

**NATIONAL CREDIT UNION ADMINISTRATION BOARD  
NATIONAL CREDIT UNION ADMINISTRATION  
Alexandria, Virginia**

**ORDER**

WHEREAS, the National Credit Union Administration Board (NCUA BOARD) held a regularly scheduled meeting on the 21<sup>st</sup> of May 2009, at which the full NCUA Board was present and a recommendation was presented by staff concerning minimum fidelity bond coverage for federal credit unions; and

WHEREAS, the NCUA Board considered the requirement for minimum fidelity bond coverage found in NCUA regulations at 12 C.F.R. §713.5; and

WHEREAS the NCUA Board considered that total assets subject to the minimum coverage at participating credit unions has increased as a result of the Credit Union System Investment Program (CU SIP); and

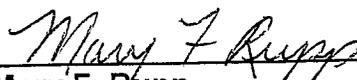
WHEREAS the NCUA Board considered that as CU SIP investments are guaranteed by the National Credit Union Share Insurance Fund (NCUSIF) and are secured borrowings from the Central Liquidity Facility they pose no additional risk on the NCUSIF; and

WHEREAS, the NCUA Board further considered its authority to reduce the required bond coverage as set forth in 12 C.F.R. §713.5, and the recommendation of staff that a credit union's CU SIP investments should be excluded from the calculation of total assets subject to minimum fidelity bond coverage;

NOW THEREFORE the NCUA BOARD hereby ORDERS:

1. Outstanding CU SIP investments shall be excluded from total assets for purposes of calculating the minimum fidelity bond coverage required under 12 C.F.R. §713.5.
2. All other provisions of 12 C.F.R. Part 713 shall remain in effect and unchanged.

So ORDERED by the NCUA Board this 21<sup>st</sup> Day of May, 2009.

  
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Mary F. Rupp  
Secretary of the NCUA Board