



Louisiana
Credit Union League

October 1, 2008

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Credit unions remain a safe and sound institution through times of financial uncertainty

HARAHAN, LA ~ With the current condition our economy faces, government officials are taking every measure to ensure consumers that their money is safe in a bank with accounts insured under the Federal Deposit Insurance Corporation (FDIC) up to \$100,00. This has consumers questioning accounts and deposits made with a credit union. Can they be certain their funds are just as secure in a credit union or should they move their money to another financial institution?

All Louisiana credit unions are covered and protected by the National Credit Union Share Insurance Fund (NCUSIF), which is managed by the National Credit Union Administration (NCUA), an agency of the federal government. As a federal deposit insurance fund, the NCUSIF is backed by the full faith and credit of the U.S. government. Just as the FDIC does for banks, the NCUSIF insures a person's savings to at least \$100,000, with higher total coverage available if the member has a combination of individual, joint, trust, and other types of accounts. Certain retirement accounts, such as IRAs and Keoghs, are insured up to \$250,000. New legislation to be considered by the U.S. Senate tonight (and later by the House) will increase the level of federal insurance for credit union savings to \$250,000. The NCUSIF is the only deposit insurance fund that operates on a pay-as-you-go system, which prevents the accumulation of annual losses.

Credit unions, not-for-profit financial institutions owned by their members, may be among the safest financial institutions in the nation, despite the current economic situation. Credit unions are recognized for their conservative nature, which has helped them to avoid the current problems within the financial market. Credit unions remain safe and sound largely because their cooperative structure does little to encourage excessive risk taking. And after expenses are paid

and reserves are set aside, surplus earnings are returned to members in the forms of higher dividends, lower loan rates and free or low-cost services.

Anne Cochran, President/CEO of the Louisiana Credit Union League, explains, "It is important for Louisiana residents and business people to know that their savings and investments are safe and growing. Based on key financial indicators relating to capital, asset quality and earnings, the overall financial condition of credit unions in Louisiana remains extremely sound. While other financial institutions are pushing through an up and down economy, credit unions remain strong, offering good rates on savings accounts and low rates on loans. In these uncertain economic times, individuals and businesses are looking for a safe, sound place to put their hard-earned money. A credit union is just that place. "

NCUA is staffing a toll free hotline Monday through Friday from 7:00 a.m. to 5:30 p.m. to answer insurance related questions from members. The number is (800) 755-1030, Ext 1. The NCUA website, at www.ncua.gov, has additional tools to help determine the coverage on accounts as well as brochures and bulletins that detail coverage for regular savings and retirement accounts and more.

If you have questions or would like more information on Louisiana credit unions, please contact us at (800) 452-7221, ext. 3051 or cmajor@lcul.com.

For over 70 years, the Louisiana Credit Union League has represented the unique interests of over 200 not-for-profit credit unions and the more than one million credit unions members that they serve in the state of Louisiana.

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