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

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This analysis is based on a comparison of the aggregate balance sheets for natural person credit union *vis-à-vis* the aggregate balance sheets for corporate credit unions. Both aggregations come from their respective NCUA call reports.

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

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For more information on RMBS, as well as verification of all information on RMBS in this section, the reader is referred to Material Loss Review of Western Corporate Federal Credit Union; National Credit Union Administration, Office of Inspector General, 16 October 2010; OIG-10-19, pp. 4-9.

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The figures cited in the body of the article come from the NCUA website. Updated figures can be found at:

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It is clear from the tone of congressional reports such as National Credit Union Administration: Earlier Actions Are Needed to Better Address Troubled Credit Unions, GAO-12-247. In particular see headings such as that on p. 20.

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

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## Additional information

This article presents a brief history of corporate credit unions in the United States, comparing it with the systems that have developed in two antecedent countries (Germany and Canada). Then it presents a concise history of corporate credit union crises (starting with the last crisis), to provide a basis of the regulation used before the recent crisis. The effects of the crisis on the corporate credit union industry are then recounted. The costs to the retail credit unions are then described, and some options for moving forward are briefly outlined.

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