

NCUA LETTER TO CREDIT UNIONS

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

DATE: June 2006 LETTER NO.: 06-CU-09

TO: Federally Insured Credit Unions

SUBJ: Department of the Treasury's *Go Direct* Campaign

Dear Manager and Board of Directors:

The National Credit Union Administration, Department of the Treasury (Treasury), and other government agencies have joined together to further increase the awareness and use of Direct Deposit and Direct Payment, especially for Americans who receive Social Security, SSI and other benefits.

For several years we have joined forces with Treasury to encourage credit unions to promote the use of direct deposit to their members. Though we have fostered the growth of direct deposits there are still about 12 million people who continue to receive their federal benefits by paper checks.

The convenience and safety offered through the direct deposit of federal benefits was especially demonstrated in light of last year's devastating hurricanes. Credit unions' active promotion of direct deposit should be part of the credit unions' disaster recovery plans in view of our experience last year.

In those critical days following Hurricane Katrina, the Treasury worked with the Social Security Administration (SSA) to get displaced Social Security and SSI recipients their payments as quickly as possible. However, 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. Fraud and identity theft are growing concerns for all Americans, including those who receive federal benefits. In fact, a report released in January 2006 by the Federal Trade Commission shows significant increases in fraud (47 percent more) and identity theft (21 percent more) complaints reported by consumers from 2003 to 2005.

For all these reasons, the NCUA 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 to sign up for direct deposit and only takes a few minutes. Social Security and SSI check recipients can call the **Go Direct** helpline at (800) 333-1795, or sign up online at www.GoDirect.org

Sincerely,

/s/

JoAnn M. Johnson
Chairman