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NCUA to Receive More than $1.4 Billion in JPMor Settlement

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Chairman Matz: "It Really Comes Down to Holding Responsible Parties Accountable"

ALEXANDRIA, Va. (Nov. 19, 2013) – The National Credit Union Administration today joined the U.S. Department of Justice and other governmental plaintiffs in a $13 billion settlement with JPMorgan Chase and affiliated companies over sales of faulty mortgage-backed securities.

As part of the settlement, NCUA will receive $1.417 billion. The settlement resolves four lawsuits filed by NCUA as liquidating agent against JPMorgan Chase, Bear Stearns and Washington Mutual for losses incurred by corporate credit unions as a result of the purchases of the faulty securities.

"Today's announcement by the Justice Department is extraordinary and will greatly benefit credit unions that have been paying for the losses caused by the financial institutions covered by this settlement," NCUA Board Chairman Debbie Matz said. "This resolution, combined with the $335 million already recovered, will enable NCUA to greatly reduce the assessments that all credit unions have to pay.

"All this really comes down to holding responsible parties accountable," Matz said. "In agreeing to this settlement, the world's largest bank has taken a measure of responsibility for actions that caused severe damage to the credit union system. NCUA remains committed to fulfilling our statutory responsibilities to protect the credit union system by pursuing further recoveries against other Wall Street investment firms on behalf of credit unions and their members."

NCUA was the first federal financial institutions regulator to recover losses from investments in faulty securities on behalf of failed financial institutions.

Five years ago, the credit union industry faced an uncertain future when the faulty mortgage-backed securities purchased by five corporate credit unions plunged in value. These losses led to the failure of those corporate credit unions and left the entire credit union system with billions of dollars in losses. When purchased by the failed corporate credit unions, the vast majority of the securities issued by JPMorgan Chase and its affiliates had a triple-A ratings, but have since been significantly downgraded.

"The NCUA Board extends our thanks and appreciation to NCUA and Department of Justice attorneys who have

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