

# Strong, Safe, Sound, and Secure

## Q. Is my money safe?

A. Yes, your money is safe. Your account



is safe, and insured. Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. In fact, depending on how you structure your accounts, you may be insured for much more than \$250,000.

## Q. Is my credit union safe?

A. Yes, your credit union is financially sound and well capitalized. Even *The Wall Street Journal* recognized this fact when they wrote, on January 29, 2009, that credit unions are “financially sound” and “are considered to be among the most conservatively managed financial institutions.”

## Q. Are my CDs and IRA accounts covered?

A. Yes, with the federal share insurance through the NCUA, Certificates of Deposit (CDs) are insured just like your savings accounts. Your Individual Retirement Accounts (IRAs) are insured as well, up to \$250,000.

## Q. Will I still earn interest?

A. Yes, your accounts still earn interest. Rates and terms do vary by account. Your credit union is very fair and treats your investments with great care.

## Q. Who pays for this federal insurance?

A. We do. This is not charged to you.

## Q. What types of accounts are insured?

A. All types of deposit accounts are insured. This includes savings, checking, money markets, club accounts and certificate accounts.

## Q. How is the coverage determined?

A. Share insurance is determined by account ownership. Here are examples:

Individual Accounts	\$250,000
Joint Accounts	\$250,000
Payable on Death	\$250,000
IRA	\$250,000
Custodial	\$250,000
Revocable Living Trusts	\$250,000

## Q. Will my credit union still make loans?

A. Yes. Your credit union is here to help you and the other members with reasonably priced loans. That's the credit union difference. You are our friend, our neighbor, and our partner; not a numbered, unknown customer.

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Q. What are “toxic assets?”

A. First, your credit union doesn't invest in or hold these types of securities. These are investments that have gone bad and have caused problems for financial institutions that own them. They would sell them if they could, but no one wants to buy them. So the investments “poison” their balance sheet and income statement. We are owned by our members; our assets are you, our member, the loans with make with you, our employees, and very conservative investments. We have not and do not engage in the types of practices that resulted in the trouble on Wall Street. Your credit union, along with the vast majority of credit unions in this country, is financially sound. As *The Wall Street Journal* recognized when they wrote, on January 29, 2009, that credit unions are “financially sound” and “are considered to be among the most conservatively managed financial institutions.” And *The New York Times* wrote on January 30, 2009, “If it feels as if you simply can't win,” ... “you can join a credit union ... where better deals may be available.”

Q. What did the National Credit Union Administration (NCUA) do?

A. The NCUA provided additional liquidity from the insurance fund to “corporate credit unions,” which are the part of the financial system. This



action by the NCUA is in keeping with the conservative and cautious nature of the credit union system and is a precautionary move. This is NOT a government bailout. The \$1 billion added to the system came from the insurance system that is funded by premiums paid by credit unions.

Q. What are a “corporate credit union” and a “natural person credit union?”

A. Corporate credit unions are wholesale financial institutions that provide members with settlement, funds transfer and payment services; investment, liquidity, and cash-management products and services; risk-management and analytic capabilities; and safekeeping services. Simply put, your credit union – where you make deposits and have loans – is a natural person credit union, meaning people belong to it. Corporate credit unions are part of the credit union system – they provide investments and other services to credit unions – and credit unions buy services from them.

Q. If a corporate credit union is having a problem, will my credit union account be safe?

A. Yes. Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. In fact, depending on how you have structured your accounts, your investments may be insured for much more than \$250,000. Your credit union, like the vast majority in the country, is sound and conservatively managed. In fact credit unions have much higher capital levels (11% on average) than regulators require, and are still making loans to members.