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Media Advisory

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Chairman Johnson Addresses NYC Unbanked Conference

Acknowledging the problem, providing financial education, and expanding service to the unbanked are key to needed change

October 4, 2007, Alexandria, Va., -- National Credit Union Administration (NCUA) Chairman JoAnn Johnson was the afternoon speaker today at the Eastern Regional Conference on Reaching Unbanked People held in New York City, where she emphasized that the financial services world needs to acknowledge there is a problem in reaching the unbanked, financial education is essential to change people's lives, and giving credit unions the opportunity to reach out to underserved areas is key to implementing change.

Joining U.S. Treasurer Anna Escobedo Cabral and Treasury Deputy Assistant Secretary Dan Iannicola Jr., Johnson discussed some of the reasons and ramifications for more than 10 million Americans being without access to mainstream financial services. She encouraged financial institutions to overcome the challenges and strive to make a difference in the communities they service.

"While financial education is not the sole cure for problems facing the underserved, it is necessary for all of us in the financial services community to emphasize its significant role at every opportunity," Chairman Johnson said. "The advertising slogan "an educated consumer is our best customer" resonates when it comes to financial literacy among the unbanked."

"As NCUA Chairman, financial education is a priority for me. I believe that achieving financial well-being is not based on obtaining a loan or buying a new car; rather, it is learning and adhering to basic financial principles – knowing the importance of saving, how to balance a checkbook, budgeting, and investing for the future. Financial education fosters financial stability for individuals and for entire communities. The more people know about credit and financial services, the more likely they are to increase savings, budget, and make wise choices when loans are necessary.

“Credit unions are proven partners in the battle to achieve financial literacy for many Americans, and NCUA is working with Congress to allow all federal credit unions to expand their fields of membership to serve the many that remain unable to access reasonably priced financial services within their communities,” Johnson said.

NCUA works diligently to help partner credit unions with government agencies, including the US Department of Treasury and other non-profit organizations, to expand financial education concepts and programs for all credit union members, particularly those who are underserved and unbanked, Chairman Johnson noted.

“I am honored to serve as NCUA’s representative on the Financial Literacy Education Commission, and since it was created in 2003 we have accomplished a great deal, including making the MyMoney.gov website available to the public, and creation of the National Strategy for Financial Literacy. However, there is a lot more to be done, and I look forward to working hard with my fellow Commission members to accomplish more in the future,” Chairman Johnson said.

The National Credit Union Administration is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, also manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of over 86 million account holders in all federal credit unions and the majority of state-chartered credit unions.