

Committee on Ways and Means

For Immediate Release
December 1, 2006

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Thomas Comments on Release of GAO Reports on Credit Unions

WASHINGTON – Today, the Government Accountability Office (GAO) released two reports – one on credit union transparency and the other on corporate governance and objectivity of the National Credit Union Administration (NCUA). Ways and Means Committee Chairman Bill Thomas (R-CA) released the following statement in response:

“Federal tax exemption is an important benefit enjoyed by credit unions. Congress has a responsibility to ensure that tax-exempt entities are fulfilling the purposes for which they were created.

“I appreciate GAO’s work on these two reports. Their data analysis is balanced and sheds more light on the membership of credit unions and the role of their government regulator. Still, many questions remained unanswered – reinforcing the idea that the NCUA and credit unions need to enhance their transparency and data collection.

“One of the reasons cited for the need for credit union tax exemption is that they would serve those of modest means, yet GAO found that banks continue to serve a higher percentage of low- and moderate-income households than credit unions. Additionally, GAO determined that compensation of credit union executives is not transparent.

“The GAO findings also indicate that the NCUA should adopt practices employed by other financial regulators to enhance the independence and objectivity of the NCUA. These reports present sound recommendations and I encourage the NCUA to adopt GAO’s recommendations.”

The full reports can be found at: <http://waysandmeans.house.gov/media/pdf/taxdocs/113006gao1.pdf> and <http://waysandmeans.house.gov/media/pdf/taxdocs/113006gao2.pdf>.

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