

## Chairman Johnson and U.S. Treasurer Cabral encourage direct deposit

NCUA Chairman JoAnn Johnson met with U.S. Treasurer, Anna Escobedo Cabral and Assistant Secretary for Financial Institutions Emil W. Henry, Jr., to discuss Treasury's **Go Direct** campaign encouraging direct deposit at financial institutions.

"Direct deposit is a practical way for Americans to protect their financial well being," said Chairman Johnson. "We learned from last year's hurricanes that it is important credit union members have access to federal benefit payments and other financial services if they are displaced. Treasury's **Go Direct** campaign will help ensure that Americans will be in control of their finances when they need it most. I encourage all credit unions,

especially those traditionally affected by hurricanes, to tell their members about **Go Direct** and facilitate their participation in this valuable program."

"NCUA's just released *Letter to Credit Unions 06-CU-09* explains that **Go Direct** ensures people will receive their Social Security, Supplemental Security Income (SSI), and other federal benefits without interruption," Chairman Johnson said. "During last year's hurricanes those who were already using direct deposit had immediate access to their funds from virtually anywhere, thanks to automated teller machines and financial institution networks. Just as important, direct deposit eliminates the risk of stolen checks and forgeries and helps protect people from

identity theft, a growing concern for all Americans."

*Letter to Credit Unions 06-CU-09* is online at

<http://www.ncua.gov/letters/letters.html>

Credit unions can partner with the **Go Direct** campaign and receive more information by visiting [www.GoDirect.org](http://www.GoDirect.org) and by calling toll-free: 800-333-1795.

NCUA also encourages credit unions to actively promote direct deposit and is urging all credit union members, especially those in hurricane zones who receive Social Security and SSI checks to sign up for direct deposit. It is easy and only takes a few minutes to sign up for direct deposit. Social Security and SSI check recipients can call the same **Go Direct** helpline 800-333-1795, or sign up online at [www.GoDirect.org](http://www.GoDirect.org)



Washington, D.C, June 13, 2006 -- Chairman JoAnn Johnson at the Treasury Department with U.S. Treasurer Anna Escobedo Cabral and Assistant Secretary for Financial Institutions Emil W. Henry, Jr., discussing the Treasury's **Go Direct** campaign encouraging direct deposit.

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## News briefs

**Insurance sign being revised** – The NCUA insurance sign is being modified as NCUA and the Federal Deposit Insurance Corporation (FDIC) work to amend insurance advertising regulations.



After the advertising sign rule change is finalized, NCUA will produce and distribute new insurance signs to all federally insured credit unions. (See related Board action on page 3.) Credit unions should continue to display the current sign until new signs are distributed.

**Peer average ratios available** – Peer average ratios for March 2006 are available for single charter credit union Financial Performance Reports (FPRs) requested via NCUA's website at <http://webapps.ncua.gov/ncuafpr/>

Users can view two summary pages of the FPR online or request a more detailed FPR or aggregate FPRs by email. Please note, the ratios on aggregate FPRs are consolidated ratios for the group of credit unions included in the report and do not represent peer averages for that group.

## NCUA News

### National Credit Union Administration

NCUA News is published by the National Credit Union Administration, the federal agency which supervises and insures credit unions.

JoAnn Johnson, Chairman  
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## NCUA's name and logo repeatedly spammed

NCUA's name, logo and website have been used repeatedly in spammed messages distributed across the country in attempts to obtain personal account information and pin numbers.

Please be aware and alert credit union members never to respond to emails that appear to be official NCUA messages and surveys. As a federal agency, NCUA would not directly contact credit union members and never ask for personal account information.

The following link provides a downloadable brochure specifically for credit union members, which includes tips on how to combat electronic identify theft. <http://www.ncua.gov/Publications/brochures/IdentityTheft/PhishBrochure-Web.pdf>. NCUA encourages credit unions to distribute this brochure to members.

For individuals who receive phishing emails, instructions are available online at <http://www.ncua.gov/Phishing/phishing.htm>

Letter to Credit Unions 05-CU-20, online at [http://www.ncua.gov/RegulationsOpinionsLaws/proposed\\_regs/proposed\\_regs.html](http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html) discusses phishing and contains a comprehensive list of related information available for credit unions.

## Disaster preparedness booklet issued

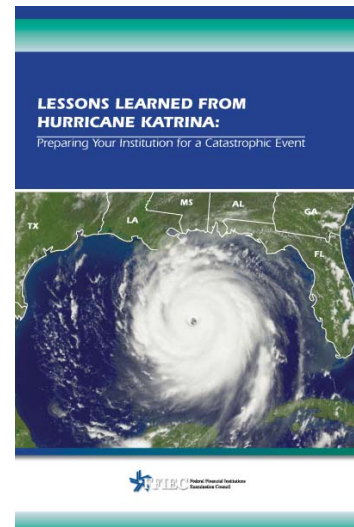
NCUA, along with the Federal Financial Institutions Examination Council (FFIEC) and the Conference of State Bank Supervisors, has issued *Lessons Learned from Hurricane Katrina: Preparing Your Institution for a Catastrophic Event*. This booklet relays financial institutions' experiences and lessons learned in the aftermath of Hurricane Katrina. It is a valuable tool to enhance any institutions disaster preparedness plans.

## Subcommittee approves NCUA funding

The House Transportation, Treasury, Housing and Urban Development Appropriations Subcommittee approved legislation June 5, 2006, backing the Community Development Revolving Loan Fund Program (CDRLF) with \$941,000 for technical assistance grants to low-income designated credit unions in fiscal year 2007. In addition, the bill includes \$1.5 billion borrowing authority for the Central Liquidity Facility (CLF) for fiscal year 2007.

The CDRLF was established by Congress in 1979 with a \$6 million appropriation to demonstrate that low-income credit unions with technical assistance and limited financial assistance can play a significant role in providing needed financial and labor intensive services in their communities.

Also formed in 1979, the CLF is a government corporation owned by its member credit unions. Managed by the NCUA Board, it provides financial stability by meeting the liquidity needs of credit unions and thereby encourages savings and supports consumer and mortgage lending.



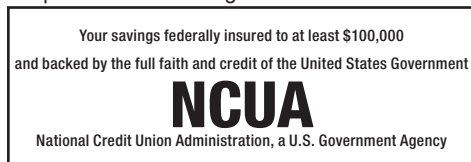
NCUA issued this interagency guidance as *Letter to Federally Insured Credit Unions No.: 06-CU-11*. The document is available online at <http://www.ncua.gov/Publications/brochures/LessonLearned/Lessonlearned.pdf>



## NCUA to revise insurance sign

The NCUA Board issued a proposed revision to the official NCUA insurance protection sign credit unions prominently display to reflect recent share insurance increases and include the statement that NCUA insured share accounts are “backed by the full faith and credit of the U.S. government.”

### Proposed insurance sign



The proposal acts to modify Part 740 of the regulations in compliance with statutory requirements of the Federal Deposit Insurance Reform Act of 2005 and the Federal Deposit Insurance Reform Conforming Amendments Act of 2005. Comments are due on or before August 11, 2006.

## Conversion rule proposal issued

The NCUA Board issued proposed rule Part 708a to improve the information available to members and the board of directors when considering conversion from a credit union to a mutual savings bank.

The proposed revisions affect disclosure, voting and communications between and among members and the board of directors. Issued with a 60-day comment period, the specific proposed changes include:

- Requiring a converting credit union to give advance notice to members that the board intends to vote on a conversion proposal and establishing procedures for members to share their views with directors before the proposal is adopted.
- Clarifying credit union directors may vote in favor of a conversion proposal only if they have determined and certified

that conversion is in the best interest of the members.

- Simplifying the “boxed” disclosures that a credit union must provide members.
- Requiring boxed disclosures only be delivered with 90- 60- and 30-day member notices.
- Providing the member ballot form and requiring the ballot be sent only with the 30-day notice.
- Requiring the board of directors to set a voting record date not less than 120 days before the board notifies members it is considering adopting a conversion proposal.
- Requiring that after the board approves a mutual savings bank conversion proposal, and upon request of a member, a credit union must disseminate information from that requestor to other members at the requestor’s expense.

## NCUA amends field of membership rule

The NCUA Board, by 2-to-1 vote, amended the field of membership rule, Section 701.1, and chartering manual, (IRPS) 06-1, to prospectively limit the addition of underserved areas to multiple common-bond credit unions and revise facility requirements for underserved areas.

The final rule permits continued reliable, efficient service for federal credit union members located in already approved underserved areas. Regardless of charter type, credit unions serving underserved areas at the time this proposed amendment was issued in January 2006 are permitted to continue to serve these areas and add new members.

The final rule will require a credit union to establish a service facility in the underserved area within two years of adding it. An acceptable type of service facility within an underserved area includes a credit union owned facility where shares are accepted for members’ accounts, loan applications are accepted, and loans are disbursed.

The final rule, effective 30 days after publication in the Federal Register, also provides specifics on practical implementation of the amendments.

## Suspicious Activity Report modification proposed

The NCUA Board issued a proposal designed to provide greater detail and clarify filing requirements and other aspects of Suspicious Activity Reports (SARs) to ensure credit unions properly file reports for suspected crimes and suspicious activity.

Issued with a 60-day comment period, the proposed change to Part 748 clarifies the requirements for reporting and filing a SAR, includes a board of director notification requirement, and addresses SAR confidentiality and liability protection. NCUA also proposes changing the regulation title to more accurately describe the rule’s scope.

## Third-party serving of indirect vehicle loan rule modified

The NCUA Board issued final rule Section 701.21(h) imposing concentration limits on indirect vehicle loans serviced by third-parties to ensure that federally insured credit unions do not undertake undue risk with these purchases.

Effective 30 days after publication in the Federal Register, the new rule limits the aggregate amount of outsourced loans and participation in outsourced loans a credit union may purchase from one servicer to 50 percent of the credit union’s net worth. After 30 months experience with a particular servicer, the limit increases to 100 percent of net worth.

The rule exempts federally insured depositories and their wholly-owned subsidiaries from the definition of servicer. The final rule also includes an exemption for certain credit union service organizations with multiple owners and excludes loans where the servicer and its affiliates were not involved in the origination process from the calculation of the concentration limits. In addition, qualified credit unions may seek a waiver from NCUA to obtain higher concentration levels.

*Board votes are unanimous unless indicated*

# Statements on Board actions

## Chairman Johnson on the FOM rule

The final rule on underserved areas represents the Agency's recognition of the fundamental responsibility of credit unions to reach out to consumers in underserved communities, while at the same time acknowledging the statutory constraints that allow only multiple group credit unions to do so. I believe that Congress in 1998 attempted to empower, not restrict, credit unions in their efforts to reach out to consumers, and I strongly encourage Congress to address this apparent inconsistency in current law. To fail to act expeditiously and decisively would send a message that Americans who live in underserved communities do not deserve broad access and choice in financial services, and that would be unfortunate.

## Chairman Johnson on the conversion proposal

NCUA's proposed rule on credit union conversions to another charter type addresses an issue that has become increasingly contentious. That contention has sometimes obscured the simple issue at the heart of the matter: consumer protection. This new rule, if adopted, would improve and strengthen the ability of consumers to make informed choices about the institution that they own, simplify and clarify the types of information available, streamline the voting process and enhance communication between and among members. All this adds up to better safeguarding of member rights to decide what kind of financial institution charter best suits their needs. I look forward to hearing all responsible points of view on this important matter.

## Vice Chairman Hood votes no and offers FOM amendment

While I greatly appreciate the time and energy our agency has given this proposal, I truly wish that we could have gone further in ensuring that America's underserved consumers continue to have access to credit unions," Vice Chairman Hood said. "I believe that the proposal, as presented, benefits the bank trade groups and their lawyers, not the underserved people who really need a helping hand. Because the staff recommendation does not allow credit unions to go far enough in serving the underserved, I, after careful consideration, and with all due respect, will not be supporting this proposal.

It is not, and should not be a zero sum game where America's most vulnerable consumers are used as pawns in a chess game. Under this scenario, the bank trade groups and their lawyers win, underserved consumers lose. They lose access to having a choice of a financial services provider, access to affordable mortgage products to achieve the American dream of homeownership, and access to the trusted mechanisms that allow them to save for their families' future."

I am disappointed that the bank "trade groups" have placed this agency in a position to limit credit unions' ability to serve the underserved. Although I am new to the credit union system and to NCUA, I am not new to serving the underserved. Having spent most of my professional career as a banker, in management posts that stimulated community development activities such as affordable housing, small business development, public-private partnerships, and financial literacy, I believe that banks and credit unions can all play a role in serving the underserved.

NCUA must not retreat in defeat and capitulate to the bank trade group attacks. In limiting the options that underserved consumers have to a financial services provider, the underserved remain just that - underserved. Communities with healthy banks and credit unions give underserved consumers options in selecting a financial

services provider who can best meet their needs. Communities without financial institutions serving the underserved leave America's most vulnerable consumers to the hands of predatory lenders, payday lenders and pawn shops.

Vice Chairman Hood offered an amendment to the proposal before the Board with two goals:

- Enabling multiple common-bond credit unions to convert to community charters and retain their underserved areas, if the credit union has served that underserved area for two years or more; and
- Retaining the current provision which allows credit unions that have a preexisting office within close proximity to the underserved area and not require a facility within the underserved area itself.

Without gaining a second to advance his amendment to a vote, the original proposal was approved by 2-to-1 with Vice Chairman Hood voting against the proposal.

## Board Member Hyland on FOM

The issues presented by Interpretive Ruling and Policy Statement 06-1 (IRPS 06-1) have far-reaching implications for the viability of the federal credit union charter and for credit unions. I support the IRPS because after reviewing all the facts, the public comments and the law, I believe it is the only option available under the law as currently written.

The IRPS is in response to current litigation in Utah. The litigation challenges NCUA's authority to approve the addition of underserved areas to a community chartered FCU's field of membership. The complaint filed in the litigation recognizes that the Credit Union Membership Access Act of 1998 (CUMAA) expressly authorizes the chartering of multiple common-bond credit unions but argues that the legislation permits only that type of charter to serve underserved areas.

I agree that the statutory language also reflects Congress' intent to make clear that multiple common-bond credit unions were authorized to add underserved areas. However, the statutory language to

*continues on page 5*

prohibit the other two federal charter types from doing so is less clear.

For example, Congress recognized and reaffirmed credit unions' "unique mission of meeting the credit and savings needs of consumers, especially people of modest means" in Section 2 of CUMAA. This recognition was made without reference to specific federal charter type. Moreover, at the time Congress enacted CUMAA it was aware of NCUA's long-standing policy allowing all federal charters to serve communities and groups in need of additional financial services. At best, there is a glaring inconsistency between the legislative intent and language in Section 2 of CUMAA and the language in Section 109 of the Federal Credit Union Act, which is the subject of the Utah litigation. The irony of this inconsistency in today's political climate is not lost on this Board Member. On the one hand, this agency and credit unions are being challenged to document credit unions' service to the underserved; on the other hand, the agency is simultaneously being chastised for making available a long-standing, effective tool to credit unions so they can reach out to consumers who need mainstream financial services.

In addition to the inconsistency noted above, there are significant equities at play here. All federal charter types – community, single sponsor and multiple common bond – have relied on NCUA's long-standing policy to allow them to add underserved areas. All federal charter types that have undertaken service to underserved areas have committed resources, time, money and personnel to provide services to consumers of modest means. These credit unions understood that under NCUA's policy they would not need to disenfranchise existing members from the underserved areas they adopted. They also understood that they would continue to be able to add members from such underserved areas. I believe this IRPS honors those equities by (1) grandfathering non multiple common-bond credit unions that added underserved areas in reliance on NCUA's policy and (2) allowing such credit unions to continue to add members from the underserved areas.

As part of my efforts to balance the language of the statute with the equities outlined above, I considered a variety

*continues on page 7*



**Who and What:** Board Member Gigi Hyland will address the AACUL Summer Meeting.  
**When:** Friday, July 21, 2006  
**Where:** Seattle, Wash.  
**Why:** To share her views and elicit comments on current challenges facing the CU system.  
**Contact:** Nina Bullard at 703-518-6318 or [nbullard@ncua.gov](mailto:nbullard@ncua.gov)

**Who and What:** Vice Chairman Rodney E. Hood will address the North Carolina Credit Union League's Southeast Director's Conference.  
**When:** Monday, July 24, 2006  
**Where:** Asheville, N.C.  
**Why:** To discuss NCUA's regulatory agenda and legislative updates.  
**Contact:** Sally Ridgely at 703-518-6307 or [sridgely@ncua.gov](mailto:sridgely@ncua.gov)

**Who and What:** Chairman JoAnn Johnson will address the World Credit Union Conference Roundtable.  
**When:** Wednesday, July 26, 2006  
**Where:** Dublin, Ireland  
**Why:** To provide an update on NCUA matters.  
**Contact:** Linda Queen at 703-518-6309 or [lqueen@ncua.gov](mailto:lqueen@ncua.gov)

**Who and What:** Board Member Gigi Hyland will address the CUNA Technology Council.  
**When:** Friday, August 4, 2006  
**Where:** Orlando, Fla.  
**Why:** To share her views and elicit comments on current challenges facing the CU system.  
**Contact:** Nina Bullard at 703-518-6318 or [nbullard@ncua.gov](mailto:nbullard@ncua.gov)

**Who and What:** Chairman JoAnn Johnson will address the Defense Credit Union Council 43rd Annual Conference.  
**When:** Monday, August 7, 2006  
**Where:** San Antonio, Texas  
**Why:** To address regulatory issues affecting the nation's credit unions.  
**Contact:** Linda Queen at 703-518-6309 or [lqueen@ncua.gov](mailto:lqueen@ncua.gov)

**Who and What:** Chairman JoAnn Johnson will address the African-American Credit Union Coalition 8th Annual Summer Conference.  
**When:** Friday, August 11, 2006  
**Where:** Seattle, Wash.  
**Why:** To address regulatory issues affecting the nation's credit unions.  
**Contact:** Linda Queen at 703-518-6309 or [lqueen@ncua.gov](mailto:lqueen@ncua.gov)

**Who and What:** Board Member Gigi Hyland will address the NASCUS State System Summit.  
**When:** Friday, August 11, 2006  
**Where:** Dana Point, Calif.  
**Why:** To share her views and elicit comments on current challenges facing the CU system.  
**Contact:** Nina Bullard at 703-518-6318 or [nbullard@ncua.gov](mailto:nbullard@ncua.gov)

**Who and What:** Chairman JoAnn Johnson will address the National Federation of Community Development Credit Unions.  
**When:** Friday, August 18, 2006  
**Where:** Madison, Wis.  
**Why:** To address the graduates of CDCU Institute.  
**Contact:** Linda Queen at 703-518-6309 or [lqueen@ncua.gov](mailto:lqueen@ncua.gov)

**Who and What:** Chairman JoAnn Johnson will address the S.C. Credit Union League Leadership Conference.  
**When:** Thursday, August 24, 2006  
**Where:** Savannah, Ga.  
**Why:** To provide regulatory updates.  
**Contact:** Linda Queen at 703-518-6309 or [lqueen@ncua.gov](mailto:lqueen@ncua.gov)

**Who and What:** Board Member Gigi Hyland will address the NY Telephone CU Summit.  
**When:** Friday, August 25, 2006  
**Where:** Cooperstown, N.Y.  
**Why:** To share her views and elicit comments on current challenges facing the CU system.  
**Contact:** Nina Bullard at 703-518-6318 or [nbullard@ncua.gov](mailto:nbullard@ncua.gov)

**Who and What:** Vice Chairman Rodney E. Hood will address a CEO Roundtable hosted by the Government Employees Credit Union of El Paso, Texas.  
**When:** Tuesday, August 29, 2006  
**Where:** El Paso, Texas  
**Why:** To discuss NCUA's regulatory agenda and legislative updates.  
**Contact:** Sally Ridgely at 703-518-6307 or [sridgely@ncua.gov](mailto:sridgely@ncua.gov)

# Chairman Johnson attends student scholarship luncheon



**Herndon, Va., June 21, 2006** -- Chairman JoAnn Johnson and officials of Northwest Federal Credit Union appear with NWFCU Foundation scholarship winners. Seated left to right are Jessica Koss, Brittany Patrick, Dana Dantzler and Julia Richberg. Standing are Phillip Richardson; NWFCU Board Chair Joel Ticknor; Joseph Drummey; NCUA Chairman JoAnn Johnson; NWFCU CEO/President and NWFCU Foundation Chairman Juri Valdov; Stefanie Biancaniello; and John Cates, accepting the award for his son Jason Cates. Scholarship recipients not pictured are Alexandra Finder, John Schomburg and Jason Cates.

## Agencies issue proposed identify theft “red flag” rule

The federal financial regulatory agencies and the Federal Trade Commission (FTC) are soliciting comments on a proposed rule concerning identify theft prevention that includes recognizing “red flags” and address discrepancies.

The proposed rule implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. It would require each financial institution and creditor to develop and implement an identity theft prevention program, including policies and procedures for detecting, preventing, and mitigating identity theft in connection with new account and ex-

isting accounts. The proposal includes guidelines listing patterns, practices and specific forms of activity that should raise a “red flag” to signal a possible identity theft risk.

The proposed rule also would require credit and debit card issuers to develop policies and procedures to assess the validity of a request for a change of address that is made shortly after a request for an additional or replacement card.

Issued with a 60 day comment period, the proposed rule is online at: [http://www.ncua.gov/RegulationsOpinionsLaws/proposed\\_regs/proposed\\_regs.html](http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/proposed_regs.html)

Chairman JoAnn Johnson attended a scholarship award luncheon June 21, 2006, at Northwest Federal Credit Union (NWFCU) in Herndon, Va. The NWFCU Foundation, organized in 2004 to manage the credit union’s “people helping people” community service activities, created the scholarship program to honor Ben DeFelice, a dedicated NWFCU pioneer and board chairman for over 30 years.

At this year’s presentation ceremony, ten recipients were awarded \$2,500 scholarships based on their leadership, dedication, and commitment demonstrated in giving back to the community

## Blankenberger to join Region IV



Larry Blankenberger

Region I ARDO

Larry Blankenberger is moving to Austin as associate director of Programs (ARDP) responsible for super-

vising the Region IV examination program after serving as associate regional director of operations (ARDO) in the Region I Albany office since 2001.

Blankenberger began his NCUA career in 1987 as an examiner in Indianapolis, Ind. He advanced through the ranks serving as a problem case office in Indianapolis and a supervisory examiner in Syracuse, N.Y., before named Region I director of Supervision in 1996. Prior to joining NCUA, Larry held credit union management positions at two mid-western credit unions.

Larry Blankenberger has received several NCUA performance awards. He holds a degree in accounting from the University of Southern Indiana.

## Board Member Hyland

continues from page 5

of other approaches to assure minimal degradation of the federal credit union charter, including consideration of multiple common-bond credit unions switching to community charter. I concluded that the inconsistencies we are being asked to reconcile today can only be reconciled by legislative action. Change needs to be made to the Federal Credit Union Act to align the clear congressional intent to allow credit unions to reach out to consumers of modest means with the tools to do so.

I commend Vice Chairman Hood's creativity, commitment and effort to honor and balance all of these considerations. His concerns echo my own and reflect the importance of these issues to all federal charters. Regrettably, I do not agree that this agency has the authority to go beyond the provisions of the IRPS as drafted. Such authority must be accomplished through legislation.

In closing, I believe that the IRPS we are issuing strikes the closest balance possible that we as a regulatory agency can between the competing considerations of statutory language and the equity considerations for credit unions who have already reached out to serve underserved communities and consumers.

## Board Member Hyland on the conversion proposal

This proposed rule is important for many reasons, not the least of which is that it will help clarify an area that has become fraught with controversy over the last several months. The conversions of credit unions to mutual savings banks are viewed in vastly different ways by the various parties involved. In addition, the NCUA has been the subject of increased scrutiny as evidenced by the May 11th hearing on this issue held by the House Subcommittee on Financial Institutions and Consumer Credit.

I commend staff for drafting a proposed rule that is balanced and stays true to the

# Board Member Hyland meets with SBA



**Alexandria, VA., June 13, 2006** -- Board Member Gigi Hyland meets with Michael W. Hager, associate deputy administrator for Capital Access at the Small Business Administration, to discuss credit union participation in SBA programs.

NCUA Board Member Gigi Hyland met with top Small Business Administration (SBA) officials June 13, 2006, to discuss how to collaborate on a regulatory level to encourage credit union participation in applicable SBA programs. Board Member Hyland is the NCUA Board liaison to SBA.

Board Member Hyland met with Michael W. Hager, associate deputy administrator for Capital Access, and James W. Hammersley, director, Loan Programs Division. The dialogue focused on SBA's efforts to enhance existing programs as well as potential collaborative efforts,

such as a webinar, to provide informative materials to credit unions on becoming an SBA approved lender.

We appreciate opportunities to enhance our good working relationship and explore areas for collaboration between NCUA and the SBA," stated Board Member Hyland. "The nation's credit unions have a resource in SBA for their member business loan guarantees. I encourage credit unions to consider the potential partnership opportunities with the SBA, as we continue to facilitate information exchange for the benefit of credit unions' member business lending efforts."

statutory language in the Federal Credit Union Act. I believe the proposed rule suggests clear guidelines for credit union boards as they seek to have the credit unions' members approve a conversion. In particular, the proposed rule includes language that provides members very clear disclosures about how the board arrived at its decision; very clear language on the ballot about the meaning of the actual vote; certification of fiduciary duty

requirements by the board; and how the members can participate in the decision-making process.

I urge the public to provide specific and detailed comments on this proposal. As I have stated on many occasions, if you believe in credit unions, you believe in the ability of the members to choose their financial institution. But they can only make that choice if given all the facts in a fair and timely manner.



# Vice Chairman joins credit union celebration and roundtable



**New York City, June 24, 2006** – Vice Chairman Rodney Hood (center) and the roundtable group have lunch at a neighborhood restaurant that received a business loan from the Lower East Side People's Federal Credit Union.

Vice Chairman Rodney E. Hood participated in a roundtable with officials from community-based New York City credit unions at the 20th Annual Meeting of Lower East Side People's Federal Credit Union, which serves local, primarily low- and moderate-income members.

"I congratulate Lower East Side People's Federal Credit Union on their 20th Anniversary and commend them for host-

ing this roundtable meeting," said Vice Chairman Hood. "As a regulator, I always look forward to meeting face to face with those who truly embrace the cooperative spirit upon which the credit union system was founded. You are making a difference in the lives and communities of your members. This roundtable meeting provided a practical forum for community based credit unions to discuss how to best

serve their members and allowed us to discuss how NCUA can best serve them as their regulator."

The discussion highlighted partnership opportunities for small and large credit unions to reach the underserved and promote the economic development of low-income communities.

Joining the roundtable were officials from Bethex FCU; Brooklyn Cooperative FCU; Entertainment Industries FCU; Municipal Credit Union; Union Settlement FCU; Transfiguration Parish FCU; and the Federation of Community Development Credit Unions.



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