 2011) – The National Credit Union Administration (NCUA) today released the 2010 audited financial statements for the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund). The Stabilization Fund’s financial statements received an unqualified or “clean” audit opinion from KPMG LLP, the independent firm that audits NCUA.

“We knew that the volume, complexity, valuations, and accounting requirements associated with the Stabilization Fund’s establishment and the NCUA Guaranteed Notes program’s implementation would create unprecedented hurdles for the 2010 audit,” said NCUA Board Chairman Debbie Matz. “As a financial services regulator, NCUA takes financial audits very seriously. We therefore decided it was most important to take the time to deliver a high-quality financial report. The Stabilization Fund’s clean audit opinion by an independent body demonstrates our commitment to robust financial reporting.”

KPMG completed the 2010 audit of the Stabilization Fund. In issuing a clean audit opinion, KPMG also issued one finding related to the timeliness of producing financial statements for the Stabilization Fund. The finding acknowledges that NCUA faced unprecedented developments related to finalizing the 2010 financial statements and makes recommendations to ensure that NCUA produces timely reporting in the future. The finding states:

“During 2010, the National Credit Union Administration undertook a new initiative, the Corporate System Resolution Program (CSRP), as a result of the failing corporate credit unions (CCUs) due to the financial system crisis. The broad-reaching inter-related implications of this unprecedented initiative, which included actions to accumulate and value assets of liquidated CCUs and their corresponding temporary bridge entities, presented significant financial reporting challenges. Simultaneously, the agency was transitioning to new accounting standards for another fund as well as implementing a new accounting system. This unprecedented initiative and its reporting challenges, hindered NCUA’s ability to fully plan and execute timely all the related accounting requirements for the TCCUSF [Temporary Corporate Credit Union Stabilization Fund] and contributed to delays in the publication of the financial statements by OMB [Office of Management and Budget] established deadlines.”

“NCUA continues to strengthen the necessary processes, systems, and procedures to handle the vast complexity involved in accounting for ongoing transactions relating to the Stabilization Fund,” added Chairman Matz. “NCUA is committed to producing more timely audits for the Stabilization Fund going forward.”



Congress created the Stabilization Fund in 2009 to provide NCUA with the flexibility to manage the impact of the costs to consumer credit unions associated with the troubled mortgage-backed securities purchased by the five failed corporate credit unions.

“To facilitate transparency, we made the results of the Stabilization Fund’s 2010 audit available for public review immediately,” concluded Chairman Matz. “Transparency will continue to be a hallmark of NCUA’s operations. In this regard, NCUA will soon release a website dedicated to providing timely information about the performance of the NCUA Guaranteed Notes.”

The 2010 independent audit for the Stabilization Fund is available at:
<http://www.ncua.gov/about/Leadership/CO/OIG/Pages/AuditRpt2011.aspx>.

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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