



**New England
Federal Credit Union**

A Credit Union's Perspective on the Silicon Valley Bank News

After the recent news about Silicon Valley Bank (SVB) in California and Signature Bank in New York, you may be curious or concerned about the financial stability of your credit union.

You can rest assured that your deposits are safe at New England Federal Credit Union.

Deposits are insured to at least \$250,000 per individual member by the federal government.

According to news reports, SVB had a very narrow customer base as the "go-to" bank for tech startups in Silicon Valley, as well as the venture capital and private equity firms that finance them. Due to the convergence of several factors, SVB customers withdrew their deposits at an extraordinary rate last week. Given the resulting liquidity crunch, the Federal Deposit Insurance Corporation (FDIC) had to take over the bank.

Signature Bank was designated a similar "systemic risk" because they lend heavily in the cryptocurrency space and experienced a similar liquidity event. As a result, the FDIC also moved to close Signature and ensure customers had full access to their deposits.

These two situations are in sharp contrast to community financial institutions such as NEFCU. NEFCU is a depository serving individual consumers and small businesses. We are well-capitalized with a diverse balance sheet. We serve a stable customer base, not a narrow or speculative one. Our deposits are spread out over our 160,000+ members, with over 90% of accounts within the federal insurance limit. Only 13% of assets are held in outside investments, as our assets are primarily the loans we make to our members.

Your money is safe at NEFCU. **As mentioned before, your member deposits are federally insured to at least \$250,000** through the [National Credit Union Share Insurance Fund](#). In the wake of the SVB news, the Federal Reserve, Treasury, and FDIC have also established a Bank Term Funding Program to help protect consumer deposits at financial institutions.

If you have any questions about your accounts, please contact one of our member service representatives. Thank you for being a member.