



## **Fact Sheet**

### **Temporary Corporate Credit Union Share Guarantee Program**

**(Revised September 24, 2010)**

On January 28, 2009, the National Credit Union Administration Board (“NCUA Board” or “Board”) announced the Temporary Corporate Credit Union Share Guarantee Program (“TCCUSGP”). This document summarizes the TCCUSGP and provides public notice of the specific terms and conditions applicable to the TCCUSGP.

#### **Summary**

The TCCUSGP provides members that have share accounts insured by the National Credit Union Share Insurance Fund (“NCUSIF”) at corporate credit unions with excess coverage above the NCUSIF insurance limits. The guarantee applies to all excess share amounts, as defined in this Fact Sheet.

The original TCCUSGP consisted of an immediate, temporary guarantee by the National Credit Union Administration, in its capacity as an agency of the Executive Branch of the United States (“NCUA”), of all shares at all corporate credit unions. In May 2009, the TCCUSGP was revised to cover shares with maturities of two years or less. Shares covered by the TCCUSGP issued prior to a corporate credit union entering into the revised TCCUSGP were not subject to the revised two-year maturity limitation. Since its inception, the TCCUSGP has been extended through December 31, 2012. A list of the corporate credit unions that have elected to participate in the TCCUSGP is posted on the NCUA website.

The guarantee provided under the TCCUSGP represents an obligation backed by the full faith and credit of the United States.

## **Terms and Conditions Applicable to the TCCUSGP.**

1. *Guarantee.* The NCUA Board has determined that the NCUA will guarantee 100% of a corporate credit union member's excess shares, as defined below, in a participating corporate credit union. The guarantee is subject to an expiration date which will not be before December 31, 2012, which expiration date may be extended. Extensions will be announced on the NCUA's website. The maximum maturity for shares subject to the guarantee is two years, unless the shares were issued prior to the corporate entering into the revised TCCUSGP. The list on NCUA website indicates the date that each corporate credit union entered into the revised TCCUSGP.

2. *Excess shares.* The term "excess shares" means any shares in a qualifying share account that are in excess of the Standard Maximum Share Insurance Amount ("SMSIA") on the date of the participating corporate credit union's liquidation. The SMSIA has been permanently increased by Congress to \$250,000.

3. *Qualifying share account.* The term "qualifying share account" means any account that qualifies for NCUSIF share insurance coverage under Part 745 of the NCUA's regulations. 12 C.F.R. Part 745. The term "qualifying share account" does not include capital accounts, such as Member Capital and Paid-in Capital accounts, or obligations that are not share obligations. Some corporate obligations that are not share obligations may be guaranteed under a different NCUA program, such as the Temporary Corporate Credit Union Liquidity Guarantee Program ("TCCULGP"). For example, notes issued under the Credit Union System Investment Program and the Credit Union Homeowners Affordability Relief Program are not share obligations but are covered by the TCCULGP.

4. *Payments on guaranteed excess shares.*

- a. In general. The obligation to pay holders of guaranteed excess shares arises only upon the liquidation of the participating corporate credit union. The NCUA will make payments on its excess share guarantee obligation from the TCCUSF at the same time the NCUSIF pays on its statutory share insurance obligation. Payment on excess shares is subject to the same terms and conditions, including proof of claim, appellate procedures, and judicial review, as NCUSIF payments on share insurance. See 12 C.F.R. Part 745. Payment of any excess shares under the TCCUSGP would be recoverable by the NCUA as a "debt due and owing the United States." See 12 C.F.R. § 709.5.
- b. Liquidation after expiration of the TCCUSGP. For liquidations that occur after expiration of the TCCUSGP, payments will be made under the excess share guarantee only if the claimant establishes the following:

(1) The claimant had excess shares in the corporate credit union subject to the TCCUSGP;

(2) The claimant made written demand upon the corporate credit union for payment of these excess shares and delivered that demand to the corporate credit union on or before expiration of the TCCUSGP; AND

(3) The corporate credit union did not honor the written demand.

#### *5. Termination.*

- a. The NCUA Board may terminate a corporate credit union's participation in the TCCUSGP at any time and at the Board's discretion. Termination will be by written notice issued to the corporate credit union and published on the NCUA's website. The termination will be effective seven days after publication. The TCCUSGP guarantee will continue on any of the corporate credit union's qualifying excess term shares issued before the effective date of termination.
- b. A participating corporate credit union may not terminate its participation in the TCCUSGP.

#### **Authority**

The NCUA Board is implementing the TCCUSGP under the authority provided the Board by Sections 120(i), 203(a), 208(a), 209(a)(7) and 217 of the Federal Credit Union Act.

#### **Additional Information**

For further information about the TCCUSGP, please contact the NCUA Regional Office for the area in which you are located. See

[http://www.ncua.gov/Aboutncua/ncua\\_directory.html](http://www.ncua.gov/Aboutncua/ncua_directory.html).