



NCUA Media Release

Matz: “Important Milestone” in Corporate Resolution Achieved

\$1.5 Billion in Medium Term Notes for WesCorp Now Repaid

ALEXANDRIA, Va. (Nov. 6, 2012) – With the payment of a \$1.5 billion obligation of the failed Western Corporate Federal Credit Union (WesCorp), the National Credit Union Administration (NCUA) has taken a major step forward in successfully completing the agency’s Corporate Resolution Plan.

“This repayment is an important milestone in NCUA’s efforts to resolve the failure of five corporate credit unions in an orderly manner and maintain confidence in the credit union system,” said NCUA Board Chairman Debbie Matz. “With this final payment completed, we will continue our efforts to mitigate costs to federally insured credit unions over the remaining life of the Stabilization Fund.”

NCUA made the \$1.5 billion Medium Term Note payment Friday, Nov. 2, using proceeds from credit union assessments, cash on deposit and other assets from the failed corporate credit unions. The WesCorp payment follows the Oct. 19, 2012, repayment of the \$2 billion Medium Term Note obligation of the former U.S. Central Federal Credit Union (U.S. Central). The loans to WesCorp and U.S. Central were instrumental in stabilizing the two corporates while they were in conservatorship. NCUA guaranteed repayment under terms of the Temporary Corporate Credit Union Liquidity Guarantee Program.

The WesCorp and U.S. Central Medium Term Note obligations represent the final fixed repayment liabilities incurred by the Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) as a result of the corporate credit union failures.

The primary remaining obligation of the Stabilization Fund is \$5.1 billion in outstanding borrowings from the U.S. Treasury. The outstanding balance may be repaid over the remaining life of the Stabilization Fund, which expires in June 2021. The NCUA Board will determine future assessments to repay the outstanding balance.

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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