

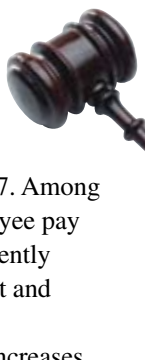
Board meeting results—November 15, 2007

Board approves 4.35 percent budget increase

The NCUA Board approved a 2008 budget of \$158,631,447, which represents a 4.35 percent or \$6,614,607 increase from 2007. Among contributing factors are employee pay adjustments relating to the recently finalized bargaining agreement and additional examiner staff.

The 2008 budget includes increases in employee pay and benefits, travel, communications and utilities, and contracted services. Cost savings include a projected \$2.2 million difference in pay and benefits as retirees are replaced with new employees.

The 2008 budget contains an average 5 percent pay increase for all employees in 2008 in addition to weighted locality adjustments of 2.72 percent based on increases and decreases across localities. NCUA is also adding 7 full-time examiner positions in response to demands from



expanded regulatory and supervision requirements and to ensure the agency's safety and soundness program.

Overhead transfer rate lowered for 2008

The NCUA Board reduced the overhead transfer rate to 52.0 percent for 2008 from the 53.3 percent transfer rate established by the Board for fiscal year 2007.

The Board approves an annual overhead transfer from the National Credit Union Share Insurance Fund (NCUSIF) to the NCUA Operating Fund to cover administrative and other expenses associated with insurance related functions of NCUA operations.

A major factor in calculating the overhead transfer rate is the 12-month examination time survey completed by

NCUA examiners. The 2006-2007 survey reports examiners spent 57.4 percent of combined examination and supervision time on insurance-related procedures.

The *Calculation of 2008 Overhead Transfer Rate* report is available online at <http://www.ncua.gov/NCUABoard/draftboardactions/index.htm>

NCUA operating fee increases

The NCUA Board approved a 9.85 percent increase in the 2008 operating fee federal credit unions contribute to fund NCUA operations and a 6 percent increase in the asset dividing points for the operating fee scale based on projected 2007 federal credit union asset growth.

NCUA's annual operating budget is financed by the federal credit union operating fee and an overhead transfer from the National Credit Union Share Insurance Fund.

continued on page 3

Johnson testifies on mortgage reform

Chairman JoAnn Johnson testified October 24, 2007, on mortgage reform before the House Financial Services Committee. The Legislative Proposals on Reforming Mortgage Practices hearing included three panels—federal regulators and state banking supervisors, consumer groups, and industry trade associations.

Commenting on mortgage reform legislation recently introduced by senior House Financial Services Committee Democrats, Chairman Johnson outlined

continued on page 4

President Bush to nominate Fryzel to NCUA Board

The White House announced November 30, 2007, President Bush intends to nominate Michael E. Fryzel, of Illinois, to be a Member of the National Credit Union Administration Board, for the remainder of a six-year term expiring August 02, 2013, and upon confirmation, designate him Chairperson. Mr. Fryzel is currently an attorney in the City of Chicago. He also serves on the Illinois Governor's Board of Credit Union Advisors. Prior to this, he served as Director of the Department

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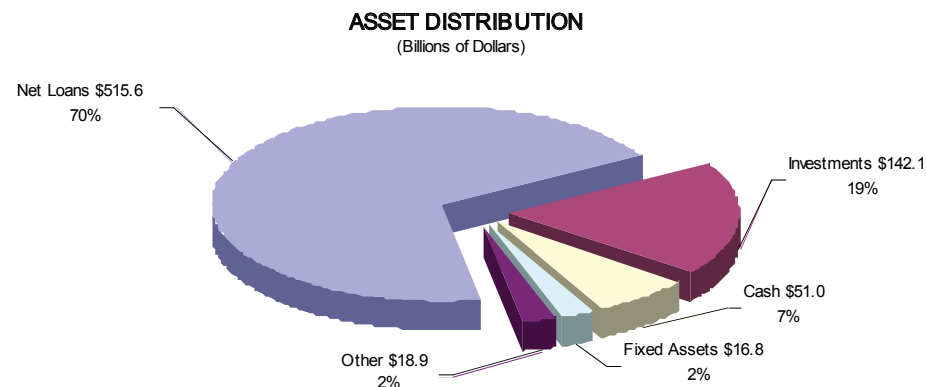
Credit union loan and share growth continues

Federally insured credit unions reported strong asset and share growth through September 30, 2007, according to third-quarter 2007 Call Report data submitted by the nation's 8,163 federally insured credit unions.

"The loan to share ratio increased to 82.66 percent signifying credit unions diligently fulfill their mission of being a major lending source for their members," said NCUA Chairman JoAnn Johnson.

"A significant portion of loan growth can be attributed to real estate lending during the first nine months of 2007. Looking at annualized figures, first mortgage real estate loans increased 12.49 percent and other types of real estate loans increased 8 percent. NCUA continues to stress the importance that credit unions offer their members safe, stable mortgage lending products."

While real estate lending remained strong, credit union 1st mortgage fixed, hybrid, and balloon delinquency increased from 0.28 percent to 0.44 percent, and 1st mortgage adjustable delinquency increased from 0.33 percent to 0.46



percent. Net charge-offs for 1st mortgage real estate was an annualized 0.02 percent, the same rate as 2006.

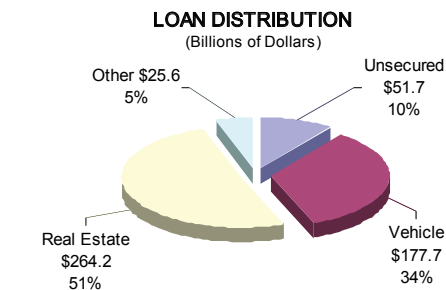
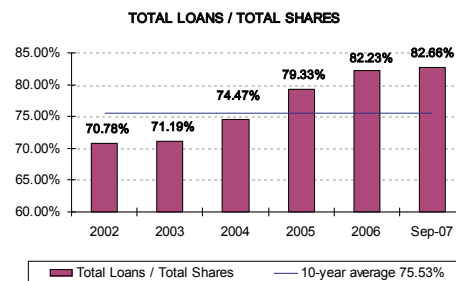
Details of annualized, major balance sheet categories and membership growth in federally insured credit unions from December 31, 2006, to September 30, 2007, follow:

- Assets increased 6.5 percent to \$744.4 billion from \$709.9 billion;
- Loans increased 6.7 percent to \$519.2 billion from \$494.4 billion;
- Investments increased 5.5 percent to \$186.7 billion from \$179.5 billion;
- Shares increased 6.0 percent to \$628.1 billion from \$601.2 billion;
- Net worth increased 6.1 percent to \$85.6 billion from \$81.9 billion; and
- Membership increased 1.9 percent to 86.97 million members

The shift in the share structure continued through September 30, 2007. Share certificates grew an annualized 14.4 percent to \$209.3 billion while money market shares grew 10.5 percent to \$108.4 billion, and IRA/KEOGH accounts grew 10.3 percent to \$56.0 billion. Regular shares declined an annualized 3.1 percent to \$176.9 billion and share drafts declined 2.5 percent to \$69.0 billion, which may indicate members are transferring funds, taking advantage of the often higher rates offered in money market accounts or share certificates.

In addition to growth in mortgage lending, unsecured credit card loans expanded an annualized 7.21 percent to

\$28 billion, and other types of unsecured loans increased 6.54 percent to \$23.7 billion in the first nine months of 2007. Used automobile loans grew 2.80 percent to \$89.4 billion, and new automobile loan volume decreased a slight 0.47 percent to \$88.2 billion.



While gross income increased, the cost of funds and net operating expenses increased. As a result, the return-on-average-assets remained at the 0.75 level reported at mid-year 2007.

Third quarter 2007 data details are available in a consolidated balance sheet and a September 2007 Facts/Summary posted online at <http://www.ncua.gov/data/FOIA/foia.html>.

NCUA News

National Credit Union Administration

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

JoAnn Johnson, Chairman
Rodney E. Hood, Vice Chairman
Christiane Gigi Hyland, Board Member

Information about NCUA and its services may be secured by contacting 703-518-6330.

Office of Public & Congressional Affairs
Cherie Umbel, Editor

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Board meeting

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Federal credit union operating fees are due by April 15, 2008. The estimated 2008 operating fee calculator is available online at <http://webapps.ncua.gov/estoppfeecal/estFeeCalc.aspx>.

NCUA's 2008 Performance Budget approved

The NCUA Board approved the agency's 2008 performance budget to provide direction for the coming year and support the NCUA Strategic Plan 2006-2011.

Based on NCUA's 2007 budget performance, operating plans for 2008, as well as internal and external factors likely to impact the agency and credit unions, NCUA's Annual Performance Budget 2008 identifies the following objectives for the coming year:

- Improve risk management of the credit union system;
- Increase access to affordable financial services for people of modest means;
- Maintain an environment that promotes innovation and competition while ensuring a safe and sound credit union system; and
- Enhance NCUA succession planning.

NCUA's 2008 Performance Budget is available online at <http://www.ncua.gov/ReportsAndPlans/plans-and-reports/index.html>.

Eligible obligations rule updated

The NCUA Board approved final rule §701.23 governing the purchase, sale, and pledge of eligible obligations by adding a conflict of interest provision that is substantially similar to the conflict of interest provision in the general lending rule. The addition will ensure federal credit union (FCU) decisions regarding the purchase, sale or pledge of eligible obligations (defined as a loan or group of loans) are made in an FCU's best interest.

The rule is effective 30 days after publication in the Federal Register.

Charter Conversion Approved

The NCUA Board approved the request of Shell New Orleans Federal Credit Union, New, Orleans, La., to convert to a community charter able to serve the 654,750 people who live, work, attend school and businesses and other legal entities located in Jefferson or Orleans Parishes in Louisiana.

Board meeting results October 25, 2007

FCU Bylaws incorporated into regulations

The NCUA Board, by a two-to-one vote, issued final rule §701.2 incorporating the *Federal Credit Union Bylaws* into agency regulations to clarify NCUA has the ability to use its full range of enforcement actions, when appropriate, to enforce the Bylaws.

For Bylaw violations that do not violate another regulation or pose a threat to safety and soundness, the FCU Act gives NCUA explicit authority for extreme actions such as liquidation or conservatorship. Therefore, the NCUA Board concluded it should reincorporate the Bylaws to give the agency clear authority to act if a Bylaw violation threatens a fundamental, material credit union member right.

The final rule also includes a streamlined process for adopting Bylaw amendments previously approved by another FCU, new provisions on director succession, and a revised introduction to the FCU Bylaws.

Interagency FACTA rules

• Identity theft red flags and address discrepancies

NCUA joined other federal financial regulators and the Federal Trade Commission in issuing final rules on identity theft "red flags" and address discrepancies. The final rules implement sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003.

Identity theft results in billions of dollars in losses each year to individuals and businesses. Final rule Part 717

requires credit unions to develop and implement a written Identity Theft Prevention Program to detect, prevent, and mitigate identity theft in connection with new and existing accounts. The final rule also requires credit and debit card issuers to develop policies and procedures to assess the validity of a change of address request followed closely by a request for new or additional replacement cards.

The agencies also issued guidelines to assist institutions develop and implement an ID theft program. The guidelines include a supplement that identifies 26 examples of red flags. The effective date is January 1, 2008, and mandatory compliance is November 1, 2008.

• Affiliate marketing rule

Staff presented a briefing on the final interagency rule implementing provisions governing an affiliate's use of information received from another affiliate for marketing purposes.

NCUA rule Part 717 stipulates a federal credit union may not use information received from an affiliate to solicit a consumer for marketing purposes unless the consumer is given notice and reasonable opportunity to opt out. (Refer to related article on page 8 for details.)

Quarterly share insurance fund report

National Credit Union Administration Share Insurance Fund (NCUSIF) gross income was \$239.1 million, operating expenses were \$59.6 million, insurance losses were \$25.4 million, and net income was \$154.0 million during the first three quarters of 2007.

Nine credit unions failed through September 2007 and 218 credit unions are considered problem credit unions, down from 240 problem credit unions at year-end 2006.

With share growth through 2007 expected to be between 5.0 and 6.0 percent, the NCUSIF equity ratio is projected to end the year between 1.29 and 1.32 percent based on the level of loss experienced through year-end.

Board votes are unanimous unless otherwise indicated

Conversations with AMERICA



My Government Listens

Date: Wednesday, December 19, 2007
Who: Vice Chairman Rodney E. Hood
Event: Duke Credit Union Board Meeting
Location: Durham, NC
Contact: Sally Thompson at sridgely@ncua.gov

Date: Friday, January 18, 2008
Who: Chairman JoAnn Johnson
Event: American Association of Credit Union Leagues Annual Meeting
Location: Naples, FL
Contact: Linda Queen at lqueen@ncua.gov or 703-518-6309

Date: Friday, January 18, 2008
Who: Board Member Gigi Hyland
Event: American Association of Credit Union Leagues Annual Meeting
Location: Naples, FL
Contact: Laurie Eagan at laurie@ncua.gov or 703-518-6318



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from NCUA.

mortgage reform

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credit unions' role in the mortgage lending market and NCUA mortgage lending guidance, and she provided NCUA views on the proposed legislation.

While approximately 60 percent of credit unions offer mortgage loans, credit unions represent a relatively small slice of the mortgage lending pie. Federally insured credit unions made about 2 percent of all mortgage loans in the first half of 2007 and about 9 percent of mortgage loans made by depository institutions.

"Mid-year 2007 statistics confirm that credit unions seldom delve into the kinds of alternative products that have unfortunately made this hearing necessary," Chairman Johnson said. "Non-traditional mortgage lending, such as interest-only or payment option loans, comprise less than 2 percent of first mortgage credit union loans."

Johnson identified three primary reasons why these riskier loans are not widespread in credit unions:

- Many credit unions lack the expertise and resources to underwrite these types of loans.
- NCUA issued guidance addressing problems associated with both credit

and interest rate risk in non-traditional lending that translated into more stringent examinations.

- The Federal Credit Union Act prohibits prepayment penalties.

"NCUA has proactively monitored trends in mortgage lending over the past decade and accordingly issued guidance to the industry," Chairman Johnson said. "NCUA also takes a robust approach to enforcement of consumer protection laws through our examination process. This contributes to a credit union industry that is enjoying relative stability in the midst of some very real dislocations in the mortgage market.

"I believe the recently introduced legislation would act to improve mortgage lending by making choices more understandable and by eliminating abusive practices that have placed borrowers in dire financial straits," Johnson said. Chairman Johnson also called on the Committee to include NCUA in the rulemaking process set forth by this legislation.

The complete text of Chairman Johnson's testimony is available online at <http://www.ncua.gov/news/speeches/2007/Johnson/MortgageTestimony10-24-2007.pdf>.



Washington, D.C., September 25, 2007—NCUA Chairman JoAnn Johnson with HUD General Deputy Assistance Secretary of Housing Frank L. Davis at the Financial Literacy and Education Commission meeting held at the US Treasury.

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Title (Issue Date)	(Pub No)	Qty	Price
A Guide to HMDA Reporting (12/03)	9003		\$5.00
Accounting Manual for FCU (01/03)	8022		\$35.00
Annual Report of NCUA (2006)—One free copy is available for Credit Unions	8000		\$8.00
Chartering and Field of Membership Manual (03/03)	8007		\$6.50
Consumer Compliance Self Assessment Guide (12/04)	8059		\$5.00
Credit Union Merger & Conversion Manual (06/05)	8056		\$5.00
E-Commerce Guide for Credit Unions (12/02)	8072		\$5.00
EHL Poster	1582		\$3.00
Facts About Federal Credit Unions brochure (11/07) (50 for \$10.00)	8005		\$10.00
FBI Decals	1111		\$3.00
Federal Credit Union Bylaws (Under Rev)	8001		\$0.00
Federal Credit Union Handbook (05/06)	8055		\$3.50
HMDA Poster	3222P		\$3.00
How Your Accounts Are Insured brochure (11/07) (50 for \$10.00)	8016		\$10.00
Internet Pirates brochure (Phishing) (100 for \$20.00) (10/04)	8073		\$20.00
Is a Credit Union Right for Me? brochure (11/07) (50 for \$10.00)	8071		\$10.00
NCUA Credit Union Directory (2007)	8602		\$15.00
NCUA Examiner's Guide (06/02)	8018		\$85.50
NCUA Insurance Decals-Adhesive (7"x3")	1075		\$5.00
NCUA Insurance Decals-Adhesive (7"x3") Spanish	1075s		\$5.00
NCUA Insurance Signs (7x3)	1076		\$5.00
NCUA Rules and Regulations Manual	8006		\$20.00
NCUA Signs (7"x3") Spanish	1076s		\$5.00
NCUA User's Guide (Financial Performance Report) (6/2007)	8008		\$2.00
Subscription to NCUA Publications (01/07-12/07)	9001		\$125.00
Subscription to NCUA Publications (07/07-12/07)	9002		\$62.50
Supervisory Committee Guide (12/99)	8023		\$12.00
Supervisory Committee Guide (12/99) Change 1	8023A		\$3.00
The Benefits of NCUA Low-Income Designation brochure (11/07) (50 for \$10.00)	6062		\$10.00
The Federal Credit Union Act (6/2007)	8002		\$3.00
Tips to Safely Conduct Financial Transactions Over the Internet (Under Rev)	8061		\$0.00
Yearend Statistics for Federally Insured Credit Unions (2006)	8060		\$5.50
Your Insured Funds Brochures (50 for \$14.00) 11/06	8046		\$14.00

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A subscription begins when payment is received, and back issues of publications are not provided. To receive all publications issued in 2008, payment must be received by Dec. 31, 2007.

Subscriptions may be purchased at any time and costs are as follows:

- A 2008 subscription service request received before July 1, 2008, is \$125.
- A 2008 subscription service request received between July 1, and December 31, 2008, is \$62.50.

Subscriptions expire December 31, 2008, regardless of when the request is processed. Renewal notices are sent to subscribers approximately two months before year-end.

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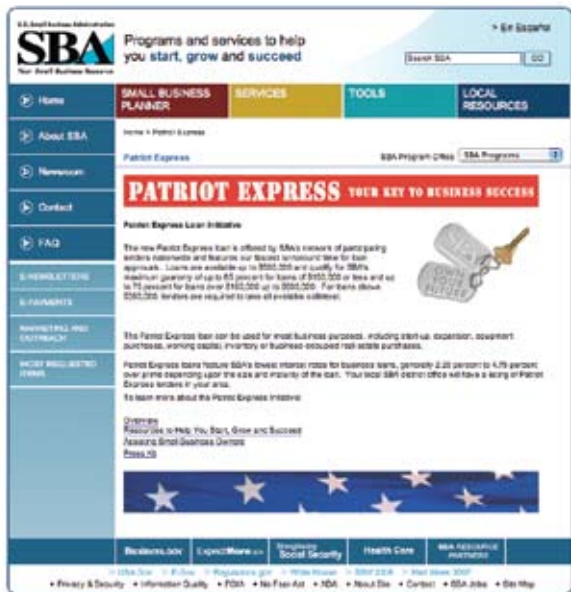
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Hyland highlights SBA Patriot Express Loan Initiative



NCUA Board Member Gigi Hyland recently pointed to the early success of the *Patriot Express* Loan Initiative, administered by the U.S. Small Business Administration (SBA), as an example of both the positive outcomes possible when NCUA and other federal agencies collaborate, as well as the opportunities available to credit unions from federal outreach programs.

Patriot Express supports veterans, service-disabled veterans and Reserve members by building on the more than \$1 billion in loans already guaranteed by the SBA on an annual basis to the military community.

Patriot Express is based on the SBA Express Program, but with enhanced guaranty and interest rate characteristics. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to secure all available collateral to back the loan and may obtain collateral for smaller loans depending upon individual bank requirements.

According to recent SBA statistics, the *Patriot Express* Loan Initiative is gaining momentum since being launched four months ago. Over 500 SBA guaranteed loans amounting to \$51 million, with an average loan amount of nearly \$102,000, have been awarded to those serving in the military community.

Board Member Hyland, NCUA's liaison to the SBA, attended the announcement of the *Patriot Express* Pilot Loan Initiative at SBA headquarters last June. Since the official launch, over 44 credit unions have lending agreements with SBA for this initiative.

"I am very pleased that credit unions are recognizing SBA's *Patriot*

Express as a beneficial product to serve those within the military community and commend SBA Administrator Preston for his strong leadership on this initiative," said Board Member Hyland. "America's military community is dedicated to excellence, and these same qualities transfer especially well to entrepreneurial endeavors. Credit unions are empowering these members to start and maintain successful businesses by offering loans guaranteed by SBA's *Patriot Express*, and I would like to see more credit unions consider this excellent lending product for those who are willing to pay the ultimate price for our freedom."

Eligible military community members include: veterans, service-disabled veterans, active-duty service members participating in the military's Transition Assistance Program, Reservists and National Guard members, current spouses of any of the above, and the widowed spouse of any service member or veteran who died during service or of a service-connected disability.

For more information on the SBA's *Patriot Express* Pilot Loan Initiative and how to become an SBA lender, go to www.sba.gov.

Carl joins NCUA Public and Congressional Affairs office



Chairman JoAnn Johnson announced **Jeremy Carl** has joined PACA as associate director of External Affairs effective November 12, 2007.

Carl served on the White House staff from 2003 to 2007, most recently as deputy associate director in the Office of Presidential Scheduling, where he helped manage President George W. Bush's scheduling requests. He also served in the Office of Presidential Correspondence, where he trained White House staff, volunteers and interns to analyze and respond to incoming presidential correspondence. Prior to the White House, Carl served on Capitol Hill as a legislative aide to US Senator Kay Bailey Hutchison of Texas.

"I am pleased to have Jeremy on staff at NCUA," said Chairman Johnson. "His experience from the White House and Capitol Hill will be a valuable asset to the agency."

"Carl brings a broad and diverse range of talent and experience that will support the agency's function of maintaining the safety and soundness of the credit union system," said John J. McKechnie III, director of Public and Congressional Affairs. "He will be a vital component of the agency's strategic communications and public affairs initiatives and outreach."

Carl graduated from Presbyterian College in South Carolina with a Business Administration degree and was captain of the varsity tennis team.

Affiliate marketing rules issued

Consumers can “opt out” of solicitation

The federal financial regulatory agencies issued final rules October 25, 2007, that provide consumers with an opportunity to “opt out” before a financial institution uses information provided by an affiliated company to market its products and services to the consumer. Affiliate marketing final rules implement section 214 of the Fair and Accurate Credit Transactions Act of 2003, which amends the Fair Credit Reporting Act (FCRA).

The rules generally prohibit a financial institution from using certain information received from an affiliate to solicit a consumer, unless the consumer is given notice and a reasonable opportunity to opt out of such solicitations and the consumer does not opt out.

The final rules apply to information obtained from the consumer’s transactions or account relationships with an affiliate, any application the consumer submitted to an affiliate, and third-party sources, such as credit reports, if the information is to be used to send marketing solicitations. Nothing in the final rules supersedes or amends a consumer’s existing right to opt out of the sharing of non-transaction or experience information under section 603(d) of the FCRA.

The final rules also implement statutory exceptions to the affiliate marketing notice and the opt-out requirement. The appendix to the final rules contains model forms to facilitate compliance with the notice and opt-out requirement.

Effective January 1, 2008, covered entities must comply with the rules no later than October 1, 2008.

The final rule is online at http://www.ncua.gov/RegulationsOpinionsLaws/RecentFinalRegs/final_regs.html.



Balance sheet management

Credit risk of investments

When managing the credit risk of investments, credit unions should be mindful to both diversify and establish concentration limits on their investment holdings. The relevance of these timeless principles has intensified in recent months, particularly for mortgage instruments.

The mortgage market has experienced considerable turmoil as problems with riskier home loans have come to light. Delinquencies and foreclosures have accelerated for the riskiest of these loans, and investors in mortgage-backed securities have come to realize their credit risk exposure is higher than originally assumed. In turn, the value of mortgage assets has fallen.

Even when investing in the highest credit quality mortgage-backed securities, a credit union is potentially impacted

by investment credit risk if they aren’t properly diversified or hold too large a concentration in one issuer or obligor.

How can a credit union safely invest its funds and reasonably manage its credit risk exposure? Ultimately, there are two very simple principles that always help to address this question:

1. Diversify holdings across investment types and sectors.
2. Establish a prudent concentration limit on investment issuers and obligors.

What kind of credit risk exposure do you have and how is it controlled? Now is an excellent time to review your investment holdings, policies and practices to determine if you are on top of your investment credit risk and upholding the diversification and concentration principles.



Indianapolis, Ind., October 17, 2007—NCUA Board Member Gigi Hyland joins officials at the Indiana Credit Union League Large Credit Union CEO Roundtable. From the left are George McNichols (Hoosier Hills CU and league vice-chairman); Board Member Hyland; Sandy Heller (Northern Indiana FCU, and league chairman); John McKenzie, league president and CEO; and Loretta Burd, Central CU and chair of CUNA Mutual.

CUs make strides in American Indian and Alaskan Native communities

NCUA Chairman JoAnn Johnson used President George W. Bush's designation of November as National American Indian Heritage Month to highlight initiatives aimed at expanding credit union service to Native American and Alaskan Native Communities.

NCUA's Community Development Revolving Loan Fund (CDRLF) program, along with the U.S. Department of the Treasury's Community Development Financial Institution Fund (CDFI), have been important sources of assistance to low-income credit unions, including those serving Native communities. Examples of the positive impact credit unions are having for American Indian and Alaskan Native communities include:

- **Lac Courte Oreilles Federal Credit Union** in Hayward, Wisconsin, received CDRLF assistance to help members with basic financial services, home ownership, and credit building. In addition, Lac Courte Oreilles Federal Credit Union has taken a proactive role in financial literacy initiatives by offering classes covering budgeting; working with checking and savings



- accounts; understanding credit; and other issues facing their local economy.
- **Bear Paw Credit Union** in Havre, Montana, received CDRLF assistance for software upgrades, staff training, and financial education for its members, which includes residents of the Fort Belknap Indian Reservation.
- **CR Community First Federal Credit Union** of Eagle Butte, South Dakota, was chartered by the NCUA earlier this year to serve 12,000 residents of the Cheyenne River Indian Reservation in Dewey and Ziebach Counties. The credit union organizers worked with the Cheyenne River Sioux Tribal Council, the Cheyenne River Housing Authority, and NCUA staff to obtain the charter, and the credit union has received a low-income designation.
- **Wolf Point Federal Credit Union** in Wolf Point, Montana, in partnership with the U.S. Department of Treasury's CDFI fund, provides important financial services to Native Americans in the Wolf Point Community.

- **Tongass Federal Credit Union** in Metlakatla, Alaska, has initiated financial education and savings programs to schools in the communities they serve, helping promote the importance of saving at an early age.

“The President’s proclamation of November 2007 as National American Indian Heritage Month presents an opportunity to underscore the way credit unions are fostering financial stability for American Indian and Alaskan Native communities,” said Chairman Johnson. “I am particularly pleased with the central role that financial literacy programs are playing in American Indian and Alaskan Native-focused credit unions as they help members move along a path of financial health and well-being.”

News briefs

► **Underserved area expansion**—During the first 10 months of 2007, 50 multiple common bond credit unions added 70 underserved areas to their fields of membership. Accounting for three expansions that involved duplicate areas with a combined population of 272,734, the 2007 underserved area approvals have provided an additional 14,268,878 residents with access to credit union service.

CDRLF posts record loan volume

The Fund reached maximum loan capacity in November

The NCUA Community Development Revolving Loan Fund (Fund) announced in early November it has reached its threshold. The Fund has processed 40 loans totaling over \$7 million during 2007, and total Fund lending now exceeds \$13 million. This is the largest number of loans approved by the Fund in a single year and totals the largest amount of loans ever recorded. As these existing loans pay down, the CDRLF will have funds available to lend in the future.

“2007 was a tremendous year for credit union member outreach,” NCUA Chairman JoAnn Johnson said. “The demand for both grants and loans from the

Community Development Revolving Loan Fund more than doubled from the same period last year, and NCUA encourages credit unions to continue to use the Fund in the future as a valuable resource.”

“Many factors prompt credit unions to borrow from the Fund,” said Tawana Y. James, director of the Office of Small Credit Union Initiatives, which administers the Fund. “Credit unions’ interest in providing improved financial services to their members and stimulating economic conditions in their communities through programs such as financial education, free tax preparation and asset-building services, as well as improved operations all contributed to active Fund participation.”

Fryzel

continued from page 1

of Financial Institutions for the State of Illinois and as a Member of the Governor’s Cabinet. Mr. Fryzel received his bachelor’s degree from Valparaiso University, his MBA from the University of Chicago, and his JD from Loyola University of Chicago School of Law.





Vice Chairman announces 2008 Risk Summit

Vice Chairman Hood discussed credit union issues and challenges at Charlotte Workshop

Vice Chairman Rodney E. Hood participated in a NCUA Small Credit Union Workshop in Charlotte, N.C., November 6 discussing current issues and challenges facing small credit unions and credit unions' impact on the community they serve. Vice Chairman Hood also took the opportunity to announce that he will be hosting another Risk Mitigation Summit in 2008.

"I look forward to hosting a summit in 2008 focused on risk mitigation for small credit unions," Vice Chairman Hood said. "I'm a leading advocate for credit unions to adopt the most current and sophisticated risk mitigation techniques, while I realize this may be easier for larger credit unions that have more resources. Thus, I want to focus this summit on helping smaller credit unions initiate affordable, effective and maintainable risk mitigation practices. Look for more information in the coming months as I work to secure details for this event."

"Credit unions are making a positive impact on their communities, but constant advancement does not happen without strong leadership, vision and commitment," said Mr. Hood. "As

industries grow and technology advances, credit unions must be prepared to meet constant progress. In order to evolve, communication and collaboration are essential to the success of this ever-changing industry."

The Vice Chairman emphasized the daily impact credit unions make nationwide through financial education programs, innovative outreach efforts to underserved areas, and small business development, leaving an indelible mark on the lives of their members and the communities they serve.

"I encourage small credit unions to continue providing innovative member business lending products and financial literacy programs which help member-owners establish viable businesses that create jobs and sustain local communities," Hood said.

"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 make a difference in the lives and communities of your members.



Washington, D.C., January 11, 2007—Vice Chairman Rodney Hood addresses attendees at the 2007 Risk Mitigation Summit held at the United States Chamber of Commerce.

This workshop 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 as their regulator. I look forward to seeing you all at my 2008 Small Credit Union Risk Mitigation Summit," said Hood.

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