



Fact Sheet

Temporary Corporate Credit Union Liquidity Guarantee Program

(Revised September 24, 2010)

On October 16, 2008, the National Credit Union Administration Board ("NCUA Board" or "Board") approved the Temporary Corporate Credit Union Liquidity Guarantee Program ("TCCULGP"). This document summarizes the TCCULGP and provides notice of the terms and condition applicable to the TCCULGP in its current form.

Summary

Under the TCCULGP, the National Credit Union Administration, in its capacity as an agency of the Executive Branch of the United States ("NCUA"), will guarantee the timely payment of principal and interest on certain unsecured debt of participating corporate credit unions ("NCUA Guarantee" or "Guarantee").

Terms and Conditions Applicable to the TCCULGP

1. Scope of Eligible Corporate Credit Unions. All federally-insured corporate credit unions were eligible to participate. The term "corporate credit union" has the meaning as defined in NCUA Regulations. 12 CFR § 704.2. A list of participating corporate credit unions is posted on NCUA's website. See <http://www.ncua.gov/Resources/CorporateStabilization/2009/09-0911%20Corporate%20Credit%20Unions%20Participating%20in%20the%20Revised%20TCCULGP.pdf>.

2. Scope of Liabilities.

Qualifying unsecured debt obligations include promissory notes, commercial paper, inter-bank funding, and any unsecured portion of secured debt. The TCCULGP does not apply to shares, certificates of deposit, member capital shares, and paid-in-capital accounts. Shares and certificates of deposit may be covered by a separate guarantee under the Temporary Corporate Credit Union Share Guarantee Program (TCCUSGP). The TCCULGP initially applied to newly-issued unsecured debt obligations issued on or before June 30, 2009, maturing on or before June 30, 2012. On May 21, 2009, the

NCUA Board revised and extended the Guarantee to cover newly-issued unsecured debt obligations issued on or before June 30, 2010 and maturing on or before June 30, 2017. The Guarantee now applies to newly-issued unsecured debt issued through September 30, 2011. New TCCULGP issuances after June 30, 2010 must mature no later than September 30, 2012 to qualify for the Guarantee.

The amount of debt obligations per eligible corporate credit union may not exceed the greater of the following: (a) 100 percent of the eligible corporate credit union's maximum unsecured debt obligations outstanding during the period September 30, 2007 through September 30, 2008, subject to an amount not to exceed \$10 billion; (b) such other amount determined by written approval of the Director, Office of Corporate Credit Unions, with the prior concurrence of the Director, Office of Examination and Insurance, not to exceed the greater of \$100 million or 5% of shares and liabilities; or (c) such other amount determined by the NCUA Board.

3. *Fees charged on TCCULGP debt.* The NCUA charges fees for TCCULGP coverage. Fees for participation in the revised TCCULGP depend on the maturity of debt guaranteed (revised from the flat fee of 0.75 percent per annum under the original TCCULGP). The revised fee schedule is as follows:

For TCCULGP debt with a maturity of	The assessment rate (in basis points) per annum
2 year or less	10
Over 2 years to 3 years	15
Over 3 years to 4 years	20
Over 4 years to 5 years	25
Over 5 years to 6 years	30
Over 6 years	35

The revised fee schedule went into effect on July 1, 2009. The assessment rate is determined at the date of debt issuance and remains constant throughout the life of the obligation. The NCUA assesses TCCULGP fees on a monthly basis.

4. *Guarantee Payments under the TCCULGP.* The NCUA's obligation to pay holders of NCUA-guaranteed debt under the TCCULGP arises upon the uncured failure of a timely payment of principal or interest as required under the debt instrument (a "payment default").

Upon the occurrence of a payment default, the NCUA will satisfy its Guarantee obligation by making scheduled payments of principal and interest pursuant to the terms of the debt instrument through maturity (without regard to default or penalty provisions).

Payment by the NCUA constitutes the satisfaction of all NCUA obligations under the TCCULGP with respect to a particular debt instrument. Acceptance of any such payments constitutes a release of any liability of the NCUA under the TCCULGP with respect to those payments.

The NCUA Board may terminate a corporate credit union's participation in the TCCULGP at any time and at the Board's discretion. Termination will be by written notice issued to the corporate credit union and published on the NCUA's website. The NCUA Guarantee will continue, until the debt is fully repaid, on any of the corporate credit union's debt issued and guaranteed under the TCCULGP before publication of the notice of termination on the NCUA's website. A participating corporate credit union may not terminate its participation in the TCCULGP.

Authority

The legal authority for the TCCULGP is located at 12 U.S.C. §§ 1766(a), 1766(i)(2), 1783(a), 1788(a)(1), and 1789(a)(7). The NCUA is an agency of the Executive Branch of the United States and has the statutory authority to issue the Guarantees described in the TCCULGP. Accordingly, these NCUA Guarantees represent obligations of the United States and are backed by its full faith and credit. For a legal analysis by the United States Department of Justice affirming this full faith and credit status, see *Debt Obligations of the National Credit Union Administration*, 6 Op. Off. Legal Counsel 262 (1982).

Additional Information

For further information about the TCCULGP, please contact the NCUA Regional Office for the area in which you are located. See http://www.ncua.gov/Aboutncua/ncua_directory.html.