

NSCUSIF Insured Funds

Share Insurance

The shares in your credit union are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of NCUA. Established by Congress in 1970 to insure member share accounts at federally-insured credit unions, the NCUSIF 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 NCUA Share Insurance Estimator** is an educational resource about share insurance and gives a detailed explanation of insurance coverage. The “Your Insured Funds” brochure gives a more detailed explanation of your insurance coverage.

Credit unions that are insured by the NCUIF must display in their offices the official NCUA insurance sign which appears on the cover of the brochure. All federal credit unions must be insured by NCUA, and no credit union may terminate its federal insurance without first notifying its members.

Here are some important facts to remember about your share insurance.

Not one penny of insured savings has ever been lost by a member of a federally insured credit union. The federal insurance fund has several programs to help insured credit unions which may be experiencing problems. Liquidations or failures are 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 3 days from the time the credit union closes its doors.

As a member of an insured credit union, you do not pay directly for your share insurance protection. Your credit union pays into the NCUSIF a deposit, and an insurance assessment, based on the total amount of insured shares and deposits in the credit union. Insured credit unions are required to deposit and maintain one percent of their insured shares and deposits in the NCUSIF. **The NCUSIF is backed by the full faith and credit of the United States government.**

You may obtain additional separate coverage on multiple accounts, but only if you have different ownership interests or rights in different types of accounts and you properly complete account forms and applications. For example, if you have a regular share account and an Individual Retirement Account (IRA) at the same credit union, the regular share account is insured up to \$250,000 and the IRA Separately insured up to \$250,000. However if you have a regular share account and a share certificate, and a share draft account, all in your own name, you will not have additional coverage. Those accounts will be added together and insured up to \$250,000 as your individual account. Additionally, shares denominated in foreign currencies are insured as outlined in NCUA Rules and Regulations.

Coverdell Education Saving Accounts, formerly education IRAs, are insured as irrevocable trust accounts and will be added to a member's other irrevocable trust accounts and insured up to the Standard Maximum Share Insurance Amount (SMSIA). Roth IRAs will be added together with traditional IRAs and insured up to \$250,000.

Additional coverage is available on revocable trust or payable on death accounts. You can now name a parent or sibling as a beneficiary to get separate coverage. Previously, beneficiaries had to be a spouse, child, or grandchild.

The rules on joint accounts have been simplified. A co-owner's interest in all joint accounts in the same credit union will be added together and insured up to the SMSIA.

Call 605-342-7776 for more information or visit the National Credit Union Administration.