

NCUA LETTER TO CREDIT UNIONS

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

DATE: August 2008 LETTER NO.: 08-CU-18

TO: Federally Insured Credit Unions

SUBJ: Educating Members on Share Insurance Coverage

Dear Board of Directors:

The purpose of this letter is to highlight various useful resources available through NCUA to help educate your members regarding the benefits of share insurance coverage afforded at federally insured credit unions.

During these uncertain times in the financial markets, it is important for credit unions to help members understand their NCUA-insured shares are backed by the full faith and credit of the United States Government. NCUA protects members against losses should a federally insured credit union fail. No member has ever lost insured funds.

In addition to informing members about NCUA insurance, credit unions should strive to educate members on how to structure their accounts in order to maximize the share insurance coverage available. NCUA offers several resources to help educate members. The share insurance page of our website (<http://www.ncua.gov/DataApps/Pages/SI-Tools.aspx>) includes the “Share Insurance Estimator” tool along with the “How Your Accounts Are Federally Insured” and “Your Insured Funds” brochures. A brief description of these resources follows:

[“Share Insurance Estimator”](#) – Allows members to estimate the amount of insurance coverage based on scenarios they input.

“How Your Accounts Are Federally Insured” – Provides general information regarding share insurance coverage.

“Your Insured Funds” – Provides a detailed explanation of share insurance coverage along with examples of account coverage.

Credit unions may direct members to the above web page or can order copies of these brochures for distribution. Brochures can be purchased by following the instructions provided at <http://www.ncua.gov/about/pages/Graphics.aspx>. NCUA now offers these two brochures in Spanish as well as English.

NCUA is planning a webinar entitled "Share Insurance 101" in the Fall of 2008 to offer additional information regarding share insurance coverage. Information concerning the webinar will be forthcoming.

If you have any questions or concerns, please contact your regional office.

Sincerely,

/S/

Michael E. Fryzel
Chairman