The Wisconsin Credit Union League

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NEWS RELEASE

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Contact: Chris Olson
(800) 242-0833, Ext. 3167
colson@theleague.coop
www.theleague.coop

Effective immediately: Credit union deposit insurance coverage extended to $250,000

Pewaukee, Wis. – Insurance coverage for credit union deposits has increased from $100,000 to $250,000, effective immediately. Deposits at credit unions are insured through a fund administered by the National Credit Union Administration (NCUA), a federal agency. The boost, which will continue through December 31, 2009, is part of the Emergency Economic Stabilization Act passed by Congress and keeps credit unions on par with other financial institutions.

"Although credit unions have remained stable and well capitalized through our nation's ongoing economic struggles, we welcome this extended coverage on deposits and hope this further strengthens people's confidence in their financial institution," said Brett Thompson, President & CEO of the Wisconsin Credit Union League, the state trade association for not-for-profit, member-owned credit unions.

Recently, credit unions have gained national attention as strong and secure institutions that have generally avoided the bad lending practices that contributed to today's financial crisis. As a result, credit unions are recognized as healthy lenders that are well positioned to fill a growing demand for personal, auto, business and student loans, as well as mortgages and more.

The insurance limit on individual retirement accounts at credit unions – previously at $250,000 – will remain unchanged, and the NCUA has modified its insurance rules to expand coverage on revocable trust accounts, often referred to as payable on death or living trust accounts.

"Consumers should be aware that total amount of insurance coverage for individuals can be greater than $250,000, if they are using a combination of separate types of accounts," noted Thompson.

The NCUA is staffing a toll-free hotline from 7 a.m. to 5:30 p.m. Monday through Friday to answer insurance related questions from credit union members. The number is (800) 755-1030, Ext. 1. The NCUA is updating tools on its website – including an insurance estimator – to help consumers determine the coverage on their accounts. Visit www.ncua.gov.

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N25 W23131 Paul Road, Pewaukee, WI 53072-5779

Credit unions are cooperative financial institutions that are owned by their members and do not have stockholders. Because they are not-for-profit, they return earnings to members in the form of more competitive rates of return on accounts, lower interest on loans, lower fees and improved services. Around 2.2 million Wisconsin residents belong to credit unions, of which nearly half are open to the local community. People can find a credit union to join by looking in the phone book or by visiting www.creditunion.coop.