



NCUA Media Release

Stabilization Fund Earns Clean 2011 Audit

KPMG Issues Unqualified Opinion to NCUA for Second Year in a Row

ALEXANDRIA, Va. (June 22, 2012) – The National Credit Union Administration (NCUA) released the 2011 audited financial statements for the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) today. KPMG LLP, the independent firm that audits the Stabilization Fund’s books, issued an unqualified audit opinion with no reportable findings.

“For the second year in a row, NCUA has received a clean audit opinion for the Stabilization Fund from our independent auditor,” said NCUA Board Chairman Debbie Matz. “As a regulator of financial institutions, NCUA is committed to producing financial reports of the highest quality year after year for each of our funds. KPMG’s determination that we achieved this standard for the Stabilization Fund in 2011 is, therefore, very welcome news.”

Since releasing the 2010 Stabilization Fund audit, NCUA has continued to strengthen the systems needed to handle the Stabilization Fund’s many complex transactions, including those related to the NCUA Guaranteed Notes. NCUA also improved its internal control environment which allowed the 2011 audited financial statements to be completed six months earlier than the 2010 statements.

“With the necessary processes and procedures now in place, we can expect a more timely audit for the Stabilization Fund in 2012,” added Chairman Matz.

The Stabilization Fund provides NCUA with the flexibility needed to manage the effect of the costs to the credit union system associated with the losses on troubled mortgage-backed securities purchased by the five failed corporate credit unions. NCUA liquidated these five failed credit unions in 2009 and 2010.

“In order to promote transparency, NCUA has posted the Stabilization Fund’s 2011 audit for public review as soon as it became available. NCUA staff is now working to update the Corporate System Resolution loss projections through year-end 2011, and we will post this information on NCUA’s Corporate System Resolution Costs webpage by the end of June,” concluded Chairman Matz.

NCUA posted the 2011 audited financial statements of the agency’s four permanent funds Feb. 16, 2012. To view the Stabilization Fund’s 2011 audited financial statements go to:

<http://www.ncua.gov/about/Leadership/CO/OIG/Pages/AuditRpt2012.aspx>

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

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