



Vol. 47 No. 3

Tuesday, August 24, 2010

## COL Greg Gadson Speaks on Adversity and Change

Joining us for the Monday morning General Session was our Key-note speaker Colonel Greg Gadson, an active Army officer who was severely injured by an IED while serving his country losing both of his legs and some of the use of his right arm.

COL Gadson started off by thanking the members of the audience for their continued service acknowledging that many of our defense credit union attendees are Veterans.

COL Gadson then related the story of his injury and subsequent recovery, starting off by stating simply "I'm here today because my team saved my life." While returning from memorial services held in honor of fallen troops from his battalion, his truck was hit by an IED, and he was thrown far from the vehicle sustaining grave injuries in the blast. It was at this time that his team showed their valor with his 1st Sgt. finding him on the road and resuscitating him and another member of his team, who only had two weeks of emergency medical training, putting the tourniquets on his legs that saved his life. He attributed their bravery and swift action to a motto that he used while building his battalion from the ground up: Pride. Poise. Team.

He went on to define these terms: Pride being all about organizational pride stemming from individual pride and holding oneself accountable for each and every day. The pride of knowing one did his or her best growing to become pride in the unit; Poise being more about coming to work everyday and doing the hard things even when no one is looking than about grace under fire. If one always does things the right way, when it gets tough, one will follow what he or she always does; and Team being about making everything about team and service, selflessness not selfishness. If the focus is always about the team, it will come out alright.

COL Gadson continued by reminding the audience that every situation is an opportunity and that while he may not have control over his situation, he does have control over his attitude, and choosing a positive attitude has made all the difference. Things do not get better if one does not believe it will happen. COL Gadson ended as simply as he began advising the audience to "Live in the Present."

## Where is...?

- Annual Business Meeting -  
Grand Ballroom Salon ABC
- Chairman's Reception -  
Brit's Pub on Nicollet
- Corporate Partner Appreciation Breakfast -  
Grand Ballroom Salon D
- Corporate Partner Breakout Sessions -  
Directors Row 1-4
- Educational Workshops -  
Directors Row 1-4
- General Sessions -  
Grand Ballroom Salon ABC
- Hall of Honor Awards Dinner -  
Grand Ballroom Salon ABC
- Hot Market Issues -  
Rochester Room, Duluth Room
- Military Credit Union Awards Luncheon-  
Symphony Ballroom
- Military Roundtables -  
Director's Row 1-3
- Overseas Sub-council Meeting -  
Rochester Room
- Registration -  
Third Floor Lobby
- Showcase -  
Grand Ballroom Salon D
- Tuesday Breakfast -  
Symphony Ballroom

## Hospitality

If you need any assistance while here in Minneapolis, do not hesitate to ask one of the DCUC Staff. We are here to assist you! As in past years, we will have additional staff at the registration desk. Hours for the registration desk are: Tuesday, August 24 7:00 - 11:00.

## Internet Café

We will have computers and a printer available in the Salon C Foyer for your use. The café will be open from Monday to Wednesday morning. Please use this amenity to check your email, check-in to your flight online and print your boarding pass. The café is sponsored by FIS.

## Hall of Honor Seating

As we have done for the past few years, we will have reserved seating for the Hall of Honor Awards Dinner. If you have not already signed up for a table, please make sure to stop by DCUC Registration to reserve your seats! Seats will be assigned on a first come, first served basis.

## Prize Drawings

Tomorrow morning's session will feature our Grand Prize Drawing. This year the Grand Prize includes a \$1200 Airline Voucher plus a complimentary Sunday/Monday night stay during the 48th Annual Conference from the Marriott Marquis.

Guests will also have a chance to win a special prize just for them: a \$300 gift card from MACYS!

All winners must be present at the drawing to win!

## Evaluations

This year we have changed the format of our Evaluations. At the conclusion of our conference we will be posting a link on our website that will take you directly to our online evaluation. We will also be sending out the link in our emails. No paper or mailing back necessary; everything is online!

## Today's Events

0700 - 1100 Registration Desk Open

0715 - 0815 Continental Breakfast Buffet

0830 - 1015 General Session

0830 - 0900 The Honorable Michael E. Fryzel

*NCUA Boardmember Fryzel will update attendees on matters concerning the credit union world from a Government and regulatory perspective.*

0900 - 0930 Mary Martha Fortney

*Ms Fortney, President/CEO of NASCUS, joins us to speak on issues facing NASCUS members and how NASCUS has been addressing these issues.*

0930 - 10:15 Fred Becker

*Fred Becker, President/CEO of NAFCU, will give his perspective on the current and upcoming issues being addressed on Capitol Hill.*

1030 - 1130 Hot Market Issues (2)

1145 - 1315 Military Credit Union Awards Luncheon (2nd Floor)

1330 Voter Registration for Annual Meeting

1345 - 1430 Annual Business Meeting

*This year two seats on the DCUC board of directors will be up for election. Dave Davis, the Marine Representative, will be running for re-election for another three-year term, while Ralph Story, Representative-at-Large, will not seek re-election. All conference attendees are welcome to attend the Annual Business Meeting. All voting delegates should be present and check in during Voter Registration.*

1445 - 1730 Optional Tours (2)

1900 - 1930 Reception

*Thank You to Crews and Associates for sponsoring the Hall of Honor beverage drink tickets.*

1930 - 2200 11th Annual Hall of Honor Awards Dinner

*Tonight we will pay tribute to two of DCUC's and Defense Credit Unions' biggest supporters and induct them into DCUC's Hall of Honor. The awards dinner will also feature 4TROOPS, a singing group of U.S. Combat Veterans. A big Thank You to FSCC for sponsoring this evening's entertainment.*

*Have you been missing the pictures usually in the Daily Notes? Make sure you come early to the Wednesday morning breakfast. We will have a special treat for you to watch while you eat!*

### **Educational Workshop: Dave Julian, DoD**

Dave Julian, Director, Office of Personal Finance (OPF), Military Community & Family Policy, Department of Defense, began his session by giving his audience an overview of the objectives of the OPF. He stressed that financial readiness equals mission readiness and that reducing stressors associated with financial issues is paramount in ensuring our troops are able to focus on the mission at hand. He emphasized the importance of changing the behavior and the culture associated with financial education and the need for it to be infused through all levels of leadership, ideally creating a comfortable environment with open dialogue for our troops to discuss their financial concerns, a culture where asking for help is a sign of strength rather than weakness.

Julian went on to discuss trends in self assessments of financial condition. He stated that the results showed inconsistency, individuals were feeling better about their overall financial positions, but at the same time were having trouble paying bills on time. Thus illustrating an apparent disconnect, he mentioned that it was something his office is in the process of trying to understand.

He then discussed the major financial issues that many troops are currently facing: budgeting, debt management, savings and credit. He used the 8 "pillars" of financial readiness as a means to combat the problem, which include: maintaining good credit; achieving financial stability; establishing routine savings; participating in a thrift savings plan; sustaining the Service Member's group life insurance; encouraging low cost loan products; using low cost MWR programs; and preserving security clearances, all essential elements in creating healthy financial stability.

Julian mentioned other issues that his office is currently involved in to include: Personal Commercial Solicitation on DoD Installations, Military Lending Act, Auto Saves and Financing the Military, Service Member's Group Life Insurance and the Military Saves Week campaign.

He closed by thanking the audience for all they do to help the troops and asked that they continue the same level of excellent service.

### **Educational Workshop: Philip Perkins, WesCorp FCU**

Philip R. Perkins, President/CEO, WesCorp Federal Credit Union, provided an update on the current situation with Corporate Credit Unions and provided a detailed explanation and perspective into why and how decisions had been made in the past and how moving forward things will be done differently.

He also discussed what credit union executives and their Boards need to know and do before determining whether a corporate credit union will continue to exercise a role in helping them meet their member's needs. He emphasized the importance of knowing who is on the Board and taking an active role.

He explained the value of corporate credit unions to include, efficiency, lower total cost, the fact that they are member owned and controlled and the commonality of interests.

He closed with an informative Q & A session and provided the audience with further reading material suggestions.

### **Educational Workshop: Kirk Cuevas, Dollar Associates**

Kirk Cuevas, Partner, Dollar Associates, focused his presentation on the current status of the credit union industry and on encouraging the audience to look for the silver lining in this difficult economic climate. He stated that while it is one of the toughest times, there is a lot of opportunity during this time to be taken advantage of.

Cuevas stated that the current economic environment will produce more regulations and guidelines that will result in even more compliance issues. With compliance being such a time consuming and costly part of the credit union's duties, these regulations will affect the bottom line and as a result affect the number of credit unions looking to merge. Cuevas also cautioned that regulators tend to regulate to the last crisis, which while good-intentioned, can be very one-size-fits-all and not the best for credit unions and their members.

Cuevas continued by saying the environment is only going to get tighter and more cumbersome and gave the example of the number of credit unions under administrative action. He stated that 75% of credit unions were under formal documentation, whereas in the past many of these issues would have been dealt with more informally. Cuevas also mentioned that with the reduction in the number of credit unions examiners have more time to look at their credit unions leading to more scrutiny.

Cuevas spoke on key regulations and issues to watch, such as this November's elections which may see a shift in power in the House or Senate and the upcoming change in the NCUA board with Gigi Hyland's term being up next year. Both of these may change the focus and approach to many of the issues currently being discussed presently. He also stated that credit unions would soon have to decide what they are willing to give up in order to get the legislation they want passed.

Cuevas noted that the credit union industry has averaged one merger a day for the last five years. With this trend most likely staying or even increasing, Cuevas gave a solid list of things to do if your credit union is facing or thinking about a merger.

Cuevas concluded by reminding the audience that all business has risks and encouraging them not to shy away from the risks despite the climate.

## Educational Workshop: Tonya Green, NCUA

Tonya Green, Director of Consumer Compliance and Outreach for NCUA, joined us to give an overview of the newly created Office of Consumer Protection (OCP). Approved in November 2009 and created in January 2010, the OCP came out of the Member Services Assessment Pilot Program which sought to find out who credit unions served with a focus on the under-banked and unbanked through town hall meetings.

The office will have 30 full-time employees and is organized in two divisions: Consumer Compliance and Outreach, including financial literacy and education, member complaint call center and fair lending examinations; and the Office of Consumer Access, which will handle new federal credit union charters, charter conversions, field of membership expansions, bylaw amendments and low-income designations.

Green stated that the purpose and goal of this new office is to bring the experts to one centralized location that will streamline their efforts and improve customer service. Green mentioned that a new system to track incoming phone calls as well as a better system for addressing common complaints would be in place shortly.

Green also spoke about the new Bureau of Consumer Financial Protection which when up and running will regulate institutions larger than \$10B, payday lenders, finance companies and all institutions that give non-traditional loans. NCUA will retain enforcement authority for credit unions under \$10B.

For the last part of her session, Green asked the audience members for their input, specifically looking for opinions for the financial education part of her division on whether they should funnel time and resources to institutions already in place such as schools and credit unions or whether they should try to reach the public directly. Green stated that there would be a lot of news coming out about financial education in the next year and agreed that this initiative would be a great place for credit unions to get involved, especially since many credit unions already have programs, educators and a history of providing financial education in place.

## Dennis Dollar Addresses the Credit Union Industry and Today's World

Dennis Dollar, Partner, Dollar Associates, addressed the afternoon session with an encouraging talk about credit union's future and the opportunities present today.

Dollar started by advising credit unions that they should look for positive prospects now instead of waiting for the fog to lift when everyone will be ready to go at the same time. He also recommended taking advantage of the current mood of the American people which is against profit at any cost, a great boon to credit unions as non-for-profits. Dollar continued by suggesting that credit unions take a page from banks and treat bankruptcies like a book of business. Yet, he stressed the ways that credit unions are not like banks, such as their focus on the social mission versus a steady margin. He strongly advocated for a balance between the two arguing that you cannot have one without the other and that an unbalanced institution will not thrive.

Dollar also stated that growing larger does not make a credit union more like a bank because of their social mission. Overall the larger the credit union, the more positive statistics appear. Growth and plans to continue to grow and provide better service is the only way to ensure success.

Dollar advised that credit unions do have an advantage over banks in their opportunity to make up for lost revenue from the new regulations on overdraft and interchange fees. On average, credit unions only have 42% of their members having a checking account with 98% of banks' members utilizing their checking services.

Dollar spoke about the high rate of credit union mergers happening stating that defense credit unions should be ready as they may be the ones that the distressed credit unions are looking to merge into. He also emphasized that these mergers must be allowed to happen while the troubled credit union still has the ability to attract solid merger offers and not wait until the credit union is on its deathbed, where it must be bailed out by the already over-stressed NCUA fund.

Dollar closed by saying that credit unions must be allowed to thrive within the credit union parameters to see success from all sides.

### Hall of Honor Awards Dinner to Feature 4TROOPS

Singing patriotic and inspirational music, 4TROOPS has traveled all over the country entertaining service members and civilians alike. As part of their mission, a percentage of their proceeds benefit a range of charities, including Iraq and Afghanistan Veterans of America.

We will have CDs and t-shirts available for sale after dinner as well as the opportunity to have 4TROOPS members sign autographs. Part of the proceeds will go towards the Vail Veterans Program!

Thank You to our Hall of Honor entertainment sponsor, FSCC.