



NCUA Media Release

NCUA Places People for People CDCU into Conservatorship

Member Deposits Insured up to \$250,000, Member Services Uninterrupted

ALEXANDRIA, Va. (Jan. 6, 2012) – The National Credit Union Administration (NCUA) today assumed control of service and operations at People for People Community Development Credit Union (CDCU), a state-chartered, federally insured credit union, in Philadelphia. While continuing normal member services, NCUA will work to resolve issues affecting the institution’s safety and soundness.

Deposits at People for People CDCU remain federally protected. Administered by NCUA, the National Credit Union Share Insurance Fund (NCUSIF) continues to insure individual accounts at People for People CDCU up to \$250,000. The NCUSIF, like the FDIC’s Deposit Insurance Fund, has the backing of the full faith and credit of the U.S. Government.

Service to People for People CDCU’s 1,561 members will continue uninterrupted. Members can continue to conduct normal financial transactions—deposit and access funds, make loan payments, and use shares. People for People CDCU serves an underserved 14.3 square mile area of north Philadelphia. The credit union reported assets of \$1.1 million as of Sept. 30, 2011.

The decision to conserve a credit union enables the institution to continue regular operations with expert management in place, correcting previous service and operational weaknesses. During conservatorship, members may therefore continue to conduct business at the credit union.

The Federal Credit Union Act authorizes the NCUA Board to appoint itself as conservator when necessary to conserve the assets of a federally insured credit union, protect members’ interests, or protect the NCUSIF. The Pennsylvania Department of Banking, which chartered People for People CDCU, concurred with the conservatorship decision. People for People CDCU is the first federally insured credit union placed into conservatorship during 2012.

Members who have questions about the conservatorship may review the People for People CDCU Frequently Asked Questions document attached to this release and found at <http://www.ncua.gov/News/Pages/AllNewsSummary.aspx>.

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 91 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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People for People Community Development Credit Union Frequently Asked Questions

Is my money safe and secure?

Yes, member accounts at People for People Community Development Credit Union remain safe and fully insured up to the maximums established in federal law.

The National Credit Union Share Insurance Fund (NCUSIF) insures individual accounts up to \$250,000 and joint accounts up to \$250,000 per member. The NCUSIF also separately protects IRA and KEOGH retirement accounts up to \$250,000.

The Share Insurance Estimator (<http://webapps.ncua.gov/ins/>) allows individuals to estimate their share insurance coverage. Once an individual inputs the required data, the Share Insurance Estimator produces a report with detailed explanations of insurance coverage.

Members with additional questions about their insurance coverage may contact the National Credit Union Administration's Consumer Assistance Center toll free at 800-755-1030. The center answers calls Monday through Friday between 8:00 a.m. and 6:00 p.m. Eastern Standard Time. Individuals may also visit the MyCreditUnion.gov website at any time for more information about insurance coverage.

What is the current status of People for People Community Development Credit Union?

The National Credit Union Administration (NCUA) placed People for People Community Development Credit Union into conservatorship on Jan. 6, 2012.

In conservatorship, NCUA's priority is to protect the assets of the members of People for People Community Development Credit Union while working to maintain safe-and-sound credit union operations.

What is the National Credit Union Administration?

An agency of the federal government, NCUA, among other things, operates and manages the NCUSIF. The NCUSIF insures accounts at all federally insured credit unions, including People for People Community Development Credit Union.

What is a conservatorship?

A conservatorship means NCUA has assumed control of a credit union in order to ensure a credit union's financial stability and safe-and-sound operation. In a conservatorship, NCUA works to address issues related to a credit union's operations and financial condition while maintaining member service.

Can I still conduct business at People for People Community Development Credit Union?

Yes, People for People Community Development Credit Union will remain open during the conservatorship.

What are NCUA's plans for operations at People for People Community Development Credit Union?

Through a conservatorship, NCUA seeks to fix operating issues at a credit union with a goal of protecting member assets and seeking a resolution to identified problems.

How many members and branches are affected by the conservatorship?

People for People Community Development Credit Union has one main office, and service to the credit union's more than 1,500 members will continue.

What is the field of membership for People for People Community Development Credit Union?

People for People CDCU serves a low-income underserved community in north Philadelphia.

How big is People for People Community Development Credit Union?

The credit union has approximately \$1.1 million in assets.

How long will this conservatorship last?

In working to resolve the issues affecting People for People Community Development Credit Union, NCUA's top priority is to protect the interests of the credit union's members. NCUA has no set timeframe for completing this resolution process.

What are NCUA's plans for the future of People for People Community Development Credit Union?

NCUA has made no decisions about the long-term future of the credit union. Continued credit union service for the members, however, is a priority.