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The corporate credit union crisis: Does it call for reform or re-engineering?

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[Article](#) [Google Scholar](#)

See (Wheelock and Wilson, 2011, p. 1343).

This statistic is calculated using data from Z.1 Financial Accounts of the United States: Flow of Funds, Balance Sheets and Integrated Macroeconomic Accounts – First Quarter 2013, Board of Governors of the Federal Reserve System, 6 June 2013. Specifically, the data comes from level tables L.110 (p. 74) and L.113 (p. 76).

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This history is told in far more detail in both Bonus and Schmitt (1990) For details later than 1990, the interested reader is referred to the Website of the Deutsche Zentral-Genossenschaftsbank, 2012. *Historie – Die Genossenschaftsidee*. Although the history is posted in German and English, there is far more detail in German, http://www.corporate-portal.dzbank.de/page_standard.php?id=2117.

This figure comes from the annual report for the DZ Bank, <http://www.annualreport.dzbank.com/2011/gb/en/>.

This figure comes from the trade association, Bundesverband der Deutschen Volksbanken und Raiffeisenbanken. They produce an annual list of cooperative banks: *Liste aller Genossenschaftsbanken (Stand Ende 2011)*. The list is available online at

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See Interpretive Ruling and Policy Statement (IRPS 01-2) from the *National Credit Union Administration*, 19 April 2001.

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The current Examiner’s Guide puts this percentage at 7 per cent. To avoid problems, credit unions must maintain a net worth ratio of 7 per cent or more. See *NCUA Examiner’s Guide*, June 2002, pp. 17/1-1, 1-3, 1-8. The capital ratio is lower for corporate credit unions. The lowest allowable capital ratio for them is 4 per cent. See *NCUA Corporate Credit Union Examiner’s Guide*, May 2008, pp. 204-207.

Corporate Credit Unions: Competitive Environment May Stress Financial Condition, Posing Challenges for NCUA Oversight, Government Accountability Office, September 2004, GAO-04-977, at executive summary.

See Material Loss Review of Western Corporate Federal Credit Union, NCUA Office of Inspector General, OIG-10-19, pp. 4-9.

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United States Senate, 28 February 1995, GAO/T-GGD-95-107.

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This statement appears to contradict that made by the Associate Director of the GAO in 1994. (see GAO/T-GGD-95-15, p. 15.) However, in that report, he says that ‘Corporate oversight was centralized in 1992’. However, it was not pulled out of the examination cadre, forming its own ‘office’ reporting directly to the NCUA commissioners, until 1994 (as stated on the NCUA Website).

Credit Unions: Reforms for Ensuring Future Soundness. Government

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See Summary Report of Issues Identified in the Commission Staff’s Examinations of Select Credit Rating Agencies, p. 23.

See Summary Report of Issues Identified in the Commission Staff’s Examinations of Select Credit Rating Agencies, pp. 10–13.

Material Loss Review of Western Corporate Federal Credit Union, NCUA Office of Inspector General, OIG-10-19, pp. 24–29.

For those corporate credit unions that failed, almost all of their mortgage-related securities were rated as AAA or AA when purchased. See the Material Loss

Review of Western Corporate Federal Credit Union (OIG-10-19, pp. 25) IIS

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credit union industry’ before the Senate Committee on Banking, Housing, and urban Affairs, 9 December 2010, p. 7.

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See OIG-10-17, p. 3.

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Corporate assets were net of assets invested in US Central, so as not to double count assets in US Central through October 2012, when the conserved version of US Central ceased to exist. Note that these figures do not agree with the size of the industry as reported in GAO-12-247, p. 12. The GAO is not as careful about not double counting.

Although the Canadian system was founded as a natural monopoly from the beginning.

See GAO-04-977, p. 25.

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