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NCUA Media Release

NCUA Completes First Structured Notes Transaction

October 28, 2010, Alexandria, Va. – The National Credit Union Administration today announced settlement on its initial offering of NCUA Guaranteed Notes (NGN 2010-R1), backed by an unconditional NCUA guaranty for timely payment of principal and interest. As a part of the corporate resolution plan, the transaction, which closed yesterday, featured two series of senior notes, each backed by a separate pool of residential mortgage backed securities. Details of the transaction follow:

Senior Series I-A – \$3.28 billion notes are backed primarily by senior floating rate securities and will pay a floating-rate coupon of one-month LIBOR plus .45% per annum, subject to a maximum note interest rate cap equal to 7.00% per annum.

Senior Series II-A – \$566.5 million notes are backed primarily by fixed-rate pass-through securities and will pay a fixed-rate coupon of 1.84% per annum.

The Senior Notes will receive monthly payments of principal and interest from cash flows of the related underlying securities. The timely payment of principal and interest due on the notes are guaranteed by the NCUA, and that guaranty is backed by the full faith and credit of the United States.

The transaction was met with strong investor demand and was oversubscribed. Over 35 investors participated in the transaction, including credit unions, banks, broker-dealers, insurance companies, money management funds, pension funds, and government agencies. Consistent with the level of their subscriptions, credit unions received almost 10% of the total allocation for both series.

Barclays Capital, New York, New York served as the sole structuring agent and financial advisor to the NCUA on the structured sale of NCUA Guaranteed Notes (NGN 2010-R1). Purchase of the NGNs was also made available through a syndicate of co-managers and selling group members.

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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