

National Credit Union Administration
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NCUA Media Advisory

NCUA Issues Letter of Understanding and Agreement

June 11, 2010, Alexandria, Va., -- The National Credit Union Administration (NCUA) has published a Letter of Understanding and Agreement (LUA) entered into with the officials of Sperry Associates Federal Credit Union, Garden City Park, New York.

The LUA identifies corrective actions needed at the credit union and the Agency is working closely with the credit union to make a sustained, conscientious effort to correct noted adverse conditions, including:

- Declining capital;
- Participation lending losses;
- Potential unrecognized investment losses;
- Inadequate due diligence; and
- Inadequate testing of high risk areas.

The credit union is open for business as usual and serving its approximately 8,000 members. Member funds are federally insured up to \$250,000 per account by the National Credit Union Share Insurance Fund.

NCUA enforcement orders are online at:

<http://www.ncua.gov/Resources/AdministrativeOrders/LUA.aspx> and may be inspected at NCUA's Office of General Counsel from 9 a.m. to 4 p.m. Monday through Friday. Copies may be ordered by mail from NCUA, 1775 Duke St., Alexandria, Va. 22314-3428.

Violations of this agreement could result in NCUA initiating formal administration actions under the Federal Credit Union Act, such as, civil money penalties, cease and desist orders, removal and prohibition orders, or orders to liquidate, conserve or merge the credit union.

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of over 90 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.

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