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# Board Action Bulletin

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*Prepared by the Office of Public & Congressional Affairs*

## NCUA BOARD MEETING RESULTS FOR FEBRUARY 21, 2008

### **Federal employee debt collection rule issued**

The NCUA Board issued final rule Part 797, Procedures for Debt Collection, concerning collecting debts owed to the federal government by former and present federal employees. The Debt Collection Improvement Act requires that agencies issue regulations and follow Federal Claims Collection standards, which contain procedures governing debt collection and the due process rights afforded debtors.

The rule applies only to debts that arise at NCUA, such as federal employee salary overpayments or erroneous benefit withholdings and contributions. The rule is effective 30 days after publication in the Federal Register.

### **NCUSIF year-end report**

The NCUA Chief Financial Officer reported to the Board that the National Credit Union Share Insurance Fund (NCUSIF) ended 2007 strong and healthy and has just received its 24<sup>th</sup> clean opinion from an independent auditor.

In 2007, NCUSIF gross income reached its highest level in history totaling \$321.3 million. Net income totaled \$55.7 million, operating expenses totaled \$79.2 million, and insurance loss expense totaled \$186.4 million, the highest level in Fund history due to anticipated losses attributed to several credit unions.

The NCUSIF provision for loss reserve account totaled \$215.8 million at year-end. Of this amount, \$161.6 million is allocated for identified problem credit unions, and \$54.2 is allocated for non-specific reserves.

The NCUSIF equity ratio was 1.29 percent at year-end based on insured shares of \$561.9 billion held by the nation's 8,100 federally insured credit unions. The year ended with 211 problem code credit unions holding approximately 1.04 percent of insured shares. Twelve federally insured credit unions failed in 2007 – five were assisted mergers and seven involuntary liquidations resulted in three purchase and assumptions.

*Board votes are unanimous unless otherwise indicated*