



## NCUA Media Release

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# NCUA Signs Letter of Understanding and Agreement with Lynn Municipal Employees CU

### *Member Deposits Remain Insured up to \$250,000*

**ALEXANDRIA, Va. (Oct. 17, 2012)** – The National Credit Union Administration (NCUA) has entered into a Letter of Understanding and Agreement (LUA) with the Lynn Municipal Employees Credit Union and the Massachusetts Division of Banks that requires the credit union to take steps to correct unsafe and unsound practices.

The LUA identifies specific practices requiring correction, including:

- Failure to comply with the requirements of previous enforcement actions.
- Operating without adequate supervision and direction by the credit union’s board of directors over senior management.
- Failure to maintain accurate books and records.
- Failure to establish appropriate internal controls.
- Engaging in unsafe and unsound underwriting standards and practices.

NCUA is working with the credit union to make a sustained, conscientious effort to correct these practices. Violations of the LUA could result in NCUA initiating formal administrative actions under the Federal Credit Union Act, including civil financial penalties, cease and desist orders, removal and prohibition orders, or orders to liquidate, conserve or merge the credit union.

Lynn Municipal Employees Credit Union remains open for business as usual and is serving its membership. Members’ funds are federally insured up to \$250,000 per account by the National Credit Union Share Insurance Fund, a federal insurance fund backed by the full faith and credit of the U.S. Government.

NCUA enforcement orders are online at <http://www.ncua.gov/Legal/Pages/LUA.aspx> and available for inspection at NCUA’s Office of General Counsel between 9 a.m. and 4 p.m. Monday through Friday. Copies are also available by writing NCUA, 1775 Duke St., Alexandria, VA 22314-3428.

*NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions. With the backing of the full faith and credit of the U.S. Government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 93 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.*

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