

Are my funds safe at Freedom Federal Credit Union?

Over the past several days and weeks this question has been asked many times. And now with the Office of Thrift Supervision taking over IndyMac Bank in California, more people are wondering just how safe their deposits are.

The member deposits at all federally chartered credit unions and most state chartered credit union are insured up to \$100,000 by the National Credit Union Share Insurance Fund, an agency of the federal government. This insurance is backed by the full faith and credit of the United States Government just like the FDIC program for banks. The NCUSIF also insures certain accounts (IRAs) up to \$250,000.

NCUA Chairman JoAnn Johnson said despite ongoing problems at certain institutions, the credit union industry is healthy and federally insured deposits are safe with the National CU Share Insurance Fund. "While there are isolated instances of credit unions encountering difficulties, on the whole the credit union industry is healthy," the NCUA Chairman said.

Johnson's statement came in response to growing concerns over the **bank** insurance fund, which will expend at least \$8 billion to resolve the failure of IndyMac Bancorp, **causing the fund to charge a premium to banks and thrifts to replenish those funds.**

So are credit union deposits safe? Yes, within the insured limits and above that – based upon the financial strength of the individual credit union. Credit unions, as an average, have higher reserves than banks. And credit unions are member owned so they are not pressured into earning high profits for stockholders.

The mortgage crisis has created a lot of doubt in the banking system. I tell you that the credit union system is strong and financially stable. Credit unions do not make a practice of offering high-risk loans. Credit unions are not part of the sub-prime mortgage crisis.

If you have question about the Nation Credit Union Share Insurance Fund, check out their web address at www.ncua.gov and click on share insurance.

You can invest safely at your credit union.