• Irrevocable Trusts

Funds placed in an account by a trustee under an irrevocable trust have separate coverage based on the beneficial interest under such trust. The interest of each beneficiary in an account (or accounts) established as an irrevocable trust has separate NCUSIF coverage of up to $250,000. In cases where a beneficiary has an interest in more than one trust arrangement created by the same owner, the interests of the beneficiary in all accounts established under such trusts are added together for insurance purposes and insured for a total of up to $250,000 that is separate from and in addition to the coverage the NCUSIF provides for other types of accounts.

How Can I Get More Information?

A brochure entitled *Your Insured Funds* is available at NCUA's Internet site www.ncua.gov/Legal/Guides-Etc/GuidesManuals/NCUAYourInsuredFunds.pdf This comprehensive brochure contains a detailed discussion of all available types of coverage offered by the NCUSIF, along with examples illustrating how the coverage works in practice.

How Do I Know My Credit Union Is Federally Insured?

Federally insured credit unions are required to indicate their insured status in their advertising and to display the official NCUSIF insurance sign in the offices. NCUA's Internet site provides a directory of federally insured credit unions at www.ncua.gov/Legal/GuidesEtc/Pages/CUDirectory.aspx

NCUA Share Insurance Estimator

NCUA has a Share Insurance Estimator on its Internet site to help members better understand the protection offered by the NCUSIF. This interactive site allows users to input data to compute the amount of NCUSIF coverage available under different account scenarios. This resource is available at the link http://webapps.ncua.gov/ins/

Changes To Coverage Limits

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 increased the level of insurance on all accounts to a maximum of $250,000. This increase, previously established on a temporary basis, has now become permanent.

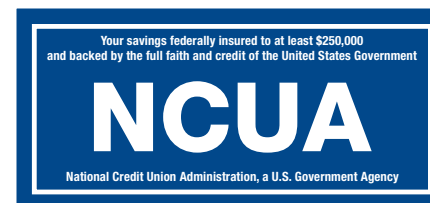## Temporary Unlimited Coverage on Noninterest-bearing Transaction Accounts

The Dodd-Frank Wall Street Reform and Consumer Protection Act, provides that, on a temporary basis through December 31, 2012, the amount held in a noninterest-bearing transaction account by any member or depositor is fully insured. This unlimited coverage is separate from, and in addition to, the coverage provided to members with respect to other accounts held at an insured credit union. A noninterest-bearing transaction account is defined as an account or deposit maintained at an insured credit union with respect to which interest dividends are neither accrued nor paid; on which the account holder or depositor is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and on which the insured credit union does not reserve the right to require advance notice of an intended withdrawal.

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314
(703) 518-6300
http://www.ncua.gov
NCUA 8016 - October 2011

How Your Accounts Are Federally Insured

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

What Is The NCUA?

The National Credit Union Administration, commonly referred to as NCUA, is the federal government agency that charters and supervises federal credit unions. NCUA also operates and manages the National Credit Union Share Insurance Fund (NCUSIF). Backed by the full faith and credit of the U.S. government, NCUSIF insures the accounts of millions of account holders in all federal credit unions and the vast majority of state-chartered credit unions.

Why Is NCUSIF Share Insurance Coverage Important?

Share insurance coverage offered through the NCUSIF protects members against losses if a federally insured credit union should fail. You can confidently join and conduct business with federally insured credit unions because no member has ever lost money insured by the NCUSIF.

Historically, insured funds are available to members within just a few days after the closing of an insured credit union. Failures of federally insured credit unions are rare because only those with sound operational standards qualify to receive NCUSIF coverage. NCUA also regularly reviews the operations of all federal credit unions and works closely with state regulatory authorities to evaluate federally insured state-chartered credit unions.

What Basic Coverage is Provided By The NCUSIF?

The NCUSIF provides all members of federally insured credit unions with $250,000 in coverage for their individual accounts. These accounts include regular shares, share drafts (similar to checking), money market accounts, and share certificates.Individuals with account balances totaling $250,000 or less at the same insured credit union have full NCUSIF coverage. If a person has more than $250,000 at any single credit union, several options are available for additional coverage because, as discussed in greater detail below, the NCUSIF provides separate insurance for other types of accounts.

Members have full NCUSIF coverage at each federally insured credit union where they are qualified members. While NCUSIF coverage protects members at all federally insured credit unions from losses on a broad spectrum of savings account and share draft products, it does not cover losses on money invested in mutual funds, stocks, bonds, life insurance policies, and annuities.

Does the NCUSIF Provide Additional Coverage?

All members of federally insured credit unions have options for coverage that is separate from and in addition to the coverage available to their individual accounts.

• Retirement Accounts

Members with traditional and Roth Individual Retirement Accounts (IRAs) and KEOGH retirement accounts at federally insured credit unions have additional coverage available at each federally insured credit union where they qualify and become members. The NCUSIF insures member traditional and Roth IRAs for $250,000 in the aggregate at each credit union. Additionally, NCUA insures member KEOGH accounts separately in the aggregate to $250,000 at each credit union.

Retirement account insurance protection is separate and apart from insurance coverage on other credit union accounts. For example, if you have a regular share account, an IRA, and a KEOGH at the same credit union, the NCUSIF insures the regular share account for up to $250,000, the IRA for up to an additional $250,000, and the KEOGH for up to an additional $250,000.

• Joint Accounts

Joint accounts are savings or share draft accounts owned by two or more people who have equal rights to withdraw money from the account. The NCUSIF provides joint account holders with $250,000 coverage for their aggregate interests at each federally insured credit union. For example, a two person joint account has $500,000 in coverage. This coverage is separate from and in addition to the coverage available for other accounts such as individual accounts and retirement accounts.

• Trust Accounts

The NCUSIF provides separate coverage for both revocable and irrevocable trusts. Credit unions can establish a common revocable trust payable-on-death (POD) account without additional documentation; however, some trusts require additional, valid documentation to qualify for coverage. While this brochure briefly discusses how the NCUSIF insures trusts, members should consult appropriate professionals to properly establish and document trust arrangements.

• Revocable Trusts

Revocable trust accounts may qualify for insurance coverage of up to $250,000 per beneficiary named by the owner that is separate from the individual coverage available to the trust owner. For example,if a person with a revocable trust for $750,000 names a spouse and two children as beneficiaries, the entire $750,000 would have separate NCUSIF coverage ($250,000 per beneficiary).

This coverage is separate from the coverage provided to the other types of accounts held by the trust's owner at the same federally insured credit union.