



## NCUA Media Advisory

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# Audio Conference Details New Capital Funding

### *Low-Income Credit Unions Can Apply for 2 Percent Stimulus Funds*

**March 5, 2010, Alexandria, Va.** – National Credit Union Administration (NCUA) Chairman Debbie Matz and National Federation of Community Development Credit Unions (Federation) President/CEO Cliff Rosenthal yesterday provided 122 audio conference participants with specifics about the U.S. Department of the Treasury’s new Community Development Capital Initiative (CDCI). The CDCI program, designed to increase lending in low-income communities, enables Treasury to invest low-cost capital in specific financial institutions, including certain certified Community Development Financial Institution (CDFI) credit unions.

Time is of utmost importance. Low-income credit unions (LICUs) must apply for funding by April 2, 2010, and uncertified LICUs must apply for CDFI certification by April 16, 2010.

“As the rules are being finalized, NCUA wants to facilitate participation by the credit union community in every way possible,” noted Chairman Matz. “NCUA’s Audio Conference and the new efforts announced underscore my commitment to work closely with the industry in order to ensure the broadest and fullest benefit from this innovative program.”

The new efforts announced by NCUA during the call include:

- The availability of technical assistance grants to assist eligible credit unions develop a Secondary Capital Plan for the purpose of meeting the application requirement for CDCI funding; and
- A notice to eligible credit unions indicating whether, per NCUA’s preliminary analysis, the credit union will require matching funds in order to access CDCI funding.

The CDCI program enables low-income credit unions to apply for up to 3.5 percent of total assets, but not more than 50 percent of capital and unimpaired surplus. CDCI capital investments carry an initial 2 percent interest rate, which compares favorably to the 5 percent rate offered by Treasury's prior Capital Purchase Programs.

A Secondary Capital Plan (Plan) is a required part of the application process. At a minimum, the Plan must meet the requirements of NCUA's Rules and Regulations 701.34 (b)(1). Application and program materials are available via <http://www.financialstability.gov/roadtostability/comdev.html>. NCUA will post additional guidance on its website <http://www.ncua.gov/Resources/CreditUnionDevelopment/index.aspx> . Direct program inquiries to NCUA at [LICUCapital@ncua.gov](mailto:LICUCapital@ncua.gov).

*NCUA is the independent federal agency that regulates, charters and supervises 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 over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.*

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