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Media Advisory

FOR IMMEDIATE RELEASE

NCUA Seeks Non-Interest Account Coverage for Credit Unions

October 23, 2008, Alexandria, Va. – National Credit Union Administration Chairman Michael E. Fryzel has requested credit union inclusion in Treasury Department’s recently expanded deposit insurance coverage of non-interest bearing deposit accounts.

‘Based on the belief that the policies of the National Credit Union Share Insurance Fund (NCUSIF) should be generally consistent with those of the FDIC, I believe that there should be full share insurance coverage for non-interest-bearing transaction accounts temporarily through 2009,’ said Fryzel. ‘I am requesting that Treasury establish a parallel guarantee for credit unions in order to avoid any unintended impact on the credit union system.’

Fryzel also noted in an October 22, 2008 letter to Secretary Henry M. Paulson that NCUA lacks statutory authority similar to that of FDIC in creating such a program for banks and thrifts, specifically pertaining to systemic authority.

Separately Chairman Fryzel noted the importance for consumers in “the federal government creating a uniform regime regarding insured deposits. Given the uncertainty and turmoil in the markets, it is critical that consumers have confidence in the guarantee that stands behind funds in these non-interest bearing transaction accounts, regardless of what type of insured institution is providing the service.”

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.

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