

Risk Exposure

For many credit unions, retail payment services are vital products provided to the membership. These services are not, however, without risks. Payment system products and services expose credit unions to numerous risks – including legal, compliance, strategic, operational, credit, and liquidity risks. Moreover, they require many “behind the scenes” processes.

Credit unions must work diligently to ensure a safe and sound transition to any new service provider to minimize disruption in the payment services on which members rely.

Resources & Training Available

For credit unions temporarily receiving payment services from “Bridge” corporates, NCUA will be implementing a section within the online Credit Union Profile you can use to track progress in moving payment system services. The addition will be available starting with the June 30, 2011 call report cycle.

NCUA will be hosting a webcast in 2011 for all credit unions to review the Payment Systems Checklist.

In addition, the 2011 workshops hosted by NCUA’s Office of Small Credit Union Initiatives will contain a session designed for credit unions up to \$50 million in assets to discuss the checklist. For workshop dates and locations, e-mail OSCUITraining@NCUA.Gov.

If you have any further questions, you can also contact your regional office, district examiner, or state supervisory authority.

Sincerely,

/s/

Debbie Matz
Chairman

Enclosure