Statement of Senator Tim Johnson
"The State of the Credit Union Industry"
Senate Committee on Banking, Housing and Urban Affairs
December 9, 2010

Today's first hearing will examine the current state of the credit union industry, including the National Credit Union Administration's ongoing efforts to stabilize the corporate credit union system. As the supervisor of federal credit unions that insure the deposits of over 90 million account holders in all federal credit unions and many state-chartered credit unions, this hearing is an important and needed opportunity to explore the health of the credit union industry as we emerge from the financial crisis and recover and grow our economy.

I want to welcome and thank NCUA chairman Debbie Matz for being here today. The NCUA has taken unprecedented steps over the past several years to stabilize the credit union system as the troubled corporates pulled liquidity and capital out of the natural person credit unions. The system has also shared many of the same challenges as the FDIC concerning the insurance of Americans' savings and retirement.

These steps have had a significant impact on thousands of credit unions across the country, and I am pleased that we can have a serious conversation about the current state of the credit union industry and the impact of increased assessments on credit unions that serve millions of Americans across this country. I have certainly heard concerns from my constituents in South Dakota about this matter.

This is not the first, and certainly not the last, hearing on the financial condition of specific sectors of our financial services industry. The financial crisis certainly took a toll, and the historic Dodd-Frank legislation will bring many additional changes to all sectors of this industry. It is very important to me that these types of hearings become a common occurrence with all of the financial institutions regulators. I look forward to your testimony, Chairman Matz, and to the question and answer period.