



## NCUA Media Release

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# NCUA's Latest Video Focuses on Improving Economic Trends and Interest Rate Risk

ALEXANDRIA, Va. (March 29, 2012) – The National Credit Union Administration (NCUA) released today the third installment in the agency's free "YouTube" economic update series.

The new video highlights key economic indicators that point to a recovering national economy, but the recent increase in oil prices is a key risk. NCUA Chief Economist John Worth notes, "In recent months, consumer confidence has improved, retail sales are up, a sign that consumers are beginning to spend again. Nevertheless, oil prices are a concern." The national labor market also gained more than 200,000 jobs in February, while unemployment held steady at 8.3 percent, down from 9.1 percent as recently as last August.

The economic update video additionally features an in-depth discussion on NCUA's recently adopted interest rate risk (IRR) rule with Worth and special guest J. Owen Cole, Jr., the Director of Capital Markets in NCUA's Office of Examination and Insurance.

During the [January meeting](#), the NCUA Board adopted the final IRR rule. The rule, effective in September, requires certain federally insured credit unions to have a written policy to address IRR management, as well as an effective IRR program for successful asset liability management.

"The impetus for this rule really has much to do with the evolution of risk in credit union balance sheets in the last 10 or 15 years," said Cole. "Credit union exposure to residential mortgage lending funded by fairly short-term liabilities has grown and become more pronounced over time. And so, the Board felt this is a particularly good time to address the need for managing that important risk very carefully through a formal written policy, which is essentially what the rule requires."

The latest economic series video is available for free on NCUA's official [YouTube channel](#).

*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 nearly 92 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.*

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