



United States Government Accountability Office
Washington, DC 20548

May 18, 2012

The Honorable Debbie Matz
Chairman
National Credit Union Administration

Dear Chairman Matz:

As you know, our recent report, *NATIONAL CREDIT UNION ADMINISTRATION: Earlier Actions Are Needed to Better Address Troubled Credit Unions (GAO-12-247)* included recommendations to the National Credit Union Administration (NCUA). In particular, we recommended that NCUA provide its Office of Inspector General (OIG) the necessary supporting documentation to enable the OIG to verify the total losses incurred from January 1, 2008 to June 30, 2011.

I am writing to inform you that we are closing this recommendation as implemented. In response to our recommendation, NCUA provided its OIG the supporting documentation on the loss estimates for the Stabilization Fund and *NCUA 2010 Financial Statement Audit for Temporary Corporate Credit Union Stabilization Fund*, which was released after we completed our review and was therefore not available for our analysis. Based on the documentation provided, the OIG has concluded the loss estimates are reasonable.

To ensure that the intent of the recommendation was fully addressed, on May 7, 2012, we met with NCUA and OIG officials to discuss the documentation that NCUA had provided to its OIG. We also reviewed a sample of the supporting documentation, and we found that the methodology (including key assumptions) used to calculate the estimates was appropriately documented. We also found that the estimates were adequately supported in the documentation provided.

We appreciate NCUA's timely response to this recommendation. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A. Nicole Clowers
Director, Financial Markets
and Community Investment

cc: Mr. William DeSarno, Inspector General
Mr. Larry Fazio, NCUAU