

YOUR INSURED FUNDS

The shares you have deposited at North Franklin FCU are insured by the National Credit Union Share Insurance Fund (NCUSIF) or the Fund, an arm of NCUA. Established by Congress in 1970 to insure member share accounts at federally insured credit unions, the Fund is managed by NCUA under the direction of the three-person NCUA Board. Your share insurance is similar to the deposit insurance protection offered by the Federal Deposit Insurance Corporation (FDIC).

The Federal Insurance Fund has several programs to help insured Credit Unions which may be experiencing problems, and liquidations or failures are usually done only as a last resort. If a Federally Insured Credit Union does fail, however, the NCUSIF will make any necessary payouts to the credit union's members. These payouts are usually done within 2 days from the time the credit union closes its doors.

Insured credit unions are required to deposit and maintain one percent of their insured shares and deposits in the NCUSIF. The Fund is currently at the strongest and best reserved level in its history. Historically, deposit insurance funds strive for a ratio of equity to insured savings of at least one percent. The NCUSIF ration of equity to insure shares and deposits is normally 1.25 percent to 1.30 percent.

As a member of North Franklin Federal Credit Union, you do not pay directly for your share insurance protection. North Franklin pays into the NCUSIF a deposit, and an insurance assessment, based on the total amount of insured shares and deposit in the credit union.

The basic insured amount for a credit union member under current law is \$250,000. Share accounts maintained in different rights or capacities, or forms of ownership, may each be separately insured up to \$250,000. Thus, a member may hold or have an interest in more than one separately insured share account in the same insured credit union. The NCUA Insurance booklet, available at our office, gives a more detailed explanation of insurance coverage.