## NCUA LETTER TO CREDIT UNIONS

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

DATE: June 2007 LETTER NO.: 07-CU-08

**TO:** Federally Insured Credit Unions

SUBJ: Credit Union Financial Trends for the First Quarter of 2007

**ENCL:** Financial Trends in Federally Insured Credit Unions

**January 1 – March 31, 2007** 

## **Dear Board of Directors:**

Enclosed is a report highlighting credit union financial trends for the first three months of 2007. We based our analysis on data compiled from the quarterly call reports submitted by all federally insured credit unions.

The financial condition of the credit union industry remains sound, as indicated by very strong share growth, increasing net worth dollar levels, and lower delinquency and charged-off loan ratios. The loan growth this quarter continued to come from the real estate portfolio. Credit unions that originate real estate loans are encouraged to offer safe and sound real estate products to members while providing alternatives to predatory lending practices currently found in the marketplace. I continue to encourage credit unions to assess the adequacy of their asset-liability management and liquidity management planning processes.

Thank you for your cooperation in submitting your financial and statistical data in a timely manner.

Sincerely,

/s/

JoAnn Johnson Chairman