

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428
www.ncua.gov

Media Contact: NCUA Office of
Public & Congressional Affairs
Phone: (703) 518-6330
Email: pacamail@ncua.gov



NCUA Media Advisory

Small Business Job Creation Boosted By Credit Union Lending, Says Matz

May 28, 2010, Alexandria, Va. – Small business is a vital contributor to job creation in the American economy, said National Credit Union Administration Chairman Debbie Matz today, as she marked the close of National Small Business Week.

“Small business can continue to play its creative role in generating jobs and leading the economy toward recovery – but only if new businesses can gain access to capital and credit,” said Matz. “Credit unions historically have played an important role in providing small business lending to their members, and I am pleased that the industry maintained this activity throughout the recent economic downturn.”

“An enhanced ability for credit unions to lend for business purposes – if properly regulated, with appropriate safeguards – can become an even greater spur to job creation in the future,” said Matz.

Proposals to raise the statutory cap on member business lending – which now limits credit unions’ business lending to just 12.25 of their assets – are gradually advancing on Capitol Hill. Sometime this year, Congress may consider raising that level to 27.5 percent or higher.

On February 24, Matz wrote a letter to Treasury Secretary Timothy F. Geithner outlining the careful approach that NCUA would take in its rulemaking and oversight if Congress were to decide to raise the MBL cap. “If legislative changes increase or eliminate the current aggregate MBL cap,” wrote Matz, “NCUA would promptly revise our regulation to ensure that additional capacity in the credit union system would not result in unintended safety and soundness concerns.”

“Promoting job creation is a top federal priority right now, as the economy recovers from the deep downturn of recent years,” Matz said today. “By increasing their lending to small business under well-designed regulatory safeguards, credit unions can help unleash the creativity of America’s entrepreneurs – whose capacity to innovate and create jobs helps buoy the entire economy.”

The National Credit Union Administration 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 majority of state-chartered credit unions.

- NCUA -