**FACT Sheet**

**Revised June 24, 2009**

**Temporary Corporate Credit Union Share Guarantee Program**

On January 28, 2009, the NCUA Board announced the Temporary Corporate Credit Union Share Guarantee Program (TCCUSGP). The Board approved revisions to the TCCUSGP on April 21, 2009 and on June 18, 2009. This document summarizes the TCCUSGP and provides public notice of the specific terms and conditions applicable to the TCCUSGP.

**A. Summary.**

The TCCUSGP provides members who have NCUSIF-insured share accounts 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 the following two parts:

* an immediate (as of January 28, 2009), temporary guarantee by the National Credit Union Share Insurance Fund (NCUSIF) of all shares at all corporate credit unions through February 28, 2009.
* an extension of the share guarantee from February 28, 2009, through December 31, 2010, for corporate credit unions voluntarily participating in the TCCUSGP by February 27, 2009. NCUA posted on its website a list of those corporate credit unions that decided to participate in the TCCUSGP.

The revisions to the TCCUSGP approved on April 21, 2009, included:

* an extension of the December 31, 2010 expiration date for the TCCUSGP to September 30, 2011, with the option for quarterly extensions of the expiration date and a maximum maturity of two years for any share subject to the TCCUSGP for those corporate credit unions that decide to participate in the extended program. NCUA posted on its website a list of those corporate credit unions that elected to participate in the revised TCCUSGP..

The revisions to the TCCUSGP approved on June 18, 2009, include:

To legally obligate the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) to pay any guarantee claims made under the TCCUSGP. The primary responsibility for payment on TCCUSGP claims now rests with the TCCUSF. To the extent any TCCUSGP claims exceed the funds available from the TCCUSF, the NCUSIF would make funds available to pay the claims.

The specific terms and conditions of the guarantee follow.

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

*1. TCCUSGP Guarantee.* The NCUA Board has determined that the TCCUSF will guarantee 100% of a participating corporate credit union’s excess shares, as defined below. The guarantee is subject to an expiration date which will not be before September 30, 2011, and which may be extended with announcements posted on NCUA’s website. The maximum maturity for shares subject to the guarantee is two years.

*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 is currently $250,000 through December 31, 2013, and reverts to $100,000 after that date.

3. *Qualifying share account*. The term “qualifying share account” means any account which qualifies for NCUSIF share insurance coverage under Part 745 of 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 (“CU SIP”) and the Credit Union Homeowners Affordability Relief Program (“CU HARP”) are not share obligations but are covered by this separate TCCULGP guarantee.

*4. Payments by TCCUSF on guaranteed excess shares.*

a. In general.The TCCUSF obligation to pay holders of guaranteed excess shares arises only upon the liquidation of the participating corporate credit union. The TCCUSF will pay on its excess share guarantee obligation 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. Upon payment of any excess shares under the TCCUSGP, the funds the TCCUSF expends to pay the share guarantee would be recoverable as a “debt due and owing the United States.” See 12 C.F.R. Part 709.5.

b. Liquidation after expiration of the TCCUSGP. For liquidations that occur after expiration of the TCCUSGP, neither the TCCUSF nor the NCUSIF will pay upon the excess share guarantee unless the claimant clearly establishes:

 (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 NCUA’s website, and 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.

**C. Authority.**

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

**D. 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>.

