



National Credit Union Administration

Office of the Chairman

October 4, 2012

Mr. David Zaken
Director
Banking Supervision Department
Bank of Israel
P.O. Box 780
91007 Jerusalem, Israel

Dear Mr. Zaken:

At the request of Ms. Jackie Goren, Chairperson of Shelanoo Cooperative, I am writing in my capacity as Chairman of the National Credit Union Administration (NCUA) in support of her effort to establish a credit union system in Israel.

Created in 1970, NCUA is the independent federal agency within the executive branch of the U.S. government that regulates, charters, and supervises federal credit unions. With the backing of the full faith and credit of the United States government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 92 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions. We also handle the conservatorship and liquidation of credit unions that have become insolvent or otherwise unable to maintain operations.

Although similar in some ways, credit unions differ from banks in several important aspects. As your Office considers whether, and how, to proceed in developing a framework for an Israeli credit union system, NCUA is available to share our knowledge and experience, including in the areas of:

- U.S. law and regulations;
- Supervision policy and examination practices;
- Corporate governance issues; and
- Share insurance administration, including liquidation policy and procedure.

Credit unions in the United States have a fascinating history, from humble beginnings during the depths of the Great Depression to their current place as a vibrant, established segment of the financial sector. We are happy to share with you the lessons we have learned and the insight we have gained over the last forty years.

Mr. David Zaken
October 4, 2012
Page 2

In recent years, I, my fellow Board members, and NCUA staff have met with foreign delegations representing several countries seeking to establish a credit union system. Please do not hesitate to contact me so that we might initiate a similar dialogue with you and your staff. If you plan to be in the Washington, D.C. area, we would be honored to meet with you and your staff, give you a tour of our headquarters and brief you on relevant issues.

Sincerely,



Debbie Matz
Chairman

Copy to: Jackie Goren, Shelanoo Cooperative
Rafi Goldman, Negev Institute for Strategies
of Peace and Development

CAPITOL BOND®
ASSOCIATION
FOR POST-CONSUMER