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Media Advisory

FOR IMMEDIATE RELEASE

New London Security FCU Full Payout Currently Over 97%

August 28, 2008, Alexandria, Va. -- The National Credit Union Administration today announced results of its continuing reconciliation of accounts at New London Security First FCU in New London, CT, which the federal agency placed into liquidation one month ago today.

Within 2 days of the credit union's July 28, 2008 liquidation 80% of the account balances were paid by the National Credit Union Share Insurance Fund, the federal deposit insurance fund that insures all federal credit unions and the majority of state credit unions. The remaining insured funds have been disbursed to depositors in the interim.

As of August 28, 2008, 99.5% of all accounts have received some payment (615 of 618). Over 97% of all accounts have received full payment (602 of 618 accounts). The remaining accounts are still being reviewed, or have deposits in excess of the \$100,000 federal insurance limit for individual accounts. NCUA is working to maximize recoveries for the benefit of uninsured depositors.

NCUA staff continues to trace each deposit and withdrawal made to the credit union's general ledger for the past 33 years. Efforts to completely close out the liquidation have been slowed by the fact that New London Security First FCU was non-automated, meaning that it did not have computerized records. The credit union was one of 104 federally insured credit unions out of 7,971 to be operated in this manner.

New London Security FCU was liquidated after it was found to be insolvent by NCUA examiners. The activities that necessitated the liquidation have been under investigation by NCUA and federal criminal authorities since the July liquidation.

The National Credit Union Administration is the independent federal agency that charters and supervises federal credit unions. NCUA, with the backing of the full

faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund (NCUSIF), insuring the savings of nearly 87 million members in all federal credit unions and the vast majority of state-chartered credit unions. NCUA is supported by credit unions, not federal tax dollars.

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