

# MDECU *News*

*Metropolitan District Employees' Credit Union, Inc.*

## How Your Accounts Are Federally Insured?



The shares in your credit union are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of NCUA. Established by Congress in 1970 to insure member share accounts at federally insured credit unions, the NCUSIF is managed by NCUA under the direction of the three-person NCUA Board. Your share insurance is similar to the deposit insurance protection offered by the Federal Deposit Insurance Corporation (FDIC).

Credit unions that are insured by the NCUSIF must display in their offices the official NCUA insurance sign which appears on the cover of this brochure. All federal credit unions must be insured by NCUA, and no credit union may terminate its federal insurance without first notifying its members.

Here are some important facts to remember about your share insurance:

Not one penny of insured savings has ever been lost by a member of a federally insured credit union. The federal insurance fund has several programs to help insured credit unions which may be experiencing problems. Liquidations or failures are a last resort. If a federally insured credit union does fail, however, the NCUSIF will make any necessary payouts to the credit union's members. These payouts are usually done within 3 days from the time the credit union closes its doors.

As a member of an insured credit union, you do not pay directly for your share insurance protection. Your credit union pays into the NCUSIF a deposit, and an insurance assessment, based on the total amount of insured shares and deposits in the credit union. Insured credit unions are required to deposit and maintain one percent of their insured shares and deposits in the NCUSIF. The NCUSIF is backed by the full faith and credit of the United States government.

Most properly established share accounts in federally insured credit unions are insured up to the Standard Maximum Share Insurance Amount (SMSIA), which is \$100,000 as of April 2006, but may be

increased in the future. Recent legislation has increased the insurance coverage on certain retirement accounts, such as IRAs and Keoghs, up to \$250,000. Generally, if a credit union member has more than one account in the same credit union, those accounts are added together and insured in the aggregate. There are exceptions, though. You may obtain additional separate coverage on multiple accounts, but only if you have different ownership interests or rights in different types of accounts and you properly complete account forms and applications. For example, if you have a regular share account and an Individual Retirement Account (IRA) at the same credit union, the regular share account is insured up to \$100,000 and the IRA is separately insured up to \$250,000. However, if you have a regular share account, a share certificate, and a share draft account, all in your own name, you will not have additional coverage. Those accounts will be added together and insured up to \$100,000 as your individual account. Additionally, shares denominated in foreign currencies are insured as outlined in NCUA Rules and Regulations.

Coverdell Education Saving Accounts, formerly education IRAs, are insured as irrevocable trust accounts and will be added to a member's other irrevocable trust accounts and insured up to the SMSIA. Roth IRAs will be added together with traditional IRAs and insured up to \$250,000.

Additional coverage is available on revocable trust or payable on death accounts. You can now name a parent or sibling as a beneficiary to get separate coverage. Previously, beneficiaries had to be a spouse, child or grandchild.

The rules on joint accounts have been simplified. A co-owner's interest in all joint accounts in the same credit union will be added together and insured up to the SMSIA.

From National Credit Union Administration. For more information please contact the Credit Union.

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ext. 3470, 3471 & 3461  
Home Banking: mdecu.org  
Access 24: 860.549.5349  
860.549.5357

### Office Hours:

**Monday, Wednesday, Thursday,  
Friday** – 7:30 AM to 4:00 PM  
**Tuesday** – 9:00 AM to 4:00 PM

### Holiday Closings:

**Columbus Day** – October 13  
**Veterans Day** – November 11  
**Thanksgiving** – November 27 & 28

### Products Offered:

Online Banking  
ATM Cards  
Certificates of Deposit  
Telephone Banking

### *Welcome Evelyn Sirois as the new Manager of MDECU.*

Evelyn starts October 6th she comes to us from Connecticut Transit Federal Credit Union. She has over 15 years experience with credit unions. She is a graduate of Baypath College in Longmeadow, MA with a Master's degree and a Bachelor's degree in Business Management from the University of Hartford. Evelyn is fluent in French, beginner level of Spanish and American Sign Language.

