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Media Advisory

FOR IMMEDIATE RELEASE

Corporate Credit Union Share Guarantee Program Revised, Extended

The program was reopened enabling all corporate credit unions to participate

April 21, 2009, Alexandria, Va. – The National Credit Union Administration (NCUA) Board today modified the terms of the Temporary Corporate Credit Union Share Guarantee Program (TCCUSGP) to extend the program to accommodate a 2-year rolling expiration date and provide the option of quarterly extensions through December 2012. If the option to extend each quarter is fully utilized, the final guarantee would expire December 31, 2014.

With 23 corporate credit unions currently participating, the board also reopened the program until May 15, 2009, to provide all corporate credit unions with the opportunity to participate in the revised TCCUSGP. Today's action includes revisions to TCCUSGP agreements with corporate credit unions to eliminate ambiguities, provide greater flexibility and improve operations.

"The action of the NCUA Board sends a clear signal to natural person credit unions that their investments in corporate credit unions are not only safe, but also meet sound asset liability management principals by providing for orderly laddering of these investments. It is important that they continue to provide the liquidity that is needed to maintain corporate stability. The Board is committed to the safety and soundness of all credit unions and the protection of the deposits of the 90 million credit union members, and we will continue to take the necessary action to instill confidence in the system," Chairman Michael E. Fryzel stated.

The NCUA Board created TCCUSGP January 28, 2009, as part of its effort to stabilize the corporate credit union system. TCCUSGP included an immediate, temporary guarantee of all shares (excluding paid-in-capital, membership capital accounts, and other NCUA liquidity programs) until February 28, 2009. The guarantee extends through December 31, 2010, for all corporate credit unions electing to participate in the voluntary share guarantee program. To stabilize cash flows and allow for an orderly laddering of investments, the Board approved a recommended rolling 2-year term for the guarantee program that will operate as follows:

- Maximum 2-year maturity for new share deposits is covered under the guarantee. Existing deposits maturing before the expiration date are covered by the guarantee, regardless of the original term.
- Initial extension of the December 31, 2010, expiration date to September 30, 2011.
- At least 30 days prior to the end of each calendar quarter, starting September 2009, the Office of Corporate Credit Unions will evaluate the need to extend the expiration

date; and, with concurrence of the Director of Examination and Insurance, request the Executive Director approve and announce extension of the guarantee to two years beyond the end of the following quarter. Thus, if an extension is approved in September 2009, the guarantee would extend to December 31, 2011. The Executive Director will announce expiration date extensions at least 15 days before each quarter ends.

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 nearly 89 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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