

U.S. Central Federal Credit Union

Key Product and Service Statistics

Attached for your review is key information regarding U.S. Central Federal Credit Union. This information is provided for your benefit as you consider and compose responses to the National Credit Union Association's (NCUA) Advanced Notice of Proposed Rulemaking (ANPR) and request for comment on the Corporate Credit Union Network. As the following information demonstrates, U.S. Central currently provides a broad array of products and services that ultimately benefit many credit unions. As you develop your viewpoints and responses to the ANPR, you may wish to consider the extent to which, if at all, credit unions are best served by continuing to receive these products and services through existing channels or through alternative means.

U.S. Central overview

U.S. Central is the wholesale financial center for the nation's corporate credit unions. Founded in 1974, U.S. Central is owned and directed by its 26 member corporate credit unions, in the tradition of the cooperative credit union spirit. As the "credit union for corporate credit unions," U.S. Central exists solely to assist them in serving America's approximately 8,000 credit unions.

U.S. Central provides members with extensive investment, liquidity, payment and settlement products and services; risk-management and analytic capabilities; funds transfer and payment services; and safekeeping and custody services. U.S. Central's member corporate credit unions, in turn, provide these same services to credit unions, often relying on U.S. Central's back-office and aggregation capabilities.

ACH Services

- 22 corporates and more than 3,500 credit unions exclusively use U.S. Central's nationwide, back-office electronic payment transfer product
- This product is used by more than 500 originators and select employee groups (SEGs)
- On behalf of these credit unions, U.S. Central will process over 300 million receipt transactions and 19 million origination transactions in 2009

Automated Settlement

- 100 percent of corporates and 93 percent of all U.S. credit unions use U.S. Central's Automated Settlement product
- 37 national originators use the automated settlement system to settle with credit unions
- In 2009, U.S. Central expects to process almost 12 million automated settlement transactions, totaling \$852 billion in gross settlement

CNCC/ADT (Cash concentration & automated debit transfer)

- 23 corporates and approximately 3,000 credit unions use this program
- U.S. Central expects to process over 56,000 transactions totaling \$8 billion in net credits to corporates in 2009

Online Bill Payment Services – Corporate Network eCom

- 177 credit unions use Corporate Network eCom for their bill payment services
- eCom will process more than 17 million transactions representing \$5 billion in payments during 2009

International Services

- 25 corporates use at least one or more of U.S. Central's international products and services, which includes foreign check processing (cash letters and collection items), foreign currency and draft purchase services, and international wires
- More than 2,000 credit unions access international wire functionality directly through U.S. Central's back-office system
- On behalf of credit unions, approximately 65,000 U.S. Dollar and Foreign Exchange (FX) international wires totaling \$700 million in value, will be processed this year

Domestic Wires

- 26 corporates use U.S. Central for domestic wire processing
- U.S. Central anticipates processing more than 200,000 outgoing member wires in 2009, representing over \$380 billion
- U.S. Central projects it will process over 15,000 incoming member wires this year, representing over \$540 billion

Network Securities Safekeeping (NSSP)

- 24 corporates and 1,300 credit unions rely on security safekeeping at U.S. Central
- This represents a 53-percent market share for securities of corporates and credit unions
- 51 percent of the 500 largest credit unions use safekeeping at U.S. Central
- Currently 37,312 securities with a total value of \$66.3 billion are held in safekeeping at U.S. Central

Liquidity to Corporate Credit Unions

- U.S. Central has more than \$14.7 billion in lines of credit in place to its member corporate credit unions
- During 2008, U.S. Central made \$115 billion in overnight loans available to corporates
- On a daily basis, U.S. Central provides \$746.5 million in guaranteed early morning funding to corporates

Investments

- In 2008, corporates purchased approximately \$16.1 billion worth of term investments from U.S. Central
- In the latest five-year period (2004 – 2008), corporates purchased approximately \$87 billion in term investments from U.S. Central
- From January 1, 1999 through December 31, 2008, U.S. Central provided its members with excess (above market) payouts of approximately \$140 million on overnight and term balances. Of this total, approximately \$25.0 million represents bonus interim dividends paid each year 2002 through 2006

Broker Dealer (Credit Union Investment Solutions, Inc. (ISI))

- ISI serves 834 credit unions through the Corporate Agent Program
- In 2008, \$1.8 million in commissions was paid to corporate network agents

Financial support of credit unions and industry organizations

- From January 1999 through December 31, 2008, U.S. Central contributed more than \$8 million to various credit union organizations across the country