



NCUA Media Release

Low-Income Credit Union List Hits 1,874

Two-Thirds of Newly Eligible Credit Unions Now Have Low-Income Designation

ALEXANDRIA, Va. (Oct. 18, 2012) – Credit unions across the nation have responded favorably to a National Credit Union Administration (NCUA) initiative aimed at cutting regulatory red tape and expanding the number of credit unions with the low-income designation.

Two months after NCUA informed 1,003 federal credit unions of their eligibility to become a low-income credit union (LICU), 676 federal credit unions have accepted. As a group, the newly designated LICUs serve more than 7.7 million members and manage more than \$66 billion in combined assets. With all of the new acceptances during the last two months, the total number of low-income designated credit unions has risen to 1,874.

“We have had a very positive response to our low-income credit union eligibility initiative. The initiative aims to put needed financial services and resources into the grassroots of the American economy,” said NCUA Board Chairman Debbie Matz. “Two-thirds of the newly identified eligible credit unions have accepted in the last two months. By streamlining the application process, we are expanding opportunities and access to capital for millions of credit union members.”

To qualify as a LICU, a majority of a credit union’s membership must meet low-income thresholds based on 2010 Census data. The low-income designation means a credit union:

- Is eligible for the Community Development Revolving Loan Fund’s grants and low-interest loans;
- Can obtain supplemental capital;
- Is exempt from the 12.25 percent statutory cap on member business loans; and
- Can accept non-member deposits from any source.

Matz noted the NCUA initiative was part of President Obama’s relief and recovery package to help 27 drought-stricken states. To date, 326 of the federal credit unions that accepted the LICU designation are headquartered in states affected by the drought. These credit unions represent 51 percent of new LICU assets and 52 percent of new LICU members.

Additionally, the overwhelming majority of new LICUs have less than \$100 million in assets. More than 80 percent of the newly designated LICUs fall below the \$100 million threshold, and the median asset size of new LICUs is \$23.8 million.

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A list of the newly designated low-income credit unions is available [here](#).

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

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