

The Defense Credit Union Council

"Serving Those Who Serve Our Country"

A Fifty Year Perspective: 1963 – 2013



By
Robert R. Morris

The Defense Credit Union Council

“Serving Those Who Serve Our Country”

A Fifty Year Perspective: 1963 – 2013



By
ROBERT R. MORRIS



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COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

APR 23 2013

Ms. Patricia S. Kimmel
Chairwoman, Board of Directors
Defense Credit Union Council
601 Pennsylvania Ave., NW, Suite 600
Washington, DC 20004

Dear Ms. Kimmel,

On behalf of the Department of Defense (DoD), I take this opportunity to recognize the Defense Credit Union Council (DCUC) on the occasion of its golden anniversary. Congratulations to your employees, the Board of Directors, and you on achieving a very significant milestone in DCUC's distinguished history.

Mr. Leslie V. Dix, DoD's Director of Civil Affairs, was first approached by military credit union leaders in February 1963 to become engaged and involved with credit unions operating on military installations. Since then, the Council's role with DoD has grown significantly. Through the Council's constructive relationship with DoD and on-base credit unions, the DoD family has been well-served in terms of financial support, financial readiness, and overall quality of life.

DCUC provides invaluable support as the proponent for policy and regulatory matters involving financial institutions on DoD installations. The Council and its member credit unions have my sincere gratitude for "Serving Those Who Serve Our Country."

Sincerely,

Robert F. Hale



Credit Union National Association

601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | Phone: 202-508-6745 | Fax: 202-638-3389

CURR 07E

Bill Cheney
President & CEO

April 25, 2013

Ms. Patricia S. Kimmel
Chairwoman
Defense Credit Union Council
601 Pennsylvania Ave, NW, Ste 600
Washington, DC 20004

Dear Patty,

Congratulations on the 50th anniversary of the founding the Defense Credit Union Council (DCUC), which proudly—and rightly—proclaims its role as “serving those who serve our country.”

Defense credit unions play a vital role in the lives of those who defend our nation. Since credit unions were established here more than 100 years ago, millions of service men and women have availed themselves of credit union service, particularly when they were beginning their careers in service to our country. Defense credit unions have provided these young people with a safe place to save their money, an opportunity to learn how to better manage their funds, and a way to borrow – when needed – that keeps the loan sharks and other predatory lenders out of their lives. As these young people mature, raise families and face the demands of day-to-day life in and out of the military, Defense credit unions have stood by their sides offering the finest in financial services.

Through all of this, DCUC has stood by the sides of Defense credit unions too, representing their specific and vital interests, particularly before the Department of Defense. It is no stretch to say, in my view, that the DCUC’s unceasing efforts on behalf of its members have played a substantial role in the overall success of Defense credit unions. By coordinating policy, procedures, and legislation affecting morale and welfare, financial readiness, and the delivery of quality financial products and services to DoD personnel and their families, DCUC has assisted its members in meeting the unique challenges of serving members of the military.

Further, by working with the DoD to encourage the wise use of credit and the prudent management of personal and family resources (as a chartered partner of the Department’s “Financial Readiness Campaign”), DCUC is performing a critical public function for our military and, ultimately, consumers across the nation.

On behalf of the Credit Union National Association and our nearly 7,000 member credit unions and state Leagues nationwide, my thanks and congratulations, again, on your half-century of service.

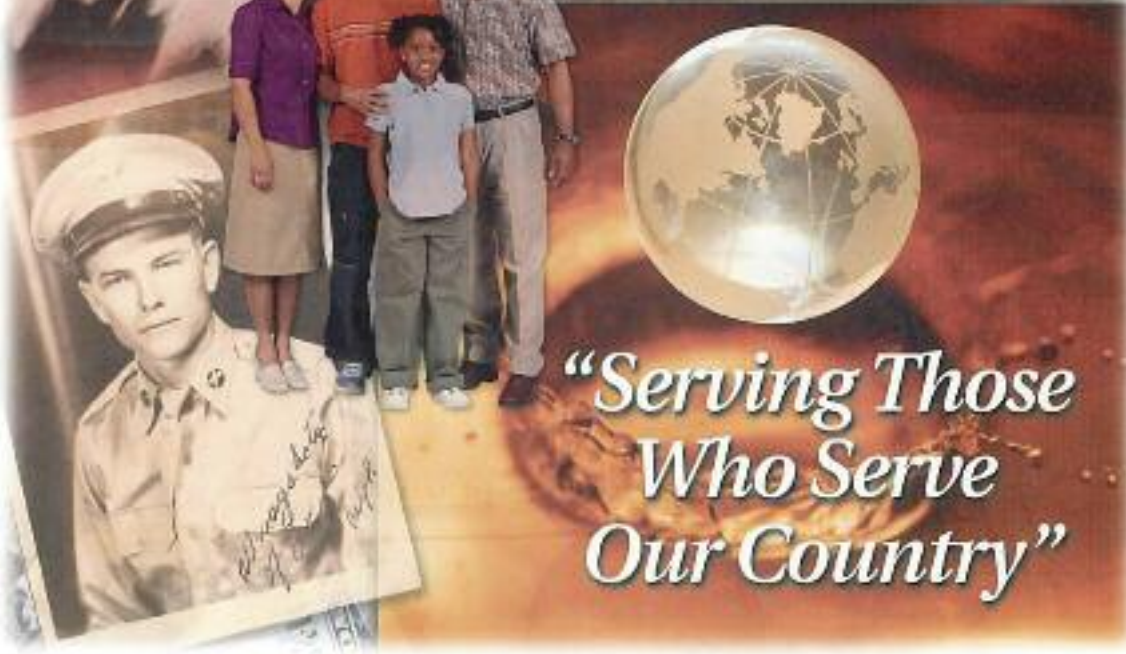
Best regards,

Bill Cheney
President & CEO



PO Box 431 | Madison, WI 53701-0431 | 5710 Mineral Point Road | Madison, WI 53705-4454 | Phone: 608 231-4000

DEFENSE CREDIT UNION COUNCIL



*“Serving Those
Who Serve
Our Country”*

Veteran former board member Jean Yokum and D. Henry Blevins, Crews and Associates.



Janet Sked, DCUC Conference Manager helps an attendee check in at the 2006 Annual Conference in San Antonio, TX.

Veteran former board member Robert Morgan and his daughter, Carol Jean Kelly.





Defense Credit Union Council, Inc.

Patricia S. Kimmel
DCUC Board Chair



Dear Friend,

The Board of Directors of the Defense Credit Union Council joins with me in offering this book of our organization's history to you. For fifty years, we have been proud to serve the needs of credit unions on military bases so they, in turn, could ensure the financial needs of those dedicated men and women who serve our country.

From DCUC's start in 1963, we have worked collectively as a niche membership association to bring trust, enhance convenience and promote the financial quality of life of our Soldiers, Marines, Sailors, Airmen, Coastguardsmen and their families, while continuously representing and ensuring the interests of the Council's membership at the national level.

As part of our 50th anniversary observance, this book stands as a chronicle of our work and as a representation of our efforts of past. It also serves as a foundation for those efforts of the future. Our successes lie not with one person or two, but rather with a team composed of many men and women who have partnered with us over the years, as volunteers, members and as loyal employees.

We dedicate this book to them and thank them one and all for their loyalty and support. Happy reading!

Sincerely,
Patricia S. Kimmel,
DCUC Board Chair
President and CEO, Belvoir Federal Credit Union

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Department of Defense Credit Unions — Serving Those Who Serve Our Country



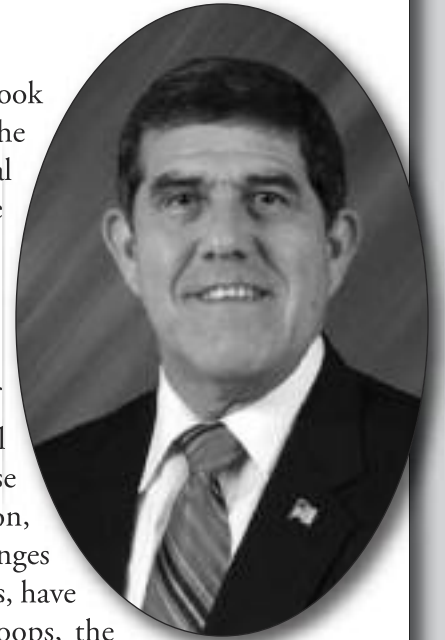
Defense Credit Union Council, Inc.

Roland A. Arteaga
President/CEO

Friends:

It is with great pleasure and gratitude I offer this 50th Anniversary Book to you, detailing the Defense Credit Union Council's history from the time our founding fathers first approached the Credit Union National Association (CUNA) and received approval to establish a niche trade association in support of military credit unions....to the present!

Fifty years have passed since that memorable day in February 1963, and having served as your Council's President and CEO for thirteen of those years, I can confidently say, given the desires and vision of our founding fathers – led by Jerry Anchors from PenAir Federal Credit Union and Richard Grant from then Pease Air Force Base Federal Credit Union – “mission accomplished!” Without question, DCUC has done an exceptional job addressing the unique challenges and needs of on-base credit unions, and in so doing, you, my friends, have done an incredible job supporting the financial needs of our troops, the Department of Defense civilians, and their respective families! “Serving Those Who Serve Our Country” is not simply our motto...it is our philosophy; our way of life – and not just for a day or a year...but for a lifetime! A lifetime of service in support of great Americans the likes of our Soldiers, Marines, Sailors, Airmen, and Coastguardsmen!



So it is with a mix of humility and pride that we pause to celebrate this important milestone in DCUC's history and document the Council's efforts over the past five decades, and share the same with you. As you page through this book, you will read about and see photos of the men and women who have worked tirelessly and endlessly to make DCUC a tremendous success. Thank you for all you have done...and will do in the years and decades ahead!

With my deepest respect,

Arty
Roland A. “Arty” Arteaga,
President/CEO, DCUC

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Department of Defense Credit Unions — Serving Those Who Serve Our Country

The DCUC Board of Directors outside the NASDAQ headquarters on Times Square in New York City in 2011.

Below: Arty Arteaga, DCUC President and CEO, right, and Sue Racine, CUNA Mutual Group, center, present a check to Robert Taone, Schofield FCU, left, who won the \$10,000 Putting Contest prize at the 2003 DCUC Annual Conference.



Arty Arteaga presents the Hall of Honor awards at the 2003 DCUC Annual Conference.



Fred Becker, President/CEO, NAFCU, Mary Martha Fortney, President/CEO of NASCUS, Dan Mica, President/CEO of Credit Union National Association, and Bob Hoel, Executive Director, Filene Research Institute.

Attendees at the 2004 Las Vegas Conference.



Assistant Director of the Consumer Financial Protection Bureau's Office of Servicemember Affairs Holly Petraeus addressed the attendees at the 2012 Annual Conference in Denver.



CODE OF ETHICS FOR DEFENSE CREDIT UNION COUNCIL MEMBERS

WE PLEDGE:

- IN PURPOSE:** To enhance the economic status of our members, being ever mindful that our essential purpose is "not for charity—but for service".
- IN STRUCTURE:** To foster and ensure democracy in our organization, recognizing at all times that the power of ultimate decision resides in the membership.
- IN PRINCIPLE:** To adhere to the principles of service, democracy and brotherhood free from discrimination, because of race, creed, national origin, rank or position in life.
- IN FREEDOM:** To observe applicable laws and regulations and to pursue improvements through established procedures and channels.
- IN PRACTICE:** To hold integrity, unselfishness and understanding as essential dimensions of character, necessary for optimum service to Defense Credit Union Members.
- To continuously develop programs of education and information for the benefit of members, staff and official family.
- To support the will of the majority of the appropriate ruling body.
- To refrain from engaging in any activity harmful to the best interest of the Credit Union Movement.
- To make available factual information regarding Credit Union operations, while properly observing the members' confidential rights.
- To aid in the extension of the organized Credit Union Movement and its basic philosophy through coordination of the Defense Credit Union Council, CUNA, and the League.
- To defend the Credit Union Movement with truth, vigor and respect for rights of others against attack of any nature.
- To encourage and support programs of the Defense Credit Union Council.
- ADMINISTRATION:** Any Council member credit union that believes this code of ethics is being violated may present such claim to the Council's Steering Committee for appropriate action. Such action, however, shall be only of temporary effect until presented to the membership at the next regular meeting for ratification or modification.

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Excerpt from Final Draft for a Defense Credit Union Council

February 8, 1963. Since the first group of the military credit unions got together in 1959 for the first educational conference, there has been a growing appreciation of the need for some type of continuing planned association with each other. Through the services of the CUNA Secretariat, Representatives of CUNA staff and the University of Wisconsin have assisted the group plan and conduct its conference each year since 1959.

The annual educational conference accomplished much for defense credit unions over the past four years. It now has become apparent that there is a growing need for other activities which the conference cannot perform...

Therefore, the following proposal is submitted:

1. **Name: Defense Credit Union Council**
2. **Definition: Council membership shall consist of CUNA affiliated defense and coast guard credit unions.**
3. **Composition of Steering Committee: Council Steering Committee shall be elected at the Annual Defense Credit Union Educational Conference by and from Council members as defined above.**
4. **Principal Activities:**
 - a. **The Annual Educational Conference**
 - b. **Liaison with Defense Department**
 - c. **Publications and Member Information Exchange**
 - d. **Liaison with CUNA**
5. **The Executive Secretary of the Council acting with the advice of the Council will be responsible for developing the program of special services to Defense Credit Union Council members as anticipated in the "Principal Activity" areas noted above and such other pertinent activities as become appropriate.**

INTRODUCTION

The story of the formation of the Defense Credit Union Council is one filled with the altruism of men and women who wanted to provide financial services in a consistent and dependable way to those who devote their lives to our protection.

Serving the needs of a highly mobile membership, defense credit unions have unique challenges separate and distinct from traditional credit unions. These challenges gradually led to the conclusion that defense credit unions needed a spokesperson or a central organization to represent them at the Department of Defense (DoD) and to facilitate the exchange of information among them regarding their specialized problems and operations. The steadily increasing growth of interest in credit unions by DoD and its military departments further emphasized the need for representation and liaison.



No single organization represented defense credit unions in their relationship with DoD, such as CUNA did for all credit unions in their relationships with state and federal regulatory agencies. To remedy this situation, the Defense Credit Union Council was launched by member credit unions on February 8, 1963.

DCUC has now reached a half-century of existence, never straying from its primary objective of supporting the interests and needs of credit unions operating on military installations worldwide.

This anniversary book was commissioned by the DCUC Board of Directors.

Special thanks goes to Beth Merlo, DCUC's Director for Administration, who was instrumental in organizing research materials and photos, scheduling interviews and effectively managing the author's time. Thanks too, to Elizabeth Bobbitt for her attractive layout and design of this book. We are also appreciative to Bridget R. Anderson for her early work in researching DCUC's archives in order to outline the scope of events.

Much of this history is based upon the original work done by DCUC's legendary Past President/CEO Col. George E. Myers (Ret.) in his book, *The Defense Credit Union Council: A History*, published in 1995 by the CUNA Mutual Group (© 1995, Defense Credit Union Council).

Hours of interviews spent with key DCUC members provide a human interest basis to this story. When dealing with oral history, however, time often fogs the memory and independent confirmation of some facts can be impossible or elusive. We believe we have organized the best possible compilation of data, but do not present this as a scholarly work.



— ROBERT R. MORRIS
March 2013



Our Roots

For average Americans during the postwar years of the 1950s and 1960s, economic times were challenging in many ways. Newlyweds clamored for housing, cars and the galaxy of needs associated with raising children. The Postwar “Baby Boom” brought 77 million children into the nation.¹ To help meet their needs, American industry built suburbia and sleek cars with fins to get back and forth.

The men and women in the nation’s armed forces shared the same hopes and dreams as did those in the civilian population during those times not so long ago. But those on active duty experienced pressures and difficulties unique to their military vocations – long service away from home and loved ones, often overseas. Credit unions were frequently formed to help them with their financial needs. A clear niche market emerged – credit unions on or near military bases opened to serve members of the military and civilian employees both stateside and abroad.

*“It is men who wait to be selected,
and not those who seek,
from whom we may expect
the most efficient service.”*

— Ulysses S. Grant
(1822 – 1885),
PERSONAL MEMOIRS OF
U.S. GRANT, Chapter 46

A LONG HISTORY

Credit unions in the United States with military membership fields have been around since 1929, when the Navy Yard Credit Union received its State Charter on June 7, 1929 to begin business as a credit union. That was soon followed by others, such as, New Orleans District of the U.S. Army Corps of Engineers (now First Castle Federal Credit Union) in Louisiana in January 1934. Military-related credit unions proved popular and after World War II, there were 500 chartered units serving military personnel or their civilian support employees, or both.

By the 1950s, however, those who managed the military credit unions began to articulate issues and challenges unique to military credit unions, which were seldom, if ever, experienced by those in charge of non-military related credit unions. The expansion of the military credit unions took place rapidly and “under the radar screen” of the credit union community, Congress or even the U.S. Department of Defense.

Facing page: Eve Meinhardt, U.S. Army photo

1. The postwar “Baby Boom” is generally accepted to be the period from 1946 through 1964.

L to R: Brig. General Evert S. Thomas, Jr., USA (Ret.), Executive Secretary, DCUC, and Director, CUNA Washington Office; Brig. General William W. Berg, USAF, Deputy Assistant Secretary of Defense (Military Personnel Policy); and J. Orrin Shipe, Managing Director, CUNA International, Inc. (1966)

BEGINNING AN OUTREACH

In 1957, several representatives of military credit unions approached the Credit Union National Association (CUNA)² about helping them to address their unique concerns. Defense credit union leaders would gather at the various conferences and training seminars offered by CUNA and began to petition the organization

to offer assistance to their colleagues to deal with the emerging challenges facing military credit unions.

Thus, in 1959, a series of educational meetings was offered at CUNA headquarters in Madison, Wisconsin and at other locations. The meetings were dubbed the Annual Educational Conference of Defense Credit Unions.

Over time, the defense credit union leaders felt they needed more – much more – in the realm of education and support for their concerns. CUNA assisted the representatives in developing a list of issues germane to military credit unions, which included the following:



Gen Thomas (left) and John T. Green, President of the Brookley Federal Credit Union at Brookley Air Force Base in Alabama confer during Thomas' visit to the facility in 1964.

- Serving the needs of a highly mobile membership.*
- Developing a uniform set of policies and procedures in dealing with the Department of Defense.*
- Establishing equitable and permanent standards for space tenancy on government properties.*
- Coordinating communications among military credit unions.*
- Examining the specialized equipment and publication needs of defense credit union operations.*

These issues were not exclusive; however, they led the list of challenges facing military credit unions.

The individuals attending the various discussion groups that had been formed, along with their CUNA mentors, soon realized that the best solution to meeting these challenges was by forming a separate entity to meet the needs of military credit unions. The critical mass needed to move to the next level of operations had not yet been reached, however.

CUNA's Robert Dolan, then Director of the Organization Department, was a principal force in guiding the association's support for the defense credit union representatives in meeting their unique challenges. Dolan asked James Lichty, an instructor in the Bureau of Community Development of the University of Wisconsin, to help organize the ongoing meetings, handle logistics and prepare a list of appropriate presenters.

2. The Credit Union National Association (CUNA) is the national trade association serving credit unions in the United States.

Dolan and Lichty planned a meeting of the military credit union leaders to take place in Madison on September 18, 1961 as part of a larger CUNA gathering. The two invited Leslie V. Dix, Director of Civil Affairs, Office of the Assistant Secretary of Defense, to address the group.³

In his remarks, Dix said to the group, “The Department of Defense recognizes the value of a well-run credit union on a military installation... On the other hand, we do not want to let our interest in this work become so possessive that we appear to run your business...”⁴

Dix went on to serve as the first liaison between the Department of Defense and what would soon become the Defense Credit Union Council. Throughout 1962, CUNA worked with the military credit union representatives to form the separate organization that met their needs. One of the drawbacks at that time was the fact that many military credit unions were small operations, with few salaried employees. They relied heavily on volunteer help from the membership to run their operations. With such a small employee base, it took a while to find the right mix of people with time, resources and interest to coalesce into the nascent professional organization.

At the 4th Annual Educational Conference of Defense Credit Unions held in September 1962 in Madison, Wisconsin, representatives from 80 military credit unions came together to build the foundation for the proposed organization. A five-person steering committee was formed to guide the group. The five were:

Jerry Anchors (Chair), *Pen-Air Federal Credit Union*
Verner Porath, *Olmstead Federal Credit Union*
Richard Grant, *Pease Air Force Base Federal Credit Union*
Robert Schaffner, *Fort Knox Federal Credit Union*
Ray Tesdahl, *Great Lakes Credit Union*

The five worked during the next year to attract charter members, finalize the bylaws and establish operating procedures. The group chose as a tentative name, “Defense Credit Union Conference.”

The steering committee worked throughout the winter, and by early 1963, they had prepared a working document to submit to the CUNA Executive Committee seeking that organization’s approval and support.

By the time the steering committee met with the CUNA Executive Committee, two important changes had taken place. The original steering committee chair, Jerry K. Anchors, had resigned the post and had been replaced by Richard H. Grant. Second, the group decided a better name for the proposed group would be “Defense Credit Union Council” (as opposed to “Defense Credit Union Conference”).

The steering committee assembled their plans and proposals into a document, “Final Draft For A Defense Credit Union Council,” which was submitted to CUNA on February 8, 1963. The document outlined the basic relationship between the new group and CUNA, offered a preliminary operating budget based on proposed initiation and membership fees, and highlighted the critical importance of staging an annual educational conference of the membership.

The CUNA Executive Committee approved the plans and authorized the start-up of the new DCUC. Thus, the originally-scheduled and long-planned Fifth Annual Defense Credit Union Conference, slated for September 17-19, 1963 at the Mayflower Hotel in Washington, D.C. became the first annual conference of the Defense Credit Union Council.⁵



Richard H. Grant, original member of the steering committee and early DCUC board member.

3. According to George E. Myers, in his 1995 publication, *The Defense Credit Union Council: A History*, Dix was chosen by Dolan, who had made a special trip to the Pentagon to find someone to chat with concerning the needs of the military credit unions. Apparently, Dolan had spent considerable time literally wandering from office to office in the enormous building, looking for someone who had some responsibility for military credit unions. He eventually came upon Dix, who agreed to become engaged and involved with the issues surfaced by the military credit union representatives.

4. Myers, op cit., p2.

5. According to George E. Myers, DCUC Steering Committee Chairman Richard H. Grant told the group, “We considered this to be a progressive step – and a new concept in the organized credit union structure – toward a service organization for credit unions of specific interests and needs.”



Madison, Wisconsin-based Credit Union National Association helped defense credit unions form their own subgroup during the late 1950s and early 1960s.



The member credit unions serving military families needed to communicate regularly and effectively with the Pentagon to keep the awareness of the financial needs of the service men and women in the forefront. The formation of DCUC helped greatly to fill that need.

6. For reasons not recorded, the duties and titles (other than chairman) were not assigned at the 1963 DCUC Conference, but were assigned and agreed-upon by the officers some time following the gathering.

7. Lt. Col. George Jones, the only member of the DCUC inaugural board not to have served on the original Steering Committee, was CEO of the Marine Corps Schools Federal Credit Union (later named the MCB Federal Credit Union.)



Richard H. Grant, of the Pease Air Force Base Federal Credit Union was the first chairman of the Defense Credit Union Council. First elected in 1963, Grant served 8 terms.

Two hundred delegates from 87 defense credit unions attended the conference, which along with other business, adopted the proposed bylaws and chose a slate of officers:

Richard Grant, Chairman
Raymond Tesdahl, Deputy Chairman
Robert Schaffner, Vice Chairman
Verner Porath, Fiscal Officer
Lt. Col. George Jones, Secretary^{6,7}

The attendees also approved the proposed membership fee structure:

- \$25.00 initiation fee (called a “membership fee”)
- annual membership dues of \$25.00 for credit unions with less than \$250,000.00 in assets and \$100.00 annually for those credit unions with more than \$250,000.00 in assets.

DCUC had finally become a reality. But the details of operating the organization quickly became complex.



Members flock to the credit union serving Brookley Air Force Base in Mobile, Alabama during the 1950s. (Photo courtesy of the Credit Union National Association)

“At this time, it is nearly impossible to set up credit unions on an overseas basis.”

— Ray Tesdahl,
Manager of the Great Lakes
Credit Union and one of the
founders of DCUC,
quoted in 1962



Leslie V. Dix, Director of Civil Affairs, Office of the Assistant Secretary of Defense, was the first liaison between the defense credit union representatives and the Pentagon. Here he is seen at an early DCUC banquet in Washington, D.C. Dix is second from the right.

There at the birth of DCUC: This 1963 photo shows original DCUC chairman Richard Grant (left), visiting with Pentagon liaison Leslie Dix and Lt. Col. Carl E. Winkler of the office of the Judge Advocate General.



Below: Presentation at the DCUC meeting of September 16-19, 1963 in Washington, D.C. Col. Winkler and Leslie Dix are standing at right.





Back Row L to R – Joe E. Mayfield, Senior Staff Assistant, Michigan Credit Union League; Brig. General Evert S. Thomas, Jr., USA (Ret.), Executive Secretary, DCUC and Director, CUNA Washington Office; William A. Atkins, Director, CUNA Insurance Services Department; Robert E. Schaffner, Manager, Fort Knox FCU and Treasurer, DCUC. Front Row L to R – Verner G. Porath, General Manager, Detroit Federal Employees CU; Richard H. Grant, General Manger, Pease AFB FCU and President, DCUC; Frank J. Kucera, Manager Assistant Treasurer, Jax Navy FCU; and Jerry K. Anchors, Manager, Lockheed Georgia Employees FCU. (1966)



Early DCUC pioneers Chief Master Sergeant Harry W. Marsh, President and Emma Erwin, teller, at the Tyndall FCU at Tyndall AFB in Florida in 1962.



Architecturally challenged LATL Div 5 FCU offices in Los Angeles during the 1950s.

Doris Kenny, manager of the Grand Forks Air Force Base FCU, formed an early membership committee to benefit all DCUC members when appealing for new members.





DCUC Board members at the NASDAQ opening in 2011.

Members of the Board of Directors and Their Terms of Office

*Dominic Alessio, Fairchild AFB FCU, WA – 1970-80
 Don Athearn, Jax Navy FCU, FL – 1982-85
 Billie Blanchard, MAC FCU, AK 2001-08
 *James Bright, Scott CU, IL – 1994-2005
 Rodney Brock, Service FCU, NH – 1984-93
 Harold Carpenter, Redstone FCU, AL – 1968-79
 David Davis, Pacific Marine CU, CA – 2004 -present
 Ludovico L. "Lou" DeCarlo, Pacific Marine CU, CA – 2003-04
 Frances Doughty, McDill FCU, FL – 1972-77
 *Vernon Dwyer, Pentagon FCU, VA – 1978-84
 Denise Floyd, Fort Sill FCU, OK – 2010-present
 David Forrest, Fort Eustis FCU, VA – 1985-86
 Barb Geraghty, ABNB FCU, VA – 2012-present
 *Richard Grant, Pease FCU, NH – 1963-70
 Ann Halley, Edwards AFB FCU, CA – 1980-83
 Mildred Hodgkin, Seymour Johnson FCU, NC – 1978-94
 Harold Hussey, Marine FCU, NC – 1983-89
 Jim Jamieson, San Diego Navy FCU, CA – 1968-81
 Richard Johnson, Marine Corps Recruit Depot FCU, CA – 1974-75
 **Patricia Kimmel, Belvoir FCU, VA – 2008-present
 Michael Kloiber, Tinker FCU, OK – 2012-present

*VADM Vincent Lascara, USN Ret., Navy FCU, VA – 1981-93
 Randall B. Latham, Fort Leonard Wood Credit Union, MO – 1976-77
 James Lawless, Marine Corps West FCU, CA – 1976-82
 Wm."Chris" Lindelof, First Flight FCU, NC – 1998-2002
 *Angel Lopez, Jr., CU 1, IL – 1982-91
 John McMurtray, Keesler FCU, MS – 1970-71
 Roger McTighe, North Island FCU, CA – 1992-94
 *Robert Morgan, ABNB FCU, VA – 1995-2012
 *David Osborn, Finance Center FCU, IN – 1987-91
 *Frank Padak, Scott CU, IL – 2005-present
 Leo Pike, Fort Knox FCU, KY – 1992-2001
 *John Rucker, Jr., Forbes FCU, KS – 1968-75
 Robert Schaffner, Fort Knox FCU, KY – 1968-75
 C. H. Schirmer, McConnell AFB FCU, KS – 1976-78
 Bernard K. Schummer, NWC FCU, CA – 1986-91
 *Gordon Simmons, Service CU, NH – 1995-present
 *Ralph Story, VyStar FCU, FL – 1996-2010
 *Arthur Summers, Marine Air FCU, CA – 1990-98
 Lee Tucker, Davis-Monathan AFB FCU, AZ – 1979-81
 Rodger Wright, Fort Bragg FCU, NC – 1994-95
 *Jean Yokum, Langley FCU, VA – 1992-2012

* Past Chairman

** Current Chairman



*“Serving Those Who Serve
Our Country”*

About DCUC

The Defense Credit Union Council is a niche membership association representing the interests of credit unions operating on military installations worldwide. By maintaining a close and constant liaison with the Pentagon, the Council supports its member credit unions and the Department of Defense (DoD) in coordinating policy, procedures, and legislation impacting morale and welfare, financial readiness, and the delivery of quality financial products and services to DoD personnel and their families.

Today, the Council has a total membership of 210 credit unions with more than 18 million members. Organized in 1963, the Council is governed by a seven-member Board of Directors consisting of a representative from each of the services — Army, Navy, Air Force and Marine Corps — plus three representatives-at-large. Approximately two-thirds of the Defense Credit Unions are federally chartered, and one-third are state-chartered. All are insured by either the National Credit Union Administration (the federal regulator) or an independent or state agency which meets federal standards.

Since 1963, DCUC has been the primary liaison to the Department of Defense for defense credit unions, and has been the Department’s principal conduit to defense credit unions on military bases stateside and overseas. Whether working strategic or operational issues, or addressing regulatory or legislative matters, the Defense Council’s close working relationship with DoD has ensured members of the United States Armed Forces are provided financial services in the finest traditions of the credit union philosophy.

The Defense Credit Union Council is a chartered partner of the Department of Defense Financial Readiness campaign, and as such, works with DoD to encourage the wise use of credit and the prudent management of personal and family resources. The Council’s membership holds integrity, unselfishness and understanding, as essential dimensions of character, necessary for optimum service to military and civilian members of the Department of Defense establishment...and they serve with dedication and distinction in compliance with DCUC’s motto: “Serving Those Who Serve Our Country.”

The Defense Council operates from day to day under the supervision of a President/CEO and a small staff from offices in Washington, D.C., and supports two Sub-councils — the Defense Credit Union Council Overseas Sub-council and the Midwest Sub-council.



A List of DCUC's Early Milestone Accomplishments

The drive of DCUC from the very start was to assist member credit unions in the financial well-being of their individual members – the men and women who serve in the United States military and the civilian employees who assist and support them.

A listing of DCUC's milestone accomplishments show that the organization has:

- Been instrumental in getting the first Department of Defense (DoD) directives on credit unions published and in updating such directives.
- Helped focus congressional and DoD attention on credit unions as a force multiplier, in terms of enhancing the morale and welfare and financial preparedness of Armed Forces personnel.
- Shown leadership in establishing credit union service overseas for DoD personnel.
- Developed space criteria for defense credit unions operating in government buildings and worked for its adoption and publication in military regulations by Department of Defense.
- Assisted in retaining free space for credit unions operating in government buildings.
- Secured DoD approval for deposit of non-appropriated funds in federally insured credit unions.
- Worked with DoD to amend regulations to permit a military allotter to make multiple allotments to financial institutions.
- Succeeded in having an amendment introduced which made the 95% rule regarding allotment of space applicable to individual on-base offices and not the credit union as a whole.



ARMY WAR 1861-1865

REVOLUTIONARY WAR 1775-1783

FRENCH NAVAL WAR 1756-1804

TRIPOLITAN WAR 1801-1805

FLORIDA INDIAN WAR 1812-1814

LINCUMMON
VAICOM
WAFA COMMON
VIRTUE

Public domain photo

Growing Pains

Right out of the starting gate, the DCUC board realized that as hard as the work of the steering committee had been, the tasks involved with building and running a professional organization were beyond the time available for volunteer officers. DCUC immediately needed a “place” of business and someone to coordinate and supervise that business. Finding the “place” was relatively easy, as CUNA generously offered room for the DCUC headquarters at the CUNA offices⁸ located at 20 E Street, NW, in Washington, D.C.⁹

PROFESSIONAL LEADERSHIP

The “someone” to serve as the first DCUC Executive Secretary was newly retired Brigadier General Evert S. Thomas, who was the Commanding Officer of the U.S. Army Armored Training Center in Fort Knox, Kentucky. Gen. Thomas was also a member of the board of directors of the Fort Knox Federal Credit Union.

Gen. Thomas took over his new role at DCUC on January 15, 1964. The budget included an office secretary, so the General and his staff of one moved into the “penthouse” and immediately set up shop.

Starting in a whirlwind of activity, Thomas began visiting member credit unions, putting out jurisdictional “fires” between member credit union and determining the mind-set of the members with respect to their new association.

To help attain the goal of better internal communications among members, Thomas began publication of *FLASH*, the Council’s newsletter, on April 20, 1964. Using *FLASH*, Thomas was able to sift through the many issues confronting the members, and communicate the efforts being made by the organization to address their issues.

By the end of the summer in 1964, Thomas had built a list of pressing concerns. Leading the list was DCUC member relations with the Department of Defense. Member complaints had been registered over the long time needed to fill real estate requests, as well as lease costs and terms with the DoD for credit union operating space on government installations.

Other issues included ease of access by overseas credit union members, clarifications of the field of membership among defense credit unions, and chartering jurisdiction issues.

*“As Americans, we go forward,
in the service of our country,
by the will of God.”*

— Franklin D. Roosevelt
(1882 – 1945)



8. Although CUNA is headquartered in Madison, Wisconsin, the organization maintains an extensive presence in the nation’s capital.

9. According to George Myers, the CUNA offices were then located in the Dodge House, a hotel on Capitol Hill. In his history of the DCUC, Myers says that “The offices were located in the so-called penthouse, a cramped facility at best. It was not uncommon for hotel guests in bathing attire to wander through the offices on route to the hotel’s sundeck on the roof!”



THE
By Laws
OF THE



**Defense Credit Union
Council**

ESTABLISHED BY

CUNA International, Inc.

FEBRUARY 1963 WASHINGTON, D.C.

Article I - Name

The name of this organization shall be the "Defense Credit Union Council," hereinafter referred to as the Council.

Article II - Purpose and Principal Activities

To assist Defense Credit Unions in:

- a. The problems of mobile membership.
- b. The problems created by the characteristics of Defense Credit Union growth patterns.
- c. The formation of national support policies for Defense Credit Unions.
- d. Internationalization Development.
- e. Acquiring specialized equipment and publication requirements.
- f. Developing a National Defense Credit Union Adjustment Service.
- g. Promote the insuring of funds.
- h. Other activities of benefit to the registered Credit Unions and with particular emphasis on facilities of services not provided by other agencies.
- i. Maintaining a central office from which the business of the Council may be conducted.
- j. Annual Educational Conference (in which time the annual business meeting shall be conducted).

- k. Liaison with the Department of Defense.
- l. Publications and membership information exchange.
- m. Liaison with CUNA International, Inc.

Article III - Qualifications for Membership

a. CUNA or League affiliated Defense, Coast Guard and National Guard credit unions shall be eligible for membership upon payment of fees which shall be set annually by the voting members of the annual Defense Credit Union Council meeting.

b. Upon payment of a differential fee to be set by Council members, and with the concurrence of the League concerned, membership in the D. C. U. C. shall be open to non-league affiliated Credit Unions.

c. All Defense Credit Unions regardless of affiliation shall be invited to attend the annual conference of the Defense Credit Union Council.

d. Each Council member Credit Union represented at an annual business meeting shall be entitled to one vote in the affairs of the Council.

Article IV - Board of Directors

a. The Board of Directors shall consist of 5 members elected from the member Credit Unions and not more than one from each Credit Union. They shall be as follows:

- One from U.S. Army
- One from U.S. Navy (including Coast Guard and Marines)
- One from U.S. Air Force
- Two from the membership at large

The Unions at large shall be elected by the delegates of all member Credit Unions at the appropriate annual meeting. The Directors from the individual service branches as named above, shall be elected by only the delegates of the member credit unions of the respective service branch at the appropriate annual meeting.

b. Regular terms of office for Board members shall be for 3 years provided, however, that all regular terms shall be fixed at the beginning of each term so that no more than 1/3 of the elected members terms shall expire at each annual meeting.

c. Any vacancy resulting on the Board of Directors between annual meetings shall be filled by a member elected from a member Credit Union by a two-thirds vote of the remaining members of the Board and such appointment shall be only until the next annual business meeting when the vacant unexpired term shall be filled in the same manner in the election of other members.

d. Meetings of the Board of Directors shall be called by the Chairman in office as is necessary and justified, but not less frequently than twice yearly in addition to the scheduled meeting during the annual meeting of the Council.

e. Members of the Board of Directors may be removed prior to the expiration of their terms for cause but only by two-thirds vote of Council members present at an annual meeting.

f. The Board of Directors shall elect from its own members, a President, a First Vice President, a Second Vice President, a Secretary and a Treasurer.

g. The President shall conduct meetings of the Board and the Council and shall exercise the normal duties of President.

h. The Secretary shall maintain accurate minutes of all meetings called by the Board and the Council and perform other normal duties of this office.

i. The Board of Directors shall be the governing body of the Council between annual meetings of said Council.

j. The Board of Directors shall submit to the membership, at each annual meeting, a comprehensive report on the conduct of accomplishment by the Council for the current year.

k. Committees (special and/or standing) shall be appointed by Defense Council Board of Directors as needed, or at the pleasure of the assembled membership at the annual meeting.

Article V - Funds and Expenses

a. The funds of the Defense Credit Union Council shall be payable to CUNA International, Inc. and separately accounted for by CUNA Comptroller. At least a quarterly report of accounting shall be given to each member of the Board of Directors and an

annual report to the Council will be made each year by the Board of Directors.

b. No disbursements from this fund shall be made by CUNA International, Inc. without written approval of the President or Executive Secretary, provided that the Board of Directors shall determine what disbursements the President or Executive Secretary shall be authorized to approve. All other disbursements not so designated shall be approved by the Board of Directors.

Article VI - Employees

a. The Board of Directors will select a full-time Executive Secretary who would be an employee of CUNA International, Inc. with the same fringe benefits as other employees. The Executive Secretary shall be responsible only to the Board of Directors and to CUNA's Managing Director, however, final authority for all Defense Credit Union activities of the Executive Secretary must be the responsibility of and under the control of the Board of Directors.

b. Other employees may be added as needs require and budget permits. The duties, salaries and authority of such employees shall be the responsibility of the Board of Directors.

Article VII - Amendments of Bylaws

a. At meetings at which bylaw changes are proposed, a formal notice of such change shall be furnished to each member Credit Union prior to the date of such meeting.

b. Any member Credit Union proposing amendments to these bylaws shall furnish such proposed amendments in writing to the Board of Directors at least 90 days prior to an annual meeting so that all other member Credit Unions can be properly notified.

◆ ◆ ◆ 1964

Throughout the summer and into the fall of 1964, Thomas was deeply concerned about the stagnant membership numbers. Just prior to the opening of the annual conference in September 1964, Thomas noted that only 11 new members had joined the organization since January. He added that when asked, those credit union potential members had some trouble justifying paying for something they originally received for free or low cost from CUNA. Clearly, if DCUC was going to become a successful, flourishing organization, something dramatic would have to be done fairly soon since the membership roster stood at only 75 – fewer members than when the steering committee's report had been issued just a year earlier.

OPTIMISTS PREVAIL

The DCUC 1964 Annual Conference took place in September at the Del Webb Townhouse in San Francisco, California. The members attending could point with pride to one of the most important accomplishments that the DCUC had achieved to date: the fact that what had been only a dream for so many years was a thriving reality. Military credit unions now had an organization established to meet their unique needs. DCUC was real and functioning.



Officials participate in the ceremonial ribbon-cutting at the opening of the Grand Forks (ND) Air Force Base Credit Union on April 9, 1965.

The DCUC Board, together with General Thomas, established four major goals for the organization in the coming year.

One goal was to put resources and enthusiasm into building the membership since DCUC was still well below 100 members at the time of the conference.

A second goal included writing and agreeing upon an organizational “Code of Ethics” to guide military credit union operations. Thomas had discovered in his travels that there were wide variances in how individual military credit unions conducted their business – as well as how they cooperated with other military credit unions.¹⁰

A third goal included revising the bylaws to reflect the reality of organizational structure.

The fourth goal was the most daunting – to work with the Department of Defense to develop overarching policy directives on how to coordinate and work with defense credit unions.

MAJOR BREAKTHROUGH

General Thomas worked very closely with Leslie Dix of the DoD Civil Affairs Division to author and then seek approval for a protocol governing military credit union relationships with the federal government.¹¹

A major milestone was achieved on August 17, 1965, when the Department of Defense issued DoD Directive 1000.9. The document officially recognized defense credit unions and provided the platform upon which guidance would be given for the operations of credit unions on DoD installations.¹²

10. Gen. Thomas had found that in a number of cases, military credit unions did not cooperate very well at all. In fact some demonstrated open hostility, typically dealing with overlapping or competing membership. Thomas held there was no room for that sort of thing and the board moved to put a stop to it through developing the proposed “Code of Ethics.”

11. Leslie Dix had originally given the organizers of DCUC great hope when he addressed the 1961 CUNA educational conference. He kept the interests of the DCUC members in the forefront until his departure from the DoD in March 1966. The responsibility for coordination with DCUC was then delegated to the Office of the Deputy Secretary of Defense for Manpower. Brig. Gen. William W. Berg, USAF, took over the liaison with DCUC from Dix.

12. According to George Myers, DoD Directive 1000.9 stated that “credit unions were important morale and welfare resources and directed that they be recognized and assisted at all levels of command.”



The DCUC Board of Directors pose for their official photo in September 1968. Top Row L to R: Robert Schaffner, Fort Knox FCU; Brig. General Evert S. Thomas, DCUC Executive Secretary; J. Orrin Shipe, Managing Director of CUNA International, Inc, Bottom row L to R: J. W. Jamieson, San Diego Navy FCU; John B. Rucker, Jr., Forbes FCU; Richard Grant, Pease FCU; Harold Carpenter, Redstone FCU.

A spirit of enthusiasm and appreciation pervaded the second annual DCUC Conference, which was held in September 1965 at the International Inn in Washington, D.C.

Internal housekeeping saw the DCUC officers receive more traditional job titles, in keeping with other professional organizations. At the conference, Richard H. Grant was voted President, Ray Tesdahl named 1st Vice President, Randall Latham 2nd Vice President, Robert Schaffner as Treasurer, and Harold B. Carpenter Secretary.¹³

The members pored over DoD Directive 1000.9 and in their discussion, looked towards some clarifications and amplifications of the documents in light of the then-threatening realities of pressure from the traditional for-profit banking community. Given the importance of DCUC presence in working with the Department of Defense, the board authorized expanding the role of the Executive Secretary to a full-time position.

Following the conference, DCUC's General Thomas immediately worked with DoD, which issued DoD Directive 1344.7 at the end of September, 1965. The document carried Directive 1000.9's recognition of the role of credit unions on military installations, describing the various privileges the defense credit unions would experience. The document raised an immediate outcry from the banking community, which felt the stance taken by the DoD was biased and unfairly tilted towards the credit unions.

It took the interest and support of U.S. Representative Wright Patman of Texas to maintain the position and role of the credit unions. Patman was the veteran

13. Harold Carpenter was from the Redstone Federal Credit Union in Alabama.



Brig. General Evert S. Thomas, Jr., USA (Ret.), Executive Secretary, DCUC and Director, CUNA Washington Office, visits Headquarters USAFE with members of the House Committee on Banking and Currency. (1968)

Chairman of the House Committee on Banking and Currency and became an outspoken proponent of credit unions on military bases (and helped to keep the banking community at bay).¹⁴

LEADERSHIP CHANGE

Amidst all the activity taking place at DCUC, General Thomas was approached by the CUNA board in early 1966 to become director of the CUNA Washington office in addition to his ongoing (now full-time) duties as Executive Secretary of DCUC.¹⁵

General Thomas plunged into an area of Congressional concern. It seemed that predatory lending had taken its toll on our troops assigned overseas.

A House of Representatives banking subcommittee investigation revealed that troops overseas found it almost impossible to secure loans, and when they were approved, they were forced to pay unthinkable interest rates, at times as high as 40%. The House Banking Committee asked General Thomas' advice and support, and with his assistance, stateside defense credit unions established "branch offices" overseas.

To expedite the deployment of these branch offices, Representative Patman again lent a helping hand and in late 1967, Lackland Air Force Base Federal Credit Union was the first to open an overseas branch in Germany. Other branch offices overseas, established by other DCUC credit unions quickly followed.

EXPANDED EFFORTS

The significant amount of time in developing and nurturing DoD contacts was a major time investment by the DCUC Executive Secretary. DCUC and General Thomas had lost their original DoD contact in March, 1966, as proponent Leslie Dix left the Defense position he had held for several years. The liaison was assigned to Brigadier General William W. Berg.

"The Council cannot begin to achieve the goals we have set for ourselves without the help of the majority of Defense credit unions."

— Brig. Gen. Evert S. Thomas (Ret.),
First DCUC Executive Secretary,
in a report to the
Steering Committee in 1964

14. Rep. Patman's support of the credit union movement was commemorated by the renaming of the credit union serving members and employees of Congress as the Wright Patman Congressional Federal Credit Union. Patman, who was first elected to the House of Representatives in 1928, died in office in 1976.

15. On the surface, the arrangement whereby General Thomas would run the CUNA Washington office while retaining his duties as DCUC Executive Secretary was a good one from a financial point of view, since Thomas became a CUNA employee with CUNA carrying his salary and fringe benefits. The arrangement would soon prove cumbersome from a time management viewpoint, however, and would be quickly changed.



John Rucker, past president of DCUC.

The split-time working arrangement between CUNA and DCUC was not working as well as originally anticipated for General Thomas, so in February 1967, he asked Colonel George E. Myers (USA, Ret.), who had been working as CUNA Director of Public Relations in the Washington office, to take on extra duties as DCUC Assistant Executive Secretary.¹⁶

With Col. Myers carrying some of the work load, General Thomas engineered a move of CUNA and DCUC from the cramped offices at the Dodge House Hotel. New professional office space was leased at 1730 Rhode Island Avenue, NW, in Washington, D.C., some four miles from the Pentagon and just north of the White House. CUNA and DCUC moved there in October 1967.

Besides the ongoing work with the DoD, Thomas and Myers had the ongoing task of increasing DCUC membership. When the organization was originally proposed, the DCUC Steering Committee had estimated that there were approximately 400 military credit unions which could be looked upon as potential DCUC members. But by the time Myers joined the staff, the membership roster stood at a paltry 105 member credit unions. Clearly, there was work to be done to expand the membership and convince the potential members of the value of the organization.

When DCUC gathered for their annual conference in September 1969, the members and board made two important changes to the organization's operations. One, the size of the DCUC Board of Directors was increased from the original five to seven, effective with the 1970 annual meeting. The distribution of board representation would now be three members representing the Army, Navy and Air Force, and four members at large from across the spectrum of DCUC membership.

On another note, because of logistical issues that plagued the first few annual meetings, the DCUC board voted to hold its annual conference and business meeting at locations other than Washington, D.C.¹⁷

16. Illinois-born George E. Myers was a trained journalist and newspaper editor who joined the United States Army in 1941. He became a career officer, retiring from the Army in 1966 with the rank of Colonel. That year he joined the Washington office of CUNA as public relations director.

17. The 1973 DCUC Annual Conference was held in Washington, D.C. despite the resolution. There may have been some contractual obligations already entered into when the decision was made. Afterwards, however, DCUC has never returned to the nation's capital for its annual conference (they host Defense Issues in D.C. every year).

18. The NCUA replaced the Bureau of Federal Credit Unions as the nation's regulatory agency for federal credit unions.

19. One of the most successful DCUC Sub-councils has been the European Overseas Sub-council formed in 1973. The group holds an annual gathering of members to discuss and review issues of common interest, updates from the Department of Defense and the overall credit union industry. The group selects a European city each year for the annual meeting.

THE 1970S

At the 1969 annual conference, Richard Grant had been re-elected to another three-year term as DCUC President. But in February, 1970, a surprise came to DCUC members in the nomination of Grant by U.S. President Richard Nixon to serve as the chairman of the newly-formed National Credit Union Administration (NCUA).¹⁸ The U.S. Senate quickly approved the appointment, and Grant submitted his resignation to the DCUC Board.

To replace Grant, the board named John Rucker to take over the DCUC presidency until the annual conference scheduled for September, 1970.

Structurally, in 1970, DCUC established "sub-councils," which were regional boards reporting to the DCUC Board of Directors. As originally envisioned the sub-councils would serve as educational support groups for members to attain stateside and overseas operating requirements. Two sub-councils were formed almost immediately – the Midwest Defense Credit Union Sub-Council, which today remains a valued and respected organization, and the Southwest Area Sub-Council. Others were formed but were short-lived.¹⁹



PERSONNEL SHIFTS

In April 1971, General Thomas was tapped to serve as Acting Managing Director of CUNA, which meant that he spent considerable time shuttling between Madison, Wisconsin and Washington, D.C. as he continued to wear both hats. This arrangement could not be sustained, so after four months, CUNA appointed a full-time managing director and General Thomas returned full-time to Washington.

Recognizing the growing responsibilities in both the Washington CUNA office and the DCUC operation, in January, 1972, CUNA appointed William F. Broxterman as the full time director of the Washington office. General Thomas now was able to devote full time to the demands of the DCUC organization. Col. Myers continued to assist him while providing assistance to CUNA as well.

The DCUC Board of Directors in 1970. Back row from left: Dominic Allesio, Fairchild FCU; John B. Rucker, Jr., Forbes FCU; J. W. McMurtry, Keesler FCU; and Brig. Gen. E. S. Thomas (DCUC Executive Secretary). Front row from left: Harold Carpenter, Redstone FCU; Richard Grant, Pease FCU; Robert Schaffner, Ft. Knox FCU; and J. W. Jamieson, San Diego Navy FCU.

A year later, however, General Thomas announced his retirement and resigned from his critical role as DCUC Executive Secretary on February 5, 1973. Temporarily, CUNA Washington director W. F. Broxterman took over the role of

DCUC Executive Secretary, an arrangement that was to last less than a year. Broxterman left both jobs in January, 1974 and Colonel Myers was appointed to take over both roles on an interim basis.

Finally, CUNA appointed a successor to Broxterman in mid-1974, and at the September annual conference of DCUC, Colonel Myers was chosen to succeed General Thomas as the second full-time Executive Secretary of the DCUC.

“Colonel Myers was down to earth but he also had a great deal of sophistication,” recalls Jean Stultz, veteran DCUC member and President/CEO of the Bragg Mutual Federal Credit Union. “He was admired and also someone that everybody loved.”

Luckily for the DCUC members, a sense of continuity was maintained during this extended period of transition as the organization’s elected officers, who serve three-year terms, remained at the helm and in fact were re-elected at the 1974 Annual DCUC Conference.²⁰

During the remaining years of the 1970s, DCUC continued to demonstrate the hallmark of a maturing professional organization, attracting a broader membership and providing a unified voice for credit union matters as they affect the military service and their civilian employee partners.

The structural relationship between the DCUC and the Department of Defense underwent a significant transition in 1979 when the official liaison was transferred. For several years after the DCUC was up and running, the DoD liaison had been the Assistant

Secretary of Defense (Manpower and Reserve Affairs). In 1979, that relational arrangement was shifted to the Assistant Secretary of Defense (Comptroller). The reasoning behind this shift was to coordinate policies for both on-base banks and credit unions within one office.

With Col. Myers maintaining his role as a highly effective DCUC Executive Director, the membership voted for a transition in the officers at the 1979 Annual Conference. Dominic Alessio became president, James Lawless, 1st vice president, Mildred Hodgkin, 2nd vice president, Vernon Dwyer, secretary, and Harold Carpenter, treasurer.

The initial establishment and growth of the Defense Credit Union Council was complete. The organization would continue to build into the final decades of the 20th century from a position of strength as the established voice of U.S. military credit unions around the globe. It would need that strength to confront the challenges to be faced by both the military as well as the entire financial services industry in the years to come.



Melvin Laird, Counselor to the President for Domestic Affairs and former Secretary of Defense, addressed the annual banquet of the DCUC Conference in Washington, on Tuesday, September 11, 1973.

20. At the 1973 Annual DCUC Conference, the board voted to include a representative from the United States Marine Corps, a practice which went into effect starting with the 1974 Conference. Richard Johnson of the Marine Corps Recruit Depot Federal Credit Union became the first Marine Corps representative on the DCUC Board.



Photo feature in the October 1968 issue of *The Credit Union Magazine* profiled the positive work of the credit union in ending loan shark activities at Ramstein Air Force Base in Germany. Commander Col. Michael J. Stublarec praised the activities and praised the raising of the troops' morale.

DCUC officials honed in on overseas problems and experiences for troops and their families stationed there at a special conference in 1970. DCUC's Gen. Thomas (far left) and Richard Grant (seated next to Gen. Thomas) presented their findings and concerns to Defense Department representatives. DCUC has always been in the forefront representing the financial interests of soldiers and their families overseas.



DCUC representatives and Defense Department officials confer at a conference held in Washington, D.C. on May 1, 1970.



Dominic Alessio, Fairchild FCU, took over as DCUC Board President in the 1970s.

Hawaii Senator Daniel Inouye addresses the DCUC Conference when it was held at the Sheraton Waikiki in 1976.



Col. George Myers, who replaced Gen. Thomas as DCUC Executive Secretary in 1973, confers with Sharon Spry.





DCUC's Gen. Thomas (far left) shows the importance of "who you know" when he conferred with Sergeant Major Herbert J. Sweet of the Marine Corps, Sergeant Major George W. Dunaway of the Army, Chief Master Sergeant Paul W. Airey of the Air Force, and Master Chief Petty Officer Delbert D. Black of the Navy.



Management Survey Team, United CU, Japan, November 19-30, 1966.

DCUC Service Partnerships

To best serve the members of DCUC credit unions, the organization maintains a close working relationship with the following groups:

America's Credit Union Museum

In 2004, with the support of the New Hampshire Credit Union League, ACUM established a Financial Literacy Education Committee with the purpose of improving financial education. The Committee, in concert with a coalition of credit unions, developed the CU 4 Reality Program, which helps credit unions fulfill their mission of promoting thrift.

Armed Forces Financial Network

The Armed Forces Financial Network (AFFN) is an ATM and POS (point-of-sale) network providing the U.S. military community with ready access to their funds through ATM and POS terminals located at or near U.S. military bases worldwide.

Better Business Bureau Military Line

The BBB Military Line brings BBB consumer education and services to military personnel (including Reservists and National Guard), retirees, DoD civilians, and their families.

CUNA Mutual Group

CUNA Mutual Group serves credit unions and members with a full range of insurance and financial service products. CUNA Mutual Group works with credit unions, leagues, and other national credit union organizations to support and enhance the delivery of cooperative financial services to credit union members.

DOD Financial Readiness Campaign

The Department of Defense Financial Readiness campaign was established in May 2003 to enhance the financial capability and preparedness of service-members and their families. DOD has partnered with more than 26 federal agencies and/or nonprofit organizations to support the campaign, with DCUC being one of its chartered members.

Financial Service Centers Cooperative, LLC (Part of CO-OP Shared Branching)

FSCC, LLC international shared branching network, provides a convenient, secure, and fast member-service delivery system for participating credit union members.

Home and Family Finance Radio Show

CUNA's Home & Family Finance is a one-hour weekly radio show presented by America's credit unions. It offers personal finance and consumer information and advice to a general audience, including military personnel and their families, via the Armed Forces Radio and Television Service.

Intercontinental Warranty Services, Inc.

IWS offers Vehicle Service Agreements (VSA), Mechanical Breakdown Insurance (MBI) and GAP coverage to credit unions and their members nationwide.

Liberty Learning Foundation

The Liberty Learning Foundation pairs passionate donors with educators who are responsible for teaching, inspiring and empowering the Next Great Americans. The Foundation champions groundbreaking civic programs that motivate students and strengthen the character of entire communities. One such program, the Next Great Americans Bus Tour, carrying "Lady Liberty Live," zig-zags across the United States on a mission to teach, inspire, and empower elementary students nationwide. DCUC partners with the Foundation to bring the Bus Tour and the statue of Lady Liberty to life at DOD elementary schools in the US.

Military Saves

Military Saves is a social marketing campaign to persuade, motivate, and encourage military families to save. Military Saves is a part of America Saves, the larger nation-wide campaign for all Americans

Operation Best Wishes

OBW is an award-winning holiday event first organized in 2004 by WesCorp Federal Credit Union that invites military families to record and send a video-based holiday greetings to deployed military personnel. Today DCUC is the driving force behind Operation Best Wishes, supporting the national tour along with its member credit unions.



Public domain photo

The Armed Forces Financial Network (AFFN)

Financial institutions who wish to serve the military community have found the Armed Forces Financial Network (AFFN) to be a valuable corollary to their other financial services.

The Armed Forces Financial Network (AFFN) is an ATM and POS (point-of-sale) network providing the U.S. military community with ready access to their funds through ATM and POS terminals located at or near U.S. military bases worldwide, with over 26 years of service to the military, defense, and civilian communities worldwide.

AFFN was founded in 1985 at the request of the U.S. Army in support of the “Surepay” direct deposit system, to provide U.S. Military personnel (active, reserve, dependents, and retired) with access to their funds through ATM

and POS terminals at or near U.S. Military bases worldwide. AFFN’s mission is to increase the versatility of participating financial institutions to better serve the U.S. Military. AFFN is co-owned by the Defense Credit Union Council (DCUC) and the Association of Military Banks of America (AMBA)

The AFFN headquarters is located in St. Petersburg, Florida. David O. Weber is current AFFN President and CEO. DCUC President and CEO Roland “Arty” Arteaga serves as the Treasurer of AFFN and is an ex-officio member of the AFFN Board of Directors. Current DCUC Board members



Patricia Kimmel (President/CEO, Belvoir Federal Credit Union), Frank Padak (President/CEO, Scott Credit Union), and Gordon Simmons (President/ CEO, Service Credit Union) are voting members on the AFFN Board of Directors, and Denise Floyd (President/CEO, Fort Sill Federal Credit Union) is an Associate Director of AFFN.



EEH

A Changing World

From the organization's earliest days, the organizers had established a goal of developing a master list of service standards that all member credit unions committed to upholding. For many professional associations, a charter of ethics or standards serves as the basis upon which members are chosen and remain in good standing.

That admirable goal was achieved at the DCUC Annual Conference in September, 1980, (held in Dallas) when the DCUC adopted the organization's **Standards of Service:**

PROVIDE financial services to our members in the finest traditions of the credit union philosophy of helping one another;
ENCOURAGE thrift, the wise use of credit and prudent management of personal and family resources;
EXTEND our services to our members without discrimination, regardless of race, nationality, creed, color, religion, sex, rank or grade;
OFFER intelligent, sound financial guidance and advice to our members, knowing that financial fitness contributes to defense effectiveness;
ASSIST and support commands in morale and welfare matters within our capabilities and legal limitations;
ESTABLISH and maintain sound, cooperative-working relationships with commanders at all levels where we serve;
OBSERVE applicable laws and regulations and to pursue improvement through established procedures and channels;
HOLD integrity, unselfishness and understanding, as essential dimensions of character, necessary for optimum service to Defense credit union members;
SUPPORT the Defense Establishment in its objective of providing a sound, adequate defense to our nation;
SERVE with dedication and integrity in compliance with our motto: "Serving Those Who Serve Our Country."

Another change coming to military facilities during this period was the place of women in positions of authority. Reflecting the increasing role of women serving in the United States Armed forces, the DCUC board similarly expanded the number of women serving on the organization's board. As early as 1972, Frances Doughty had been elected to the board as a member at large. Maude Taylor of the Alameda Federal Credit Union was a member of the original Steering Committee authorized by CUNA to form the DCUC, from the start until the early 1980s. By 1981 women had moved into officers' positions, with Mildred Hodgin serving as 2nd vice president and Ann Halley as secretary.

"There is no higher religion than human service. To work for the common good is the greatest creed."

— Woodrow Wilson
(1856-1924)

Facing page: U.S. Navy photo by Mass Communication Specialist Seaman Joe Painter.



SHARING MEMBERS

The very nature of military service makes life for its members a series of continuous reassignment, multiple moves and regular changes of address. It would not be unusual for a dedicated military careerist to move 20 times or more over the course of service. This can be further complicated through constant movement during deployment or the ever-popular “temporary duty” (TDY) where individuals are assigned short-term to a location other than their permanent duty station.

In the early 1980s, DCUC member credit unions – spearheaded by the overseas credit unions – began experimenting with a “shared branching” concept. Former DCUC Chairman Gordon Simmons²¹ played a central role in coordinating this movement. He was the catalyst behind this major value-added initiative.

The “shared branching” concept was established by DCUC whereby military credit unions would be able to assist individual members of other military credit unions. The serviceman or woman could walk into other military credit unions and be served as if it were their very own. Established during the days prior to internet, e-mail or instant messaging, the protocol permitted individual members to walk into any military credit union overseas and seek advice, conduct business, make deposits or payments to accounts, take out new loans. The guest credit union would simply call the home credit union of the individual member to verify identity, availability of sufficient funds and loan terms.

AFFN

By the mid-1980s, computerization of the financial services industry was well established. Direct deposit of paychecks into checking or savings was becoming a common and popular option. The era of the Automated Teller Machine (ATM) made cash withdrawals, deposits or fund transfers a convenience available to users 24 hours a day, seven days a week.

In 1985, the United States Army began to implement direct deposit of paychecks for men and women in the Army along with their civilian employee assistants. The other service branches would soon follow suit.

That year, the Army initiated its “Surepay” direct deposit system and asked the military credit unions to establish an electronic “clearing house” for paycheck deposit, electronic bill payment and ATM use. DCUC and the Association of Military Banks of America (AMBA) worked in tandem with each other to support the formation of the Armed Forces Financial Network (AFFN).

“AFFN is a financial service organization providing debit transaction switching between military institutions,” says Dave Weber, AFFN’s President and CEO. Weber has been involved with AFFN since it was started in 1985.

“We wanted to make sure that member could access their funds from the institutions so we put together the Network to interchange the transactions,” Weber says. “We serve just the military. You have to be a member of either a defense credit union or military bank.”²²

THE WHITE HOUSE
WASHINGTON
August 31, 1984

It is a pleasure for me to send my warm greetings to all the members of the Defense Credit Union Council as you gather for your 25th annual Educational Conference.

The 171 credit unions of your Council perform a valuable function in providing credit union services to the dedicated employees, both military and civilian, of the Defense Department. In your savings and credit extension services and in your financial counseling, you contribute much to the morale and welfare of those conscientious men and women who protect our precious freedom. You have every reason to be proud of your motto — “Serving Those Who Serve Our Country.”

Nancy joins me in congratulating you as you celebrate this Silver Anniversary of your Council, and we wish you continued success in the future.

Ronald Reagan

21. At the time, Simmons was working for Redstone Federal Credit Union in Stuttgart, Germany. He saw first-hand the difficulties faced by many of the troops and sponsored talks between overseas members to consider making their financial lives a great deal easier.

22. DCUC is a co-owner of AFFN. DCUC’s President/CEO serves as an ex-officio member of the AFFN Board of Directors and three of DCUC’s Directors serve as voting Directors on the AFFN Board.



The DCUC Board of Directors in 1985.

Back Row from left: Vincent Lascara, Rod Brock, Dave Forrest and George Myers. Front Row from left: Don Athearn, Angel Lopez, Mildred Hodgkin and Harold Hussey.

CHANGES AT THE TOP

In 1985, the DCUC board voted to change the names of the major officers' titles along with that of staff to better reflect their responsibilities. On the board, the president now became chairman; the 1st and 2nd vice presidents became 1st and 2nd vice chairmen; while the staff executive secretary now became president/CEO. Board treasurer and secretary roles remained the same.

Col. George Myers had been executive secretary and now assumed the new title of DCUC president/CEO. But the changes in titles had barely taken effect when Col. Myers began to suffer from poor health. Col. Myers stepped back from day-to-day responsibility for DCUC, preferring to use his considerable expertise and many contacts within the military establishment on a part-time basis.

Col. C. V. "Vic" Toulme (U.S. Army, Ret.) took over as DCUC president/CEO in mid-1986. One of the highlights during Toulme's term at the helm of DCUC was the 1986 inauguration of the "Credit Union of the Year" Award by the United States Army. Clearly, the recognition solidified the importance of credit

unions to military families. The United States Navy would follow with its own similar award in 1992 and the Air Force would do the same in 1993.²³

CHANGES FROM ABROAD



Col. C. V. "Vic" Toulme, USA (Ret) took over as DCUC Executive Secretary in July, 1986.

A broader geopolitical reality began to overtake the United States and the nation's military services in the late 1980s. The effects would be international in scope and would have a tremendous effect upon the DCUC member credit unions as well as other financial institutions serving military families.

The end of the 1980s brought with it the internal collapse of the former Soviet bloc of nations, primarily in Eastern Europe. Starting with independence protests in northern Poland's shipyards led by the "Solidarno" workers' movement and heightened by at-times deadly confrontations between demonstrating citizens and Soviet Russian tanks in Vilnius, Lithuania in 1989, the Soviet empire began to crumble. Individual eastern satellite nations shed their puppet communist governments, and one after another established varying forms of democratic rule. Powerless to restrain them, the Soviet Union itself finally collapsed in December, 1991.

With that, the tense "Cold War," which had begun in 1945 with the close of World War II, was over. The high level of military presence that had been built was deemed to be no longer as important. It was felt by many that a lasting period of peace would envelop international politics.

Many agreed with the premise that the United States no longer needed a military establishment as large as had been maintained during the Cold War. The U.S. Congress passed legislation mandating a downsizing of the military. The first (of several) Base Realignment and Closure (BRAC) initiatives were underway. Many military credit unions located on bases or adjacent to them would see their reason for being eliminated as BRAC commissions determined who would continue and who would not.

DCUC leapt into action to serve its member credit unions. DCUC president Vic Toulme worked with the DoD to develop procedures governing credit unions on DoD installations.

The Department of Defense eventually (in 1989) released guidance to its installations through regulations 1000.10 ("Procedures Governing Credit Unions on Department of Defense Installations") and 1000.11 ("Financial Institutions on DoD Installations"). Vic Toulme, helped by DCUC members, worked with the DoD to enhance the procedures and change them as necessary to reflect the reality. (The DoD asked for feedback and comment from Toulme and DCUC members, showing the respect which DCUC had garnered by this time.)

Still, BRAC and its subsequent reincarnations had a significant effect on the United States military establishments, with specific impact on banking institutions associated with specific installations. It was clear that in the downsizing, military credit unions located on or adjacent to military bases destined for closure would themselves most likely be shuttered as their membership faced reassignment or retirement.²⁴

The BRAC tremors would be faced by the military (and by the credit unions serving them) for years to come.

23. The first recipient of the "Army Credit Union of the Year" recognition was Barksdale Federal Credit Union at Fort Polk, Louisiana.

24. In the first wave of closures, 91 military installations were closed or significantly reduced. A softening effect upon the closure of military base credit unions came in through DCUC's partnership in the Armed Forces Financial Network (AFFN). Electronic banking was maintained through the Armed Forces Financial Group, also jointly owned by DCUC and AFFN.



In 1987, the DCUC Board of Directors included, in the back row from left: George Myers, Vincent Lascara, Rod Brock, Bernie Schummer and Vic Toulme. In the front row from left is Harold Hussey, Angel Lopez, Mildred Hodgkin and J. David Osborn.



A few changes came to the DCUC Board of Directors in 1989. In the back row are from left: John Brady, Angel Lopes, Mildred Hodgkin, Art Summers and George Myers (returned for a short term stint as Executive Secretary following Vic Toulme's departure). Front row from left: Vincent Lascara, Dave Osborn, Rod Brock and Bernie Schummer.



Back row from left: Rod Brock, Dave Osborn, Angel Lopez, Vince Lascara and Jim Rowe (Col. James W. Rowe, USA (Ret.) was DCUC Executive Director from June, 1990 until July, 1996). Front row from left: Roger McTighe, Mildred Hodgkin and Art Summers in Orlando in 1991.

DEALING WITH EXTREME REALITY

To address the pressures facing DCUC members, the board developed a strategic plan for the organization, citing goals to carry the council forward during the ensuing (and troubling) next five years. The resulting document, titled “Defense Credit Unions – Unique Because We Care!” offered a clear organizational direction.

Amidst the whirlwind of international geopolitics and the coming downsizing of the United States military, DCUC’s President/CEO Vic Toulme became seriously ill in early 1989. Soon it was apparent he could no longer continue his duties, and he resigned his position in May, 1989. Because of the ongoing press of multiple issues facing DCUC, the board turned immediately to the retired Col. George Myers to reprise his role as President/CEO on an interim basis until a search for a full-time successor could be completed.²⁵

Myers continued his interim role until June 1990, when Col. James Rowe, U.S. Army, Ret. was named President/CEO of DCUC. With Rowe’s appointment, Myers returned to his continuing part-time service to the organization as an advisor and consultant to the DCUC board.

25. DCUC’s former President/CEO Vic Toulme passed away on November 25, 1989.



OTHER EXTERNAL PRESSURE

DCUC veterans from left: Jean Yokum, Gordon Simmons, Jim Bright, Robert Morgan, Art Summers, Ralph Story and Leo Pike.

During the leadership transition at DCUC and while the membership was dealing with the effects of BRAC, a new concern presented itself to American financial institutions in the guise of the so-called Savings and Loan Crisis of the late 1980s and continuing well into the 1990s. For various reasons, some of which involved deregulation and fraud, the United States savings and loan industry saw a wave of failures that eventually overcame the ability of the Federal Savings and Loan Insurance Corporation (FSLIC) to “bail out” member institutions in default. The United States Treasury had to step in to guarantee the fund, but the financial implications spread to banking and credit unions.

Credit unions in particular had to contribute significantly more to the National Credit Union Share Insurance Fund (NCUSIF) to guarantee insolvent credit unions. DCUC member credit unions participated, while DCUC supported CUNA’s efforts for overall bailout remedies for all threatened financial institutions.

The strength of DCUC was underscored by the number of delegates who attended the 1989 annual conference in New Orleans. Some 500 representatives from 130 DCUC member credit unions attended the conference to seek guidance, hear the latest reports from leadership and give each other counsel on the multiple threats facing their credit unions.

Conditions did not improve with the coming of the 1990s. No sooner was the closing of the original 91 military bases underway, when Secretary of Defense Dick Cheney announced the closing or realignment of yet another 35. Of those, 12 bases would be overseas installations. DCUC would lose members following each round of base closings and realignments. It was inevitable.

“For a variety of reasons, the next several years will be turbulent for the financial services industry. Defense credit unions could be among those hardest hit.”

— Roger W. Jepsen, *Chairman*
of the NATIONAL CREDIT UNION
ADMINISTRATION BOARD,
In an address to DCUC
in 1990

Meanwhile, credit unions who sought to improve their future stability by establishing community-based fields of membership found themselves in a battle with the American Bankers Association. The ABA contended that the credit unions offering a community-based membership field should lose their tax exemption as non-profit organizations. The credit unions would eventually emerge victorious in this confrontation, but the cost would be enormous and casualties plentiful.

NEW CONFLICT

In January, 1991, the American public was riveted to its television screens with the start of the “Gulf War.” Called Operation Desert Storm, the United States military, now downsized because of BRAC, entered a new arena of warfare. This



conflict was blessedly brief, ending with the liberation of Kuwait, which had been invaded by Iraq, then under the brutal leadership of Saddam Hussein. The U.S. military handled its obligations impressively, thus adding confidence to the effectiveness of the smaller military. The base closings would continue, and with them the downsizing pressure on the DCUC members would continue.

Only a year later, in February, 1992, the DoD announced the closing of 83 military installations in Europe alone as the BRAC whirlwind continued.

In order to best reflect the situation in membership, DCUC voted to institute a new, increased membership dues schedule in 1992. The new dues were based on the

Desert Storm/Desert Shield
Photo in the Public Domain

credit union’s asset size and ranged from \$100.00 annually for a credit union with assets under \$1 million with gradations up to an annual fee of \$1,000.00 for those members with assets over \$300 million.

By the time the new schedule took effect, the DCUC roster listed a defense credit union institutional membership of 335 credit unions with almost \$35 billion in total assets serving 9.4 million individual members.²⁶

The continuing support shown by DCUC to its individual members did not go unrecognized. At the 1992 Annual DCUC Conference in Las Vegas in September, the Department of Defense honored DCUC’s membership with a plaque containing the inscription, “In appreciation and recognition of exemplary support provided DoD personnel during Operations Desert Shield/Desert Storm by the Defense Credit Union Council and its member institutions.”²⁶

Near the end of 1993, the United States Congress passed Public Law 103-160, which was subsequently signed by the President. DCUC greatly assisted and supported the passage of what was dubbed the “Federal Credit Union Act.” In the legislation was a provision which required that free space in government facilities could only be allotted to a credit union if 95% of its membership were federal employees or dependents thereof.

26. The effects of BRAC and other national financial issues would significantly reduce DCUC membership over the next few years. By 1997, there were fewer than 200 active credit unions in DCUC and a decade later, the numbers would sink to fewer than 150.

27. The plaque was presented to DCUC by Alvin Tucker, Acting Chief Financial Officer, Office of the DoD Comptroller. DCUC Chairman Admiral Vincent Lascara accepted the award on behalf of DCUC members.

NEW INITIATIVES

In early 1996, Jim Rowe headed up the Overseas Sub-Council annual gathering in London. Shortly after his return, he announced his resignation from the position of DCUC President/CEO, effective July, 1996.

The DCUC board turned to a retired Navy Captain, David Lundahl, who had spent time at the Bureau of Naval Personnel. Once Lundahl took over the reins, he faced a quiet but menacing problem.

"The biggest thing in my first year was getting us on sound financial grounding," Lundahl reports. "We were operating in the red, and the dues weren't supporting the expenses." So Lundahl approached the board about restructuring the dues arrangements with an eye towards more efficient collection.

Another move to undergird DCUC's financial health came in the guise of higher participation charges and meeting underwriting by DCUC's affiliate AFFN. AFFN became particularly helpful in sponsoring overseas conferences.

The efforts were well-timed and soon a new sense of purpose and enthusiasm could be felt among DCUC members. Lundahl worked to expand the personal contacts at the Department of Defense, a critical part of DCUC's function and a major portion of the job of President/CEO.

In 1996 DCUC unveiled a new recognition named the George E. Myers Scholarship Award after the longtime DCUC Executive Secretary (and later President/CEO). The award provides scholarships for volunteers, management, and/or staff of DCUC member credit unions, so they can enhance their professional credit union education, knowledge and leadership skills. During the latter part of the year, DCUC leadership sought contributions to sustain the fund on an annual basis.

The first George E. Myers Scholarship for the year 1997 was awarded in February 1998 to Susan Loney, Overseas Operations, Andrews Federal Credit Union, for attendance at the CUNA Consumer Lending Management School.

PRODUCTIVE INITIATIVES

At the start of 1997, DCUC unveiled a new service to its member institutions through the first DCUC website. The high tech features would prove to be a boon in simplified and instant communications between the organization's staff and member credit unions as well as among credit unions globally.

In May, 1997, DCUC President/CEO Dave Lundahl established some affinity relationships for DCUC member credit unions. The new relationships provided additional revenue for the DCUC.



DCUC members keep abreast of industry developments through the monthly *Alert* newsletter which started life as *FLASH* in 1968.

At the September, 1997 Conference in San Diego, the DCUC member voted to once again increase membership dues. The prime reason was to keep the organization's budget in the black. Interestingly enough, although membership of individual credit unions had eroded considerably in light of BRAC, individual members of the 187 listed credit unions totaled more than 10 million. A task force established to study the dues situation proposed that the basic dues formula should be 10% times the square root of a credit union's assets.

In a move to help stabilize declining organizational membership, DCUC began the Affiliate Membership status in 1998. With the new category, the decline in numbers came to a halt, at least temporarily, and the organization saw an increase of 4-6 new members per quarter.

An enhancement for individual members introduced in 1998 included a Point of Sale (POS) stored value card, which was coordinated by AFFN and could be used at a large number of retail establishments in lieu of share drafts or credit cards. The POS cards saw particularly heavy use at Defense Commissary Agency (DeCA) facilities.

Other good news that nurtured defense credit unions in 1998 was the United States Supreme Court overturn of the ABA suit regarding broadened membership fields. That with the quick passage of HR 1151 and the President's signing of the Credit Union Membership Act ended the difficult challenge brought to the credit unions by the traditional for-profit banking industry.

CLOSING OUT THE 1990S

The final year of the 1990s witnessed a series of activities by the DCUC leadership on behalf of the organization's members – most of them spent clarifying unclear regulations and fending off the various encroachments upon military credit unions primarily due to the on-going base closures and realignments.

One major victory scored on behalf of DCUC members in early 1999 helped protect on-base credit unions from unfair off base competition for ATM services. DCUC managed to work closely with the DoD to address changes regarding potential and actual ATM surcharges as well as an age-old issue concerning the amount of rent paid by credit unions located on military bases.

Another victory for the military credit unions took place in the defeat of a proposed business strategy dubbed the Overseas Military Sales Group Financing Partner Alliance. The benevolent-sounding proposal would have in reality cost overseas military credit unions hundreds of thousands of dollars in unnecessary charges.

In one of the organization's finer moments, DCUC President/CEO Dave Lundahl co-authored a rewrite of CUNA's existing Soldiers and Sailors Civil Relief Act (SSCRA) Compliance Guide. The SSCRA was a long-standing federal law offering protections from lawsuits and other legal issues for United States military serving on active duty. The SSCRA Compliance Guide, originally published in 1991 by CUNA, was updated extensively and reflected changes that were to go in effect in 2002. The guide made clearer to member credit unions the stance to be taken when military personnel and reservists are called to active duty while contracted for payments on installment loans or home mortgages.

The DCUC members and their leaders moved into the 2000s with a strong organization. They would soon find out how important that strength would be when the next challenges emerged threatening American society and the military men and women who so altruistically serve it.



Capt David Lundahl, USN (Ret), served as DCUC President/CEO from April, 1996 to February, 2000.



DCUC Board Members Gordon Simmons, Service CU; Billie Blanchard, MAC FCU; Jean Yokum, Langley FCU; and Ralph Story, VyStar CU, lay a wreath at the Tomb of the Unknown Soldier, February 2006.



Gus Gustafson, Deputy Assistant Secretary of the Air Force (Financial Operations) presents the 2008 Air Force Credit Union of the Year Award to Dave Seely, President/CEO, Kirtland FCU, NM.



Above: The 1998 DCUC Annual Conference was held at the Riviera in Las Vegas. Attendees welcomed Nancy Pierce, Chair of Credit Union National Association.

This page: DCUC members enjoy Annual Conferences of past years.



DCUC Gives Back to the Community.

DCUC's charitable endeavors:

Children's Miracle Network

CMN is an international non-profit organization whose mission is to generate funds and awareness programs to benefit 12 million children each year through 170 affiliated children's hospitals in North America. Through the Credit Union Miracle Day, Inc., DCUC supports CMN's hospitals.

Fisher House Foundation

The Fisher House™ program is a unique private-public partnership that supports America's military in their time of need. The program recognizes the special sacrifices of our men and women in uniform and the hardships of military service by meeting a humanitarian need beyond that normally provided by the Departments of Defense and Veterans Affairs.

Hope for the Warriors

Hope For The Warriors® is a national, nonprofit organization that supports wounded U.S. service members, their families, and families of the fallen. The mission of Hope For The Warriors® is to enhance the quality of life for post-9/11 service members, their families, and families of the fallen who have sustained physical and psychological wounds in the line of duty.

Intrepid Fallen Heroes Fund

The Intrepid Fallen Heroes Fund serves United States military personnel wounded or injured in service to our nation, and their families. Established in 2003, the Fund has provided close to \$120 million in support for the families of military personnel lost in service to our nation, and for severely wounded military personnel and veterans.

Landstuhl Fisher House Mission

The two Landstuhl Fisher Houses provide a "home away from home" for families and patients receiving medical care at Landstuhl Regional Medical Center, Landstuhl, Germany. Families served are from the US European Command, US Central Command, US Special Operations Command, US Africa Command and 72 Embassies in Europe, Africa, and the Middle East. To date, the Landstuhl Fisher Houses have supported over 9,900 families; 2,475 of those families came from Operation Enduring Freedom (OEF-Afghanistan) or Operation New Dawn (formerly Operation Iraqi Freedom).

Military Child Education Coalition

MCEC is a non-profit organization focused on ensuring the quality educational opportunities for all military-connected children affected by mobility, family separation, and transition.

National Credit Union Foundation (NCUF)

NCUF is the national charitable arm of America's credit union movement, raising funds, making grants, managing programs, and providing financial education. DCUC supports NCUF's Community Investment Fund and provides contributions to NCUF in support of its programs.

PENFED Foundation

The PenFed Foundation is a nationally recognized nonprofit organization working to meet the needs of the military personnel and their families in the areas of financial literacy, housing and support for the wounded. The Foundation partners with credit unions across the country to bring the ARK (Asset Recovery Kit) program, a no-interest alternative to predatory lending, to Armed Forces personnel worldwide.

Returning Heroes Home

Helping hundreds of Wounded Warriors and their Families heal since 2006. Returning Heroes Home gives Wounded Servicemembers and their Families a place to go outside of a sterile medical and rigid military environment at Fort Sam Houston, San Antonio, TX. In December 2008, Returning Heroes Home opened The Warrior Family Support Center and "Therapeutic Garden" and today provides comfort and support to our troops and their families as they travel the long road to recovery.

Vail Veterans Program

Since, 2004, the Vail Veterans Program has been transforming military injured and their families through individualized world-class outdoor programs building confidence and life-long relationships. Vail Veterans Program participants include United States military personnel who have been severely injured while serving our country. Vail Veterans Program events, because of donors, volunteers, and the Vail community, are provided to military injured and their families entirely free of charge.



A Forceful Presence

DCUC and its member credit unions entered the 21st century with a flurry of activities providing benefits and services to its members. Longtime DCUC member Gordon Simmons took over the board chairmanship at the Annual Conference near the end of 1999.

By that time, DCUC not only had solidified its position as the voice of defense credit unions, but also had developed a highly effective role in dealing with the often opaque Department of Defense.

DCUC had filled an impressive “niche representing Defense Credit Unions at the Pentagon that no other Trade Group can,” says Simmons about the organization he has partnered with and served as an officer or board member non-stop since 1975.

Simmons is particularly proud of the manner in which the role of the DCUC President/CEO has evolved.

“[The DCUC President/CEO] visits Pentagon military and high ranking civilian officials on a regular basis,” Simmons says. “[He presents] concerns and problems of member defense credit unions with one unified voice. Individual credit unions could never hope to be as effective as the DCUC President/CEO, inasmuch as they would only be speaking for their own credit union and not of all – even if they were successful in being granted an appointment.”

Over the years, DCUC’s board had chosen wisely, since the Council President represents and maintains the legal right of the “one bank, one credit union” rule as well as navigating credit unions’ concerns and complaints regarding predator financial and non-financial institutions that “feed” on and take advantage of the troops creating financial hardships as well as undermining the very value to the military of on base credit unions.

CHANGE AT THE TOP

Three days into the new year of 2000, the members of the DCUC Board of Directors were asked to participate in a special phone conference. In that conference they found out that DCUC President/CEO Dave Lundahl had submitted his resignation, effective January 31, 2000.

“You will never truly know yourself or the strength of your relationships until both have been tested by adversity.”

— J. K. Rowling,
British author

Facing page: Air Force Memorial. Photo by Amaury Laporte



Gordon Simmons has been a staunch advocate for military credit unions and DCUC as well as being a major advocate of the America's Credit Union Museum and financial education.



Leo Pike's knowledge of Arty Arteaga's background and skills was instrumental in bringing DCUC and Arty together.

Encouraged by veteran board member Jean Yokum, Lundahl agreed to complete several projects currently underway while the board conducted a search for a replacement. Veteran DCUC staff member Stacey F. Carter supervised the day-to-day operations until Lundahl's successor come on board.

Moving rapidly, the board began accepting applications. One of the applicants encouraged to throw his hat into the ring was the recently retired Commander of the United States Army Finance Command at the Pentagon by the name of Colonel Roland A. "Arty" Arteaga. He was no stranger to DCUC.

"As the Commander of FINCOM, I was invited to attend DCUC conferences and present the Army Credit Union of the Year Award," Arteaga recalls. "I believe my attendance opened the lines of communication with the DCUC board members."

COL Arteaga had retired from the military in September, 1999 and taken a job in the banking industry where he found out fairly quickly that the position was not a good choice. Then fate crept into the mix.

"It just so happened that one of the board members I met while on active duty was Command Sergeant Major (Ret.) Leo Pike," Arteaga says. Pike, working with the Fort Knox Federal Credit Union, was the Army Board Representative at that time for DCUC.

"Leo called me at the bank and asked if I would be interested in applying for the President/CEO job at DCUC," Arteaga says. As Arteaga was looking to leave the banking position, he decided to apply.

"After some deliberation, I opted to compete for the position because quality of life was a higher priority to me," Arteaga says. "The people I'd met [at DCUC] while on active duty were my kind of people. They were more focused on duty-honor-country and our troops than they were on profit and self."

Arty Arteaga was chosen for the job from a short list of six applicants. He started as DCUC President/CEO on March 1, 2000.

OLD CHALLENGES; NEW SOLUTIONS

One of the perennial issues facing DCUC was organizational financing – or lack of it. In recent years, under Arteaga's two immediate predecessors, DCUC incorporated a revised dues structure, built upon the asset size of the member credit union.

In 2000, Arty saw that the issue of finances had to be confronted, yet again. "Just prior to me arriving, the DCUC board had reviewed the Council's dues structure once again," Arteaga says. "And while they opted to increase dues based on asset size, given DCUC's mission, they were apprehensive and still somewhat concerned."

The overriding concern was that DCUC would not be able to do all the things they needed to and wanted to, given the revenue stream.

Over the next two years, a number of revenue generating initiatives and partnerships were discussed and begun, however, nothing of great significance emerged. It was not until 2002, when DCUC's leadership and Arty recommended to the Defense Credit Union Council Board that DCUC invest in the Armed Forces Financial Network. As with any business venture, there were risks involved; however, Arteaga believed the timing and price were right and the opportunity to receive a steady monthly income as a co-owner of AFFN, could solidify the Council's financial future.

“I credit Gordon Simmons’ leadership and that of Jean Yokum and Bob Morgan for supporting and promoting the notion and decision, and AFFN for cultivating the idea and making it happen,” Arteaga says. “Frankly it was the best financial decision ever made by the Council. We now have a steady stream of income to fully accomplish our mission and move DCUC in the right direction. We have not changed our dues formula over the past 13 years. The monthly funding distribution we receive from our members and the Armed Forces Financial Network is sufficient to achieve the Defense Credit Union Council’s goals and objectives.”

The next issue in need of attention was declining attendance at and support for the DCUC Annual Conferences. In 1999, the year prior to Arteaga’s arrival, DCUC saw very poor attendance at the Annual Conference in Orlando, Florida. So few members attended, the organization was assessed a penalty by the hotel.

Arteaga immediately addressed the issue by making three important changes. First, he contracted with a meeting planner to coordinate and plan DCUC’s annual conference.

Second, he immersed himself into the meeting process and became actively involved in the conduct of the conference from start to finish.

Third, he personally orchestrated DCUC’s inaugural ceremonial event, the Council’s Hall of Honor, to ensure it was accomplished in a grandiose manner with much flair and fanfare. Arty calls it “the wow factor,” and given the results of the Hall of Honor gala the past thirteen years, he succeeded.

The Hall of Honor was an idea first conceived by Arteaga’s predecessor, Dave Lundahl. The purpose of the DCUC Hall of Honor is to recognize individuals who have made significant contributions to the defense credit union movement, and, specifically to the Defense Credit Union Council.

The first year of inductees, presented at the 2000 annual conference in San Francisco, included those men who worked on the original CUNA Steering Committee which led to the formation of DCUC in 1963. The reinvigorated and better organized Annual Conference attracted more than 400 attendees and a full house of exhibitors.

NUTS AND BOLTS

Arty Arteaga’s relationships within the Pentagon were perhaps the best set of connections useful and of interest to the Defense Credit Union Council’s member credit unions.

Arteaga was tireless in his efforts to present the best possible environment for the men and women in the military as he firmly believed defense credit unions were the best financial services alternative for the troops. In that respect, advocacy was job one for Arteaga and being proactive both inside and outside “the beltway” was key.

One of the first actions Arteaga addressed in 2000 was pivotal in establishing a solid working relationship in DoD. He shepherded a change to a regulation (there are many) which had originally permitted collaborative efforts of an outside organization selling cars and doing financial education on individual installations.

Arty’s prompt resolution of this infraction and his coordinated work with action officers and seniors leaders at DoD, paved the way for addressing and coordinating matters of significant importance and unique to defense credit unions operating on DOD installations.



Dave Weber is President and CEO of the Armed Forces Financial Network, a partially-owned partner with DCUC.



Bob Hoel, Filene Research Institute, Master of Ceremonies, DCUC Conference.



Above two images:
The DCUC Mid-West Sub-Council invited other council members to Fort Sill, Oklahoma for a meeting with "live fire" demonstration in July 2004.



Attendees at the 2008 DCUC Annual Conference participating in a motivational exercise.

Issues involving financial education, Fair Market Value and the lease of non-excess property, In-Kind Consideration (IKC), the one credit union/one bank policy and especially Morale, Welfare and Recreation (MWR) seemed always to be atop the list.

In regards to MWR, Arteaga and members of the board relentlessly made sure policy makers at all leadership levels were acquainted with and evenly applied new DoD rules.²⁸

MEMBERSHIP

By 2000, the effects of BRAC upon military credit unions were undeniable. Many bases and installations were memories of a rapidly receding past. Several attempts to stabilize DCUC declining membership base were attempted with varying degrees of success. At times the numbers plummeted; then from time to time they would stabilize and even increase a bit. But the general trend was unmistakably down.

Three membership categories had been developed, active members, associate members and affiliate members.

“The board was concerned about declining membership, but with additional rounds of BRAC and on-going mergers, they clearly understood the consequences of DCUC’s niche. They remained firm in their commitment and pledged to ensure DCUC remained a viable and effective trade association in exclusive support of any and all credit unions operating on DoD installations,” Arteaga explains.

28. Of particular importance was the ongoing need to inform and update newly assigned military department representatives and leaders to make certain they understood the on-base credit union’s morale and welfare role and the unique challenges of DCUC member credit unions to address the at-times unstable financial circumstances of young troops.



“Today we have about 130 active members and we project that number will stabilize over the next couple years. But DCUC lost members for two important reasons. First, the entire credit union industry, particularly since the legislation permitting community-wide membership fields was enacted, has seen a sweeping wave of mergers and acquisitions since economies of scale can result. Second, in the military, BRAC has become a way of life, and individual credit unions on shuttered military installations have a very brief shelf life.

“Our total membership (active, associate, and affiliate) has declined at a slower rate than the industry as a whole,” Artega says. “[At one time] there were 25,000 credit unions in the United States. Today there are just over 7,500 due mainly to mergers. In the case of DCUC, aside from mergers, five rounds of base closures have impacted membership. Every time DoD shuts or realigns a military base, we lose a member as the on-base credit union no longer requires our services.” In essence, the vital mission of the DCUC had to be providing service and support to its members as opposed to recruiting more and more new members in an arena where there is a small universe of potential colleagues.



A FATEFUL YEAR

For all Americans, life changed forever on the gloomy Tuesday morning of September 11, 2001. The horrifying terrorist attacks in New York at the World Trade Center twin towers, the horrendous destruction at the Pentagon, and the hijacked aircraft disaster near Shanksville, Pennsylvania, brought the devastating consequences of war to our homeland.

The long chatted about “Peace Dividend” resulting from the end of the Cold War and supposed era of good feeling that was supposed to follow from it was dashed by the new and insidious enemy of armed, suicidal terrorists. The United States military, now downsized as a result of BRAC, leapt into action while learning how to fight a 21st century war against a movement instead of a nation.

DCUC immediately coordinated organizational funding support wherever needed with the Pentagon. With the elimination of military finance offices on DoD installations, the burden lied with on-base credit unions (and military banks) to take on the role of Funding Agents. The on-base Financial Institutions became critical assets during times of emergency and ensured the cash requirements of deploying units.

In addition to addressing organizational needs, Artega also crafted “Readiness Guidelines” to member credit unions in preparation for the War on terrorism and to ensure the troops’ personal financial affairs were properly addressed.

The DCUC operations proved smooth, as relationships with the proper individuals at the Pentagon continued to be strengthened. For the balance of 2001, DCUC members, as did all Americans, coped with the realization that the world had changed irretrievably and that the future rested with a wary sense of preparation and intelligence.

Realizing that individual service members of DCUC credit unions would now be deployed for extended periods of time, DCUC teamed up with the National Military Family Association for the purpose of providing information and guidance



Pentagon Memorial. US Army Photo

to young men and women and their families. Not only was there an ongoing War on Terror, given the youth and financial inexperience of many of our troops, we faced the need to wage an internal, attitudinal war on financial unpreparedness.

FINANCIAL READINESS

As the balance of the first decade of the 2000s played out, American's settled into the new paradigm of ongoing terrorist concerns around the world as well as at home. DCUC in the post 9/11 months actually settled down to a more near-normal routine, regaining a dependable financial stability and membership despite the volatility swirling around DCUC members.

Throughout 2002, DCUC members and staff devoted a great deal of time and effort to the Department of Defense Financial Readiness Campaign. The Defense Credit Union Council became a chartered partner of the Department of Defense Financial Readiness campaign, and as such, works with DoD to encourage the wise use of credit and the prudent management of personal and family resources.

The mission of the DoD Financial Readiness Campaign is to help alleviate financial stressors of Service members and their families and support overall mission readiness. The Campaign accomplishes its mission through education, resources, programs, and protections designed to help service



Frank Padak ended his term as DCUC Board Chair in August 2012.

members reach their financial goals. The Campaign rests on 8 “pillars” of financial readiness:

1. Maintain Good Credit
2. Achieve Financial Stability
3. Establish Routine Savings
4. Participate in the Thrift Savings Plan and Savings Deposit Program
5. Sustain the Service member’s Group Life Insurance and other insurance
6. Encourage low-cost loan products as an alternative to payday/predatory loans
7. Use low-cost Morale, Welfare and Recreation programs
8. Preserve Security Clearances²⁹

MILITARY SAVES

DCUC members continued to assist in developing proper financial education for members of the United States military through participation as a charter member and key advisor to the Military Saves Program begun in 2003 and 2004. Developed by the Consumer Federation of America as part of “America Saves,” a nationwide campaign to encourage all American to save, “Military Saves” was an offshoot that quickly became a part of the DoD Financial Readiness Campaign. “Military Saves is a social marketing campaign to persuade, motivate, and encourage military families to save money every month, and to convince leaders and organizations to be aggressive in promoting automatic savings.”³⁰

As an important part of DCUC sponsorship and partnership in the Military Saves program and its overall Financial Readiness Campaign, DCUC staff and members took a leading role in a DoD task force studying the many problems associated with so-called “payday lending” proponents in 2004. The DCUC board of directors quickly called for member credit unions to develop viable and accessible alternatives to the predatory payday lending practices.

DCUC supported proposed legislation limiting payday lending practices. In 2004, the House of Representatives passed a bill which DCUC’s Arty Arteaga supported and coordinated, however the Senate did not act on the legislation. The road to regulate these practices would be a longer one than most would imagine and to help their members avoid scams, DCUC credit unions offered alternatives to individual members which helped in light of legislative inactivity. DCUC would continue to support legislative moves when committees proposed them.

DCUC SHRINE

In October, 2004, DCUC was memorialized as an important part of the overall proud history of the credit union movement in the United States. A special historical display and room dedication ceremony was held on Friday, October 22, 2004, at the America’s Credit Union Museum in Manchester, New Hampshire, paying recognition to the members and history of the Defense Credit Union Council.³¹

Gordon Simmons, President/CEO of Service Credit Union, as well as a long-time DCUC board member and two-time chairman of the DCUC board, was the main impetus behind the recognition.

29. This information is taken from the “Department of Defense (DoD) Financial Readiness Campaign” description available at the “MyMoney.gov” website, the U.S. government’s website dedicated to teaching all Americans the basics about financial education. Accessed at: <http://www.mymoney.gov/content/department-defense-dod-financial-readiness-campaign.html>.

30. This information is taken from “What Is Military Saves?” a section of the “America Saves” website accessed at <http://www.militarysaves.org/>.

31. America’s Credit Union Museum is located in Manchester, New Hampshire, on the site of the first credit union founded in the United States.



The DCUC display at America's Credit Union Museum.

“Both the Council and Museum represent very important pieces of our country,” Simmons said. “One need only look around the room to see the connection between the credit union movement and military service.” The DCUC room includes a panel that highlights the history of DCUC and details the role of defense credit unions over the past seven decades. A bronze eagle, representing the Council’s strong character and tenacious might, stands tall in the corner of the room acknowledging DCUC’s members and their motto, “Serving Those Who Serve Our Country.”

MORE PRESSURES

DCUC members witnessed yet another wave of base closures and realignments in 2005. The resulting directives recommended the closing of 33 major military installations and the realignment of an additional 29 sites and sundry of other infrastructure changes. DCUC members were certain to be affected although the membership waited to see how all the implications would emerge.

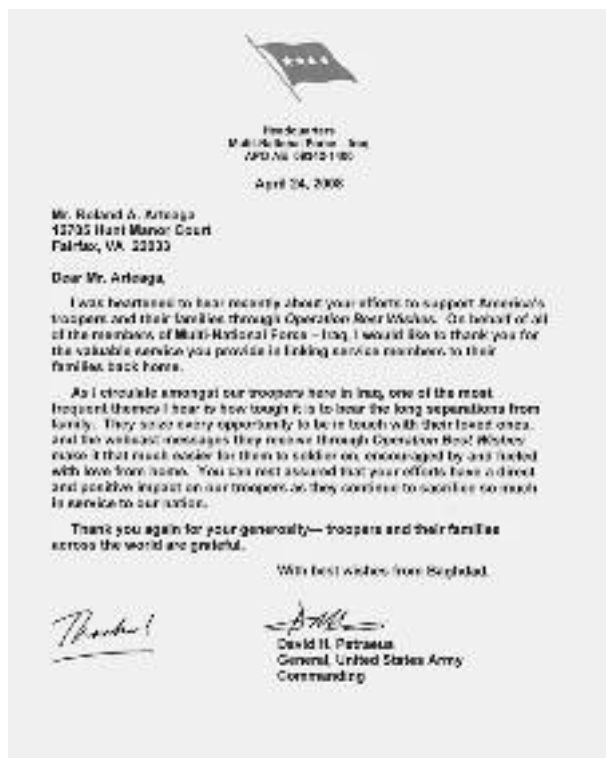
In addition to another round of base closures, a call for action from Congress regarding the unscrupulous behavior of businesses targeting military personnel

caught the eye of DCUC. Personal commercial solicitation of troops at military installations had been an issue in the DoD for decades, similar in scope to the payday loan situation. So, in July, 2006 the Department of Defense revised its Directive (DoDI) 1344.7, Personal Commercial Solicitation on DoD Installations to further protect military personnel.

DoD held two public hearings on this rule, and of the hundred or so individuals and/or companies in attendance, DCUC was one of only three organizations that supported DoD's position to regulate commercial solicitation. Artega spoke at both hearings and his statements had far reaching positive impacts on the final rule. One of the key provisions added to the guidance involved financial education. Financial Institutions operating on-base became the preferred provider of financial education on DoD installations and insurance and investment agents were prohibited from providing financial education to the troops. A second provision of the instruction prohibited the distribution of information or literature offering services directly competing with the on-base banks and credit unions.

In a related development, in October, 2006, the President signed into law the Military Personnel Services Protection Act (MPFSA), which provided leverage on the part of base personnel to address and eliminate predatory insurance products. DCUC had supported and strongly encouraged passage of the legislation.

Finally, DCUC's work with others to limit or eliminate predatory payday loans came to fruition with the 2007 National Defense Authorization Act (NDAA) which had an amendment to stop predatory lenders from targeting military personnel and their dependents.³²



Thank you letter from David H. Petraeus, General, United States Army, Commanding.

A NEW THREAT

The first decade of the 21st century brought with it a series of misadventures in the worldwide financial community. DCUC member institutions were further buffeted (and in many cases, shuttered) due to the revolving door of base realignment and closure moves.

Nothing prepared the members for the worst financial disaster to take place in most members' lifetimes – the investment crisis, mortgage lenders and real estate meltdown beginning in the latter part of 2008.

A particularly cruel effect of the financial crisis was the steep decline in residential home values – which critically impacted DCUC individual members. Troops are frequently deployed without much warning and many service families were forced to sell homes that were suddenly “upside down” with mortgage far in excess of their home's depleted values. Many faced foreclosure or simply “walked away” from their debt-ridden homes, frequently destroying their credit ratings in the process.

Although the number of individuals qualifying for help was limited, DCUC supported the \$555 million provision in the American Recovery and Reinvestment Act that expanded the Homeowners Assistance Program (HAP) – first enacted years past due to Base Realignment and Closure (BRAC). Congress had amended

32. Unfortunately, the 2007 National Defense Authorization Act (NDAA) as passed had provisions which inadvertently imposed credit limitations on mainstream financial institutions. The DCUC was vigilant in working with DoD to clarify its instructions over the course of the next year.

HAP by removing the nexus between the housing market decline and BRAC closings, and expanded HAP coverage to wounded warriors and surviving spouses. The provisions also permitted coverage of HAP to any service member who moved and could not sell his/her home or faced selling it at a loss.

A limited few DCUC member credit unions found themselves in a financial bind as well. The greatest majority, however, were not facing challenges, since credit unions tend to be governed by a fairly conservative mindset.

“We never made loans without income verifications, the real risky types of things,” says Dave Davis, President and CEO of DCUC member Pacific Marine Credit Union. “We handle a lot of real estate, but we’ve set limits as to what we’ll hold as a percentage of assets. Our real estate has been set to where we’d only do 30 percent of assets out in fixed mortgages. Many credit unions that got in trouble went way above that. [We are just very] conservative in the way we run things.”

Amidst the crisis, however, banks and businesses sought – and received – federal government bailouts. The credit union industry held firm and took care of its own. Corporate Credit Unions encountered great challenges and required assistance from the National Credit Union Administration (NCUA), the autonomous agency of the United States federal government, responsible for regulating and insuring all federally insured credit unions in the United States.

Natural person credit unions, such as members of DCUC, were required to pay significantly higher annual premiums than they had in the past to support the stabilization. The budgetary implications would be felt for years to come.

One such casualty of the ongoing economic crisis was the cancellation of the 2009 DCUC Overseas Sub-Council Conference. Originally scheduled to take place in Prague, the Sub-Council members alternately met briefly at the DCUC Annual Conference in August, 2009 to discuss future overseas meetings.

DCUC AT FIFTY

The emergence of the American economy from the gloomy days following the economic crisis was understandably slow and painful. The members of the Defense Credit Union Council found their organization smaller, yet still strong. DCUC was the recognized voice for military credit unions and commanded the respect and attention of the Department of Defense.

As the organization looks to observe fifty years of service to its members as well as to the military men and women, the challenges facing the industry and the members are significant. But they are approachable.

“Aside from the on-going legislative and regulatory pressures, I believe the biggest issue we face today is the Department of Defense’s budget cuts,” says DCUC’s Arty Arteaga. “As budgets are reduced at the Pentagon, funding at bases is decreased. As installation dollars decline and missions go unchanged, Commanders must become creative and more proactive in making-up lost revenue. Additional sponsorships from entities and financial institutions off the base are sought, and more times than not, with the influx of additional sponsorships comes a wealth of violations and infractions to the rules. Cross selling of financial products and services occur, and as a result, the one credit union/one bank policy issue arises.” Arteaga is quick to admit that although these activities are violations, they are very difficult to police. It falls to the DCUC and its members to monitor these circumstances and inform the right personnel of the implications.



Arty Arteaga, President/CEO



Patricia S. Kimmel, DCUC Chair



David Davis is President and CEO of Pacific Marine Credit Union and Treasurer of DCUC.



Jean Yokum, recently retired from the Defense Credit Union Council Board of Directors, got her start in military credit union work during the Korean conflict of the early 1950s.



Robert Morgan, former DCUC board member.



Award presented to DCUC and its member credit unions for their support provided to DoD Personnel during Operations Desert Shield/Desert Storm.

Another challenge has to do with the ongoing saga of BRAC – base realignment and closure. The DoD requested two more rounds of BRAC in their 2013 Budget, and Artega believes at least one more round (in 2015) could take place. “That’s a concern for us as a membership association,” Artega says. “The closure of more bases could affect another 10-15 credit unions in our fold, and their branches at other military installations as well.”

The challenges are lining up much as they have in the past. Yet, DCUC has survived fifty tumultuous years. That’s because of the strength of the mission support by the members.

“DCUC is a niche trade association and we’re steadfast in supporting the interest of our member credit unions,” Artega says. He goes on to add that “If we do our job, our members can do their job of promoting the morale and welfare, the financial quality of life, and the financial preparedness and capability of our troops. Our credit unions and our members on military bases around the world cannot execute that function if the rules that are developed by the Department of Defense are crafted in such a way that it precludes or impedes the delivery of quality financial products and services to our troops.

“When our members need assistance on defending, clarifying and interpreting the Department’s rules or they need help promoting a new initiative or product, they call. They know the Defense Credit Union Council is their strongest advocate at the Pentagon, and that we will get the job done.” DCUC Treasurer David Davis agrees.

“As a CEO of a credit union, the value of DCUC to me is a voice in the Pentagon,” says Davis, who is President and CEO of Pacific Marine Credit Union. Roger McTighe echoes Davis’ remarks.

“I think the strength of the organization first of all is to keep in touch with what’s going on at the credit unions. I would not hesitate to call Arty if there was a problem with one of the DoD instructions or anything like that, because he stays



Official White House Photo by Pete Souza

tuned into the Pentagon,” says McTighe, who is the military liaison for North Island Credit Union in California.

Most DCUC credit unions are relatively small, so their representatives would not likely make much of an impact at the Pentagon, nor would they have the expertise to navigate its at-times murky waters.

“The value we provide our members lies in our expertise and experience,” Arteaga explains. “It resides in the relationships that we have developed throughout DoD and in our ability to work through the issues. If our members need our support, they know we will give 110 percent and exert every ounce of energy to resolve and address the matters at hand,” Arteaga adds.

That value and Arteaga’s leadership went beyond DCUC, when in October 2010 President Obama nominated Arty to be a member of the President’s Advisory Council on Financial Capability (PACFC). The PACFC’s mission was to advise the President and Secretary of Treasury on means to enhance the financial capability of the United States population, and in particular, low and moderate income Americans.

This aspect of serving our nation is without question at the heart of DCUC.

“Serving the people who serve our country is very special to me,” said Jean Yokum, recently retired from the DCUC Board and Langley FCU, “I like that. It makes a difference; you want to do more for the organization.”

“DCUC and its member credit unions have always been about taking care of our troops,” says Robert Morgan, another legendary veteran member of the organization.

There is an altruism that emanates from those who serve the troops. It’s like the glow of giving.

“*Serving those who serve our country* is not simply a motto,” Arteaga says. “It’s our culture, it’s our way of life; it’s what our members do. Do for our troops and their families; do 24/7, 365.”

Right: Attendees review the vendor displays at the 2003 Conference in San Diego.



Below: Texas Credit Union League President/CEO, Richard Ensweiler, at the 2006 DCUC Conference in San Antonio.





Chairman's reception at the 2008 Conference in Chicago.



A happy group in Chicago at the 2008 DCUC Conference.



DCUC Past Presidents/CEOs

General Evert Thomas, USA (Ret), Executive Secretary
January, 1964 – February, 1973

Col. George E. Myers, USA (Ret)
May, 1973 – July, 1986

Col. C. V. "Vic" Toulme, USA (Ret)
July, 1986 – May, 1989

Col. George E. Myers, USA (Ret) *Interim*
May, 1989 – June, 1990

Col. James W. Rowe, USA (Ret)
June, 1990 – July, 1996

Capt David Lundahl, USN (Ret)
April, 1996 – February, 2000

Col. Roland A. "Arty" Arteaga, USA (Ret)
March, 2000 – Present



George E. Myers Scholarship Fund

The Defense Credit Union Council established the George E. Myers Scholarship Fund in 1996 in honor of Col. George E. Myers, USA (Ret.). Colonel Myers was an Executive Director of the Council and selected to the first DCUC Hall of Honor, along with DCUC's Founding Fathers, in August, 2000.

The Fund's purpose is to provide scholarships for volunteers, management, and/or staff of DCUC member credit unions, so they can further their professional credit union education, knowledge and leadership skills.

This year DCUC will be awarding three \$3000.00 scholarships, which allows for the expense of travel and tuition. The scholarships are awarded each year at the Council's Defense Issues Roundtable, which is generally held at the end of February (in conjunction with, but not part of, CUNA's GAC).

The first George E. Myers Scholarship for the year 1997 was awarded in February 1998 to Susan Loney, Overseas Operations, Andrews Federal Credit Union, MD, for attendance at the CUNA Consumer Lending Management School. Initially, the GEM fund provided for one \$500 scholarship.

Since 1997, DCUC has awarded 29 scholarships, providing members an opportunity to partake in educational forums and classes (either at the State or National level) at virtually little or no cost to their credit union.



Military Saves Week, Proclamation Signing, February 25, 2013.

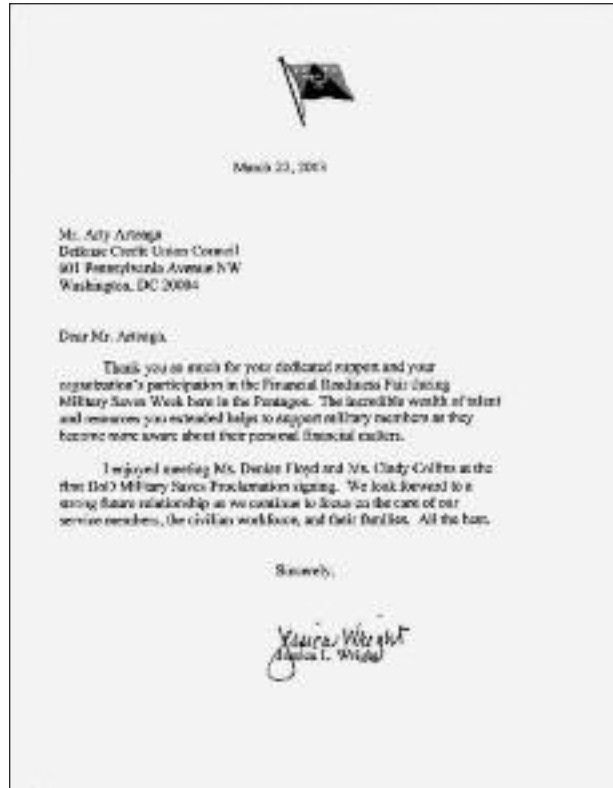
Recent DCUC Accomplishments

As pressure from the traditional banking community has continued relentless friction and as the worldwide financial community has undergone tumultuous upheavals, the DCUC had maintain a steady course in serving its members.

DCUC's Achievements Since 2000

- Successfully worked with the Department of Defense (DoD) and DCUC's Military Department representatives on commercial solicitation rules.
- Ensured the establishment and sustainment of favorable DoD base operations rules, to include the one credit union/one bank policy.
- Supported, encouraged and ensured that the "Military Saves" campaign was supported by Defense Credit Unions on an annual basis.
- Worked and supported DoD's Financial Readiness Campaign for the benefit of all credit unions.
- Successfully made sure that Morale, Welfare and Recreation (MWR) issues were favorably resolved.

- Supported ATM issues and on-base security matters.
- Brought the Fair Market Value and “no cost” land lease issues to a favorable conclusion.
- Instrumental in the publishing of the “Installation Banking and Credit Union Liaison Officer’s Desk Guide” and input for DoD’s “Predatory Lending Report”.
- Established the DCUC “Hall of Honor” in which many deserving credit union leaders have been inducted.
- Addressed military member financial education and vigorously promoted defense credit unions’ ability and capability to assist in this area with the Office of the Secretary of Defense (OSD), military departments and key organizations such as the National Military Family Association.
- Promoted financial education for youth through the use of the America’s Credit Union Museum’s “CU 4 Reality Fair” financial education materials for middle school students and distributed the materials to all Defense Credit Unions in America. Materials were geared towards 7th, 8th & 9th grade students of military families around the globe.
- Proved instrumental in ensuring favorable outcomes on DoD and Treasury e-commerce initiatives such as Navy Cash, Paper Check Conversion & Stored Value Cards.
- Aggressively pursued remedies to the Fair Market Value issue and garnered DoD support for “In-Kind Consideration,” and ultimately the “no cost” land lease policy.
- Successfully worked with various offices within the Secretary of Defense and military departments on Morale Welfare and Recreation policy issues that challenged the “one credit union — one bank” policy.
- Addressed the DoD’s efforts to introduce e-commerce technology solutions that compromised the DoD “one credit union — one bank” policy.



- Effectively coordinated on issues akin to the Overseas Military Banking Program providing a strong voice on DoD’s support of our overseas credit unions.
- Assisted in the conversion of the Armed Forces Financial Network (AFFN) into a “limited liability company” (LLC) helping the DCUC to become a co-owner of the Armed Forces Financial Network. This ensured the Council of future income solidifying its financial future.
- Represented Defense Credit Unions on DoD stored value card initiatives.



DCUC's Annual Conferences – Sites & Dates

- 1963 WASHINGTON, DC (Mayflower Hotel)
- 1964 SAN FRANCISCO, CA (Del Webb Townhouse)
- 1965 WASHINGTON, DC (International Inn)
- 1966 SAN ANTONIO, TX (El Tropicana Motor Hotel)
- 1967 WASHINGTON, DC (Hotel America)
- 1968 LAS VEGAS, NV (Stardust Hotel)
- 1969 WASHINGTON, DC (Hotel America)

- 1970 BAL HARBOUR, FL (Americana)
- 1971 LAS VEGAS, NV (Sahara Hotel)
- 1972 SAN FRANCISCO, CA (St. Francis Hotel)
- 1973 WASHINGTON, DC (Twin Bridges Marriott)
- 1974 LAS VEGAS, NV (Sahara Hotel)
- 1975 NEW ORLEANS, LA (Marriott)
- 1976 HONOLULU, HI (Sheraton Waikiki)
- 1977 LAS VEGAS, NV (Sahara Hotel)
- 1978 ORLANDO, FL (Twin Towers Sheraton)
- 1979 RENO, NV (MGM Grand Hotel)

- 1980 DALLAS, TX (Anatole Hotel)
- 1981 CHICAGO, IL (Palmer House)
- 1982 HONOLULU, HI (Hilton Hawaiian Village)
- 1983 LAS VEGAS, NV (Caesars Palace)
- 1984 ANAHEIM, CA (Anaheim Hilton)
- 1985 ATLANTA, GA (Hyatt Regency Hotel)
- 1986 LAS VEGAS, NV (Riviera Hotel & Casino)
- 1987 NASHVILLE, TN (Opryland Hotel)
- 1988 RENO, NV (Bally's Grand Hotel)

Outgoing board chair
Frank Padak welcomed
delegates to the 2012
DCUC Annual Conference
in Denver.



- 1989 NEW ORLEANS, LA (Sheraton New Orleans)
- 1990 SAN DIEGO, CA (Sheraton Harbor Island Hotel)
- 1991 ORLANDO, FL (Marriott Orlando World Center)
- 1992 LAS VEGAS, NV (Caesars Palace)
- 1993 NASHVILLE, TN (Opryland Hotel)
- 1994 HONOLULU, HI (Hilton Hawaiian Village)
- 1995 RENO, NV (Reno Hilton Hotel)
- 1996 NEW ORLEANS, LA (New Orleans Marriott)
- 1997 SAN DIEGO, CA (Sheraton Hotel & Marina)
- 1998 LAS VEGAS, NV (Riviera Hotel & Casino)
- 1999 ORLANDO, FL (Marriott Orlando World Center)

- 2000 SAN FRANCISCO, CA (Hyatt Reg. Embarcadero)
- 2001 PORTLAND, OR (Portland Marriott Downtown)
- 2002 RENO, NV (Silver Legacy Hotel)
- 2003 SAN DIEGO, CA (Marriott Hotel & Marina)
- 2004 LAS VEGAS, NV (Caesars Palace)
- 2005 CHARLESTON, SC (Charleston Place)
- 2006 SAN ANTONIO, TX (Marriott River Center)
- 2007 SPOKANE, WA (Davenport Hotel)
- 2008 CHICAGO, IL (Drake Hotel)
- 2009 SAN FRANCISCO, CA (The Fairmont)

- 2010 MINNEAPOLIS, MN (Hilton Minneapolis)
- 2011 NEW YORK, NY (Marriott Marquis Hotel)
- 2012 DENVER, CO (Denver Westin)
- 2013 WHITE SULPHUR SPRINGS, WV (The Greenbrier Resort)



The Hall of Honor

The DCUC Hall of Honor was developed in the fall of 1999 under the leadership of President CEO Dave Lundahl. Its purpose is to recognize individuals who have made significant contributions to the defense credit union movement overall and, specifically, to the Defense Credit Union Council.

DCUC's "Founding Fathers" – the initial group of dedicated credit union pioneers, who founded DCUC back in February, 1963 – were honored the first year the Hall of Honor award was established in 2000.

<p>2000 Jerry Anchors Pen Air FCU</p> <p>Verner G. Porath Olmstead FCU (SAC FCU)</p> <p>Richard H. Grant Service CU</p> <p>Robert Schaffner Fort Knox FCU</p> <p>Raymond A. Tesdahl Great Lakes CU</p> <p>LTC (R) George Jones Marine Corps Schools FCU</p> <p>BG (Ret) Evert S. Thomas Fort Knox FCU & DCUC</p> <p>COL (Ret) George E. Myers DCUC</p> <p>2001 Mildred Hodgkin Seymour Johnson FCU</p> <p>VADM Vincent Lascara USN Ret., Navy FCU</p> <p>Eugene Ball Pentagon FCU</p> <p>Robert Robbins Mid Missouri</p> <p>Alvin George North Island FCU</p>	<p>2002 Robert Scott 1st Liberty FCU</p> <p>Leo Pike Fort Knox</p> <p>Rodney Brock Service CU</p> <p>John Madri Global CU</p> <p>2003 Robert Dean Hopper Fort Sill FCU</p> <p>Paul E. Norton SAC FCU</p> <p>2004 Michael Cascone VyStar CU</p> <p>Lou DeCarlo Pacific Marine CU</p> <p>2005 Preston "Bill" Ezell Pen Air FCU</p> <p>James E. Bright Scott CU</p>	<p>2006 Stacey F. Carter DCUC</p> <p>Dominic Alessio Global CU</p> <p>James Guretzsky SAC FCU</p> <p>2007 Betty Renth Scott CU</p> <p>Betty Petree Pen Air FCU</p> <p>Norman Rappaport Pentagon FCU</p> <p>2008 Douglas A. Frost SAC FCU</p> <p>A.C. Martin Pen Air FCU</p> <p>D. Virginia Thompson Mid Missouri CU</p> <p>2009 Jack Frost Langley FCU</p> <p>John Davis Pen Air FCU</p>	<p>2010 Charles L. Ray, Jr. Redstone FCU</p> <p>Larry Chun Schofield FCU</p> <p>2011 Jean Howard SAC FCU</p> <p>Roger McTighe North Island CU</p> <p>Ralph Story Vystar CU</p> <p>2012 Michael Kloiber Tinker FCU</p> <p>Darrell Wallace Sea Air FCU</p> <p>2013 Jean Yokum Langley FCU</p> <p>Robert Morgan ABNB FCU</p> <p>Sharon Ichord Mid Missouri CU</p> <p>Randy Smith Randolph-Brooks FCU</p>
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Dresden, Germany is the site of the 2013 DCUC Overseas Sub-Council Conference.



DCUC's Overseas Sub-Council Conferences

1973	Rome, Italy	1994	Estoril, Portugal
1974	Mainz, FRG	1995	Amsterdam, The Netherlands
1975	London, England	1996	London, England
1976	Madrid, Spain	1997	Garmisch, Germany
1977	Berlin, Germany	1998	Leipzig, Germany
1978	Athens, Greece	1999	Verona, Italy
1979	Wiesbaden, FRG	2000	Seville, Spain
1980	Sorrento, Italy	2001	Mainz, Germany
1981	Madrid, Spain	2002	Stockholm, Sweden
1982	Munich, FRG	2003	Dublin, Ireland
1983	Rome, Italy	2004	Zurich, Switzerland
1984	London, England	2005	Budapest, Hungary
1985	Berlin, Germany	2006	Garmisch, Germany (Edelweiss)
1986	Wiesbaden, FRG	2007	Florence, Italy
1987	Gleneagles, Scotland	2008	Edinburgh, Scotland
1988	Rome, Italy	2009	Prague, Czech Republic (Cancelled)
1989	Vienna, Austria	2010	Garmisch, Germany (Edelweiss)
1990	Garmisch, West Germany	2011	Prague, Czech Republic
1991	London, England	2012	Vienna, Austria
1992	Salzburg, Austria	2013	Dresden, Germany
1993	Florence, Italy		



Florence, Italy was the location for the 2007 Overseas Sub-Council Conference.



Al George, North Island CU and 2001 DCUC Hall of Honor inductee.

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AFTERWORD

ABOUT THE AUTHOR



The Defense Credit Union Council “Serving Those Who Serve Our Country,” A Fifty Year Perspective: 1963-2013, is the 99th book written by popular author and historian Robert R. Morris. One of the most prolific special-interest history writers, Morris specializes in researching and writing organizational and institutional histories. He travels the country writing the story of the American Dream in little bits and pieces. Several of the photos in this book are his original photography.

A former teacher, Morris has concentrated on history writing since 1988. Morris and his wife live in northeastern Illinois, where the author also spends considerable time working with non-profit charitable organizations in the Chicago area.