



## NCUA Media Advisory

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# ***Matz Remarks at the Financial Stability Oversight Council Meeting***

*October 1, 2010, Alexandria, Va.* -- Below is the text of remarks delivered today by NCUA Chairman Debbie Matz at the inaugural meeting of the Financial Stability Oversight Council. NCUA Chairman Matz is one of ten voting members of the Council, along with Federal Reserve Board Chairman Ben Bernanke and Treasury Secretary Tim Geithner and other federal and state financial and consumer protection regulators.

*Thank you, Secretary Geithner. I am honored to serve on this historic Council.*

*When I assumed the Chairmanship of the National Credit Union Administration, the two largest wholesale credit unions were already in conservatorship. Three others were on the brink of insolvency as a result of an over-concentration in residential mortgage-backed securities. These five insured institutions bought billions of dollars worth of securities sold by unregulated brokers, repackaged by unregulated investment firms, and rated Triple-A by unregulated rating agencies.*

*The impaired assets at just a handful of institutions threatened the entire credit union system.*

*I am pleased to say that as of last Friday, NCUA unveiled a resolution plan to isolate and securitize the impaired assets in an effort to remove the systemic risk to credit unions.*

*Our guiding principles were to ensure that this resolution will occur at the lowest possible cost, with no loss to taxpayers and no interruption of services or payment systems, thus maintaining the stability of the credit union system.*

*I am confident that as valuable as this Council will be in protecting the stability of the entire financial system, it will likewise strengthen the early warning systems of independent regulators of insured institutions. The sharing of information about the health and practices of uninsured financial service providers, in and of itself, will provide a vital tool in our ability to protect tens of millions of insured depositors.*

*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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