

## **National Credit Union Administration Chairman Fryzel Statement On Passage Of The Emergency Economic Stabilization Act**

October 3, 2008

“Today’s passage of the Emergency Economic Stabilization Act is the culmination of a month-long series of significant and beneficial legislative changes for credit unions. This bill, combined with the enactment of the law that removes the CLF borrowing cap, will assist NCUA in mitigating some of the current and potential difficulties facing the credit union industry.

In addition to the highly-publicized increase in share insurance coverage, I am particularly pleased that Congress included important last-minute changes recommended by NCUA. The final version of the Act incorporates language that allows NCUSIF insurance level to be increased while recognizing the unique elements of the fund that make it different from FDIC, and it also provides for NCUA to act in a consultative role with other regulators in determining how the Troubled Asset Repurchasing Program (TARP) will work.

This last aspect is crucial, as it will enable NCUA to have input on the rules under which assets are accepted by the federal government. Earlier drafts of the legislation did not include NCUA, and I was adamant that NCUA be able to consult so that credit unions, if they choose, can fully and fairly participate in the program.

Viewed in their totality, I firmly believe that these actions will add important dimensions of financial and regulatory assistance to NCUA, credit unions and the entire financial services industry. I will move forward expeditiously and with a sense of purpose as we employ the new tools at our disposal.”

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**The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of nearly 89 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.**