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NCUA Media Advisory

Hyland Urges Continued Collaboration Between State and Federal Regulators; Discusses Key Issues

Alexandria VA, August 20, 2009 – Speaking to participants at the National Association of State Credit Union Supervisors (NASCUS) State System Summit, Board Member Hyland noted, “Over the past four years, NCUA and state supervisors have built a strong, collaborative working relationship. The dialogue and communication must continue as we work through these difficult economic circumstances.”

In her remarks about legislation to amend the member business loan rule, Board Member Hyland stated, “The agency is currently reviewing the legislation and has not taken an official position. Speaking for myself, however, I do believe the statutory provisions on member business loans need to be modernized. That said, member business loans are very different from credit unions’ typical consumer loan book of business. Credit unions must exercise thorough due diligence in offering member business loans. Moreover, they need to have the human expertise and monitoring resources necessary to assure that risks in the portfolio are being managed appropriately. I believe that statutory changes to the member business loan provisions should authorize the NCUA to implement those changes in stages and over a period of time to afford credit unions time to ‘walk before they run.’” 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 operates and manages the National Credit Union Share Insurance Fund (NCUSIF), insuring the deposits of over 85 million account holders in all federal credit unions and the majority of state-chartered credit unions.

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