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## **NCUA Media Release**

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# **Hyland Outlines Corporate Credit Union Resolution, Looks to Future**

*Alexandria, Va., October 25, 2010* – National Credit Union Administration (NCUA) Board Member Gigi Hyland today told the American Institute of Certified Public Accountants “Conference on Credit Unions” that NCUA is working to assist the credit union industry in weathering its “most significant financial and structural challenge” presented by a “perfect storm of over-concentration in private-label, mortgage-backed securities held by several large corporate credit unions.”

“The steps we took represent a comprehensive solution to the problems afflicting corporates,” stated Board Member Hyland. The plan puts consumers first and ensures there will be no loss to taxpayers. This is NOT a bailout. It is being paid for entirely by credit unions. A bailout props up failed private institutions. We are doing just the opposite. Credit unions are paying the bill AND we have taken over the failed corporates and will be phasing them out. The status quo was not an option: These corporates were not viable without significant amounts of government assistance. We had to eliminate the threat of a liquidity event and provide a stable future for the system. Now credit unions can make a strategic business decision about how to get the services they need and what works for their credit union.”

Pointing to the future of the corporate credit union system, Board Member Hyland noted that “while credit unions do not have to make decisions immediately, they need to be engaged to begin thinking about the future and working on a transition strategy. Credit unions have options.”

Board Member Hyland’s remarks came during AICPA’s annual credit union-focused conference, in Las Vegas, NV. Her speech also referenced a recently-issued Financial Accounting Standards Board proposal regarding derivatives and hedging activities, citing NCUA and other federal financial institution regulator concerns about overly restrictive fair valuations standards.

*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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