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Fryzel Signals Strong, Assertive Approach at NAFCU Conference

September 17, 2008, Alexandria, Va. – National Credit Union Administration (NCUA) Chairman Michael E. Fryzel today in a major address to the National Association of Federal Credit Unions announced his intent to take strong and decisive steps to preserve confidence in the credit union industry.

“Now is not the time for a ‘business as usual,’ passive approach...Where I see a balance sheet problem, I will move decisively to resolve it. Where I see adverse trends, I will take steps to correct them. And where activities carry unacceptably high levels of risk and expose consumers to potential loss, I will intervene decisively,” stated Chairman Fryzel.

Speaking before the annual gathering of over 500 credit union volunteers and professionals at NAFCU’s Congressional Caucus in Washington, DC, Chairman Fryzel also called on the industry to step forward and assist in dealing with the market turbulence that is affecting the entire financial services industry. “I expect every trade organization, every volunteer and every credit union professional to render their full support to our efforts to keep the entire credit union system vibrant and stable.”

A centerpiece of Chairman Fryzel’s remarks was his announcement of a comprehensive stress test of the National Credit Union Share Insurance Fund, aimed at determining the Fund’s “capacity to withstand the stresses that could develop as a result of the credit and mortgage dislocations,” and a discussion of an August Supervisory Letter to NCUA examiners and federally insured credit unions. The letter addresses risk assessment and management in mortgage lending, and off-site monitoring as part of NCUA’s risk-focused exam program. “This will serve to improve our regulatory ability at a time when we need it most,” noted Chairman Fryzel.

The Chairman also stated his intent to convene a high-level symposium of industry and governmental leaders before the end of the year to further discuss the ramifications of the continuing volatility in the markets, and identify specific mitigation strategies.

“My goals are clear and my mission strong. My willingness to work alongside credit unions is part of my regulatory duty and philosophy. I pledge to you a strong and sensible approach to the regulation of credit unions,” stated Chairman Fryzel.

The National Credit Union Administration is the independent federal agency that regulates charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 89 million account holders in all federal credit unions and the majority of state-chartered credit unions.

[Chairman Fryzel's Speech at NAFCU Conference](#)

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