



The Benefits of Federal Share Insurance for Credit Unions

The National Credit Union Share Insurance Fund (NCUSIF) is a U.S. Treasury revolving fund managed by the National Credit Union Administration (NCUA). Of the nearly 10,000 credit unions in the U.S., more than 97 percent are covered by the NCUSIF, which is backed by the full faith and credit of the U.S. government.

Geographic Area. NCUSIF coverage is provided in all 50 states, Guam, Puerto Rico and the Virgin Islands. All federally-chartered credit unions regardless of location must be insured by the NCUSIF. Only eight states and Puerto Rico allow state-chartered credit unions to carry private primary share insurance.

U.S. Government Backing. The NCUSIF, with more than \$5 billion in equity, is financially strong and uniquely positioned to insure the money credit union members have placed in federally-insured credit unions. In addition to its \$5 billion equity, the NCUSIF is backed by the full faith and credit of the U.S. government. There is simply no stronger backing in the world.

Cost of Coverage. Insured credit unions maintain a deposit equal to one percent of their insured shares and deposits in the NCUSIF. The NCUSIF has paid \$622 million in dividends on these deposits since 1995 to NCUSIF-insured credit unions. It has not been necessary to charge a premium since 1992.

Supervision. Federal credit unions are subject to NCUA supervision. State-chartered credit unions with NCUSIF coverage are subject to state supervision, but are also monitored by NCUA. This regular examination and supervision process helps ensure the safety and soundness of federally insured credit unions.

Insurance Coverage. The basic insured amount for a credit union member is \$100,000. Share accounts maintained in different rights or capacities, or forms of ownership, may each be separately insured up to \$100,000 with properly completed account applications.

For example, a family of four may have up to \$1.8 million in NCUSIF coverage:

Individual Account of Husband	\$100,000
Individual Account of Wife	\$100,000
Individual Account of Child #1	\$100,000
Individual Account of Child #2	\$100,000
Joint Tenancy Account of Husband and Wife	\$100,000
Joint Tenancy Account of Husband and Child #1	\$100,000
Joint Tenancy Account of Wife and Child #2	\$100,000
Joint Tenancy Account of Child #1 and Child #2	\$100,000
Testamentary Revocable Trust Account with Husband as Trustee for Wife	\$100,000
Testamentary Revocable Trust Account with Wife as Trustee for Husband	\$100,000
Testamentary Revocable Trust Account with Husband as Trustee for Child #1	\$100,000
Testamentary Revocable Trust Account with Wife as Trustee for Child #1	\$100,000
Testamentary Revocable Trust Account with Husband as Trustee for Child #2	\$100,000
Testamentary Revocable Trust Account with Wife as Trustee for Child #2	\$100,000
Individual Retirement Account of Husband	\$100,000
Individual Retirement Account of Wife	\$100,000
Individual Retirement Account of Child #1	\$100,000
Individual Retirement Account of Child #2	\$100,000

The above example is provided for illustrative purposes only. Certain accounts may be subject to the laws and regulations of other federal agencies.

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