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CREDIT UNION ECONOMICS GROUP

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NEWS RELEASE

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April 14, 2010

**N.Y. FEDERAL RESERVE HEARS CONSUMER FINANCE
UPDATE FROM CREDIT UNION ECONOMICS GROUP**

NEW YORK – A group of the credit union industry’s leading economic and financial observers on Wednesday told Federal Reserve Bank of New York staff how credit unions are faring in a recovering economy and how they are continuing to meet consumers’ financial needs.

Federal Reserve staff participating in the meeting with four members of the Credit Union Economics Group (CUEG), included, William Dudley, president/CEO, and vice chairman of the Federal Open Market Committee; Mike Schetzel, VP and deputy chief of staff; Arthur Angulo, SVP, bank supervision; Brian Peters, SVP, bank supervision; Simon Potter, EVP, research/statistics and Bill Rutledge, EVP, bank supervision. This is the eighth year CUEG has met with Federal Reserve Bank officials.

“CUEG appreciates the opportunity to meet with President Dudley, a permanent member of the Federal Open Market Committee, and his staff,” said Tun Wai, NAFCU’s director of research. “With all the changes occurring in the consumer finance arena, it is important the Federal Reserve hears the experiences of institutions like credit unions – where the rubber meets the road.”

Dave Colby, CUNA Mutual Group, chief economist, told Fed staff credit unions gave consumers a safe haven for their assets during the economic downturn. “More importantly, credit unions were providing credit when others were withdrawing credit from the household sector. During 2009, the nation’s credit unions granted a record \$95 billion in first mortgages, a 35 percent increase over a strong 2008. These loans helped members achieve their dream of home ownership and helped others improve their financial well-being, through refinancing at historically favorable terms,” Colby said.

“Credit unions stand ready to lend, providing everything from basic consumer loans to mortgages and business loans and focus on creating long-term

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relationships that result in repeat business and demonstrate our commitment to the communities we serve,” said Steve Brewer, chief financial officer, Michigan Schools & Government Credit Union. “Credit unions have demonstrated they have the ability and willingness to lend in the current economic environment and have structured their balance sheets to ensure they also have the capacity to continue to be a preferred source of credit for members.”

Eli Vazquez, chief financial officer, American Airlines FCU, added: Credit unions have a unique business model that is driven by an intense focus on member advocacy and that delivers and prices its financial services in a very consumer friendly manner. During the recession, credit unions have remained an important source of loans and deposit financial services for existing and new members.” Vazquez said that despite rising trends in non-performing loans, a solid capital base has allowed credit unions to remain active lenders offering tremendous value to members.”

The Federal Reserve Bank of New York is one of 12 Federal Reserve Banks nationwide that, together with the Fed’s Board of Governors in Washington, D.C., serve as the nation’s central bank. New York is part of the second Federal Reserve District, covering New York State, the 12 northern counties of New Jersey and Fairfield County in Connecticut.

The Credit Union Economics Group is a working group of credit union officials located throughout the country who are dedicated to the current and future financial well being of the credit union movement. CUEG's objective is to provide credit unions with consensus macroeconomic forecasts and industry trend analyses that will be helpful in their planning and operations. This independent, non-profit group also provides a credit union perspective on national and regional economic trends by exchanging information with the NCUA, the Federal Reserve Board and the various Federal Reserve District Banks. CUEG prepares a regional economic and descriptive credit union trends report biannually as well as a quarterly consensus macroeconomic and industry-trend forecast, available at www.cueg.org.



CAPTION: Credit Union Economics Group members on Wednesday provided Federal Reserve Bank of New York staff with a credit union perspective on current consumer financial activities.

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Left to right are Eli Vazquez, American Airlines FCU; Tun Wai, NAFCU; Federal Reserve Bank of New York President William Dudley; Dave Colby, CUNA Mutual Group; and Steve Brewer, Michigan Schools and Government CU.

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