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NCUA Media Advisory

Matz Provides Insights into Future of Corporate Credit Unions

NCUA Chairman Envisions “Fewer Corporates, But Stronger Corporates”

April 9, 2010, Alexandria, Va. – Responding to questions after speaking to 800 officials at the Texas Credit Union League Annual Meeting in Grapevine, Texas, National Credit Union Administration Chairman Debbie Matz provided further insights into the future of the corporate credit union system.

Matz predicted that some changes will result from NCUA’s rule to strengthen corporate credit unions’ regulation, while other changes will result from natural market forces.

“The capital thresholds in NCUA’s proposed rule will be attainable for some corporates,” Matz explained. “Other corporates will need to find a new business model.”

Matz acknowledged that some corporates have already begun discussing mergers. “We will eventually see a shakeout in the corporate system,” Matz observed. “There will be fewer corporates, but stronger corporates.”

In the meantime, Matz emphasized measures that NCUA has taken to stabilize the corporate system. She reminded that NCUA continues to guarantee all shares in corporates above the traditional federal insurance limit. “This ensures that your credit unions’ investments in corporates are backed by the full faith and credit of the United States government,” Matz affirmed.

Matz set a goal to finalize the corporate rule by this summer, after announcing a plan to dispose of corporates’ “legacy assets.”



“Chairman Debbie Matz with Texas Credit Union League President Dick Ensweiler.”

For the long term, Matz concluded, “We’re confident that the new safeguards, when refined and implemented, will provide a framework for safety and soundness that protects America’s 90 million credit union members.”

Full text of Matz’s speech is posted at: [click here](#).

NCUA is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of over 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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