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NCUA Media Advisory

Matz Sounds Themes of Urgency and Involvement at NAFCU Caucus

First Speech as NCUA Chair Highlights Corporate Rule, Changes to Community Chartering

September 21, 2009, Alexandria, Va. - National Credit Union Administration (NCUA) Chairman Debbie Matz today noted the credit union industry's resilience and commitment to cooperative principles in the midst of economically difficult times in her address to the National Association of Federal Credit Unions (NAFCU) Congressional Caucus in Washington, DC.

"Put to the test, credit unions have taken a deep collective breath, rolled up their sleeves, and working together looked for and found viable solutions," commented Chairman Matz.

The Chairman identified immediate tasks on NCUA's agenda.

"Revising the corporate credit union rule is imperative," Matz said. "I cast the lone dissenting vote against the corporate rule when it was revised in 2002. I did not believe the crucial issue of risk concentration was adequately addressed. I also believed the investment authority being granted was overly broad and permissive, particularly in light of the complexity of financial instruments available to corporates. These issues must now be dealt with in NCUA's new rule," Matz emphasized.

The wide-ranging address to 400 NAFCU Caucus attendees noted the strains evident in natural person credit unions, particularly due to increasing loan delinquencies, continuing stress in the real estate markets and uncertainty in the broader economy. "My top priority as NCUA chair," Matz advised, "will be to help keep credit unions strong and healthy...to make sure that Americans know that credit unions are a safe place to save and borrow."

Chairman Matz also announced her intent to revise the regulations for conversions to a community charter. Expressing concern about the complexity, costs and length of time entailed in the application process, Matz promised reforms.

"My intent is to develop objective and easy to apply criteria to replace the current burdensome practice of requiring an applicant to submit a narrative document with supporting material," Matz said.

Additionally, Chairman Matz outlined six overriding goals for her Chairmanship. NCUA will be:

1. recognized as a fair, effective regulator that sets the highest standards for safety and soundness;
2. an advocate of initiatives to protect members from predatory, unsafe financial products;
3. a regulator that ensures access to credit union service for all eligible members;
4. an agency that listens and encourages an exchange of ideas with the credit union industry while maintaining its independence;
5. an employer of choice and will foster positive relations with elected labor representatives; and
6. a model corporate citizen that recognizes its responsibility to implement environmentally sound practices and procedures wherever and whenever feasible.

“In all of these efforts, I value your input and welcome your suggestions,” Matz said. “You, in turn, deserve a credible, thoughtful regulator, someone who is responsive without being reactive, firm without being inflexible, independent without being adversarial.” Matz indicated “that is the type of regulator I intend to be.”

In concluding her speech, Matz said, "Technology may have changed, the products you offer may have changed, the consumers you serve may have changed, but from the day FDR signed the Federal Credit Union Act into law in 1934, right up to today, the simple old-fashioned notion of service to members still defines credit unions. That is why I am honored to be a part of these efforts and excited to get to work."

Chairman Matz NAFCU speech is available online at: [click here](#).

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, insuring the deposits of nearly 90 million account holders in all federal credit unions and the majority of state-chartered credit unions.