

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 Duke Street, Alexandria, VA 22314

DATE: June 2009

LETTER NO.: 09-CU-11

TO: Federally Insured Credit Unions

SUBJ: Extended Time Frame for Temporary Increase to Standard Maximum Share Insurance Amount

Dear Board of Directors:

President Barack H. Obama signed the “Helping Families Save Their Homes Act of 2009” into law on May 20, 2009. Among several other provisions, the new law addresses the National Credit Union Administration’s (NCUA) borrowing authority, the ongoing efforts to stabilize the corporate credit union system, and the expanded insurance coverage available through the National Credit Union Share Insurance Fund (NCUSIF). The purpose of this letter is to inform you of the law’s provisions affecting the NCUSIF coverage available to your members.

Extension of Time Frame for Higher Coverage Limits

The “Helping Families Save Their Homes Act of 2009” extends the time frame for the temporary increase to the standard maximum share insurance amount (SMSIA). The SMSIA increase from \$100,000 to \$250,000 will now remain in effect through December 31, 2013.¹ Credit unions should note the extended time frame for the increase in the SMSIA when communicating with members.

The higher SMSIA applies to all types of share accounts, including regular shares, share drafts, money market accounts, and share certificates. The maximum coverage of \$250,000 for Individual Retirement Accounts and Keogh accounts remains unchanged and is not subject to a December 31, 2013 expiration date.

The new law also provides for the NCUA Board to take the higher insured limits into account when making decisions about premiums and administering the insurance deposit adjustments mandated by the Federal Credit Union Act. NCUA will provide additional guidance about this aspect of the law in the future.

¹ The original legislation providing for the temporary increase to the SMSIA, the “Emergency Economic Stabilization Act of 2008,” called for the higher \$250,000 limit to expire after December 31, 2009.

Share Insurance Information, Brochures, Posters, and Decals

The “Share Insurance Tool Kit” webpage remains a vital part of NCUA’s newly updated Internet site. Credit union officials and members can access the following link for an updated version of the “Your Insured Funds” brochure as well as posters and print ads reflecting the extension of the increase in insurance coverage to \$250,000:

<http://www.ncua.gov/Resources/ShareInsuranceToolKit.aspx>

In addition, new brochures and NCUA decals will be available in the near future and can be ordered using the information found through the link:

http://www.ncua.gov/NewsPublications/Publications/PDF/pub_avail.pdf

I am pleased the new law will supplement your ongoing diligence in maintaining public confidence. Your collective efforts continue to help stabilize a challenging economic climate and will ultimately protect the long term interests of your members.

Should you have questions, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

/s/

Michael E. Fryzel
Chairman