



Vol. 47 No. 4

Wednesday, August 25, 2010

Hall of Honor Awards Dinner Showcases Two Honorees

On Tuesday night, conference attendees stepped out in their finest to celebrate two very special honorees. To start off the night conferees enjoyed a reception with drink tickets sponsored by Crews and Associates. Dinner was then served and while people waited for their dessert, Arty introduced the two very deserving people, who have each dedicated their lives to the credit union movement and the philosophy of People Helping People, and presented their eagles. The two admirable honorees this year were:

Charles L. Ray, Jr. of Redstone FCU, a credit union volunteer since the 1970s, serving as the Chairman of the Board for Redstone FCU. Mr. Ray played a key role in the development of the Civil Rights Movement in the Huntsville, AL area and has been involved with the local branch of the NAACP for more than 40 years. He helped navigate a path for Redstone FCU to ensure they provide fairness, equality and mutual respect to all people, regardless of race or economic status. Elected as Chairman of the Board in 1983, he has overseen the credit union triple its membership and raise its assets from \$148.2M to \$2.8B.

Larry Chun of Schofield FCU, the long-time President/Treasurer for 28 years until his passing in March 2010. His career spanned nearly 50 years of service in the financial industry, also serving as a volunteer for the Hawaii Credit Union League and winning their Professional of the Year award in 1994 as well as many awards of Certificate of Appreciation to the Schofield FCU from numerous military organizations. His often repeated statement of "We are here for the soldiers" closely echoes DCUC's own motto of "Serving Those Who Serve Our Country" and was the epitome of how he led Schofield FCU. The moving tribute to Larry Chun was graciously accepted by his wife, Ariel Chun.

After the awards ceremony portion, attendees and guests were entertained by the singing group 4TROOPS, sponsored by FSCC. Both the awards ceremony and entertainment created a special night that rightly honored the two inductees and their decades of service to defense credit unions and their members.

Annual Business Meeting Held

On Tuesday afternoon, the voting delegates from attending credit unions convened for this year's Annual Business Meeting.

Present were 47 delegates in total, including 16 Army, 8 Navy, 19 Air Force, and 4 Marines as reported by Credentials Committee Chair, Fred Perry, Windward Community FCU. Also present were non-voting members and conference attendees.

On the agenda for the meeting was the election of two positions on the DCUC Board of Directors. David Davis and Ralph Story were up for re-election. David Davis ran uncontested and was voted by acclamation. Ralph Story chose not to run again; therefore, nominations were opened to floor. Dave Elliott, Fort Bragg FCU, nominated Denise Floyd, Fort Sill FCU. Bob Hopper, Fort Sill FCU, seconded the nomination. No other nominations were received, and Denise Floyd was voted by acclamation.

At the conclusion of the Annual Business Meeting, the board of directors adjourned to the Chairman's room for their organizational meeting.

Frank Padak (Scott CU) was selected as the new Chairman for DCUC. Patricia Kimmel (Belvoir FCU) is the new 1st Vice Chair with Jean Yokum (Langley FCU) reselected as the 2nd Vice Chair. David Davis (Pacific Marine CU) was reaffirmed as the Treasurer, and the Council's new board member, Denise Floyd (Fort Sill FCU) was selected as Secretary. Rounding out the 2010-2011 DCUC Board is Robert Morgan (ABNB FCU) and our immediate past Chairman, Gordon Simmons (Service CU).

Presentations

All presentations, pictures and other information from this year's conference can be found on our website, www.d cuc.org.

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.

Prize Drawings

This 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 special prize just for them: a \$300 gift card!

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!

See you next year
in New York City
at the
Marriott Marquis !

August 21-24, 2011

Today's Events

0730 - 0830 Continental Breakfast

0830 - 0930 Motivational Speaker: Kimberly Alyn

Kimberly Alyn is a best-selling author and an international professional speaker who advocates for life-long learning as a path to self-improvement.

0930 - 0945 Final Grand Prize Drawing and Announcements

Conference Concludes

Luncheon Features 2009 Military Credit Union of the Year Awards

Three Defense Credit Unions were recognized with Distinguished Service Awards by their respective branches of the armed services at Tuesday's luncheon. The awards were presented to: Fort Sill FCU, Fort Sill, OK for the Army Award; Navy FCU Souda Bay Branch, Crete, Greece for the Navy/Marine Corps award; and Harborstone CU, Joint Base Lewis-McChord, WA for the Air Force Award.

Fort Sill FCU was recognized for the second year in a row for their outstanding commitment to provide quality products and efficient service to Soldiers, DoD Employees and their Families. Highlighted were their programs encouraging financial literacy, especially to junior enlisted Soldiers and their young Families and the credit union's new wireless banking. Phenomenal growth in the face of the down-turning economy and NCUA's assessment was also cited in distinguishing Fort Sill FCU as the top Army credit union for 2009.

Navy FCU Souda Bay Branch was awarded for the second year in a row for its dedicated service as the only U.S. financial institution in Greece. The credit union received its commendation for their continued exceptional dedication, attention to detail, extraordinary performance, and outstanding Command support as well as other high remarks. The Souda Bay team was also noted for their participation with the welcoming committee, offering on-the-spot financial assistance for personnel as well as volunteering to remain open after normal branch hours to meet sailors' needs.

Harborstone CU was honored for their steadfast support of Joint Base Lewis-McChord, the local community and military families through superior education and tireless fundraising activities. Harborstone CU's work with spouses' clubs and military retirees was especially noted as well as their quick response to provide breakfast to the 6,000 police officers and firefighters who came to the service held at McChord Field for four local police officers targeted and killed by an ex-convict. The credit union was instrumental in raising the needed funds, getting local grocery stores to donate food and even making the sandwiches and hard-boiled eggs.

Without question these credit unions went above and beyond to provide exemplary service to our Military service members and their families, and for that, the Military Departments were most impressed and equally grateful.

Fryzel Updates General Session on NCUA Matters

The Honorable Michael Fryzel, NCUA Boardmember, opened Tuesday morning by commending the service defense credit unions provide their members by going above and beyond citing especially how credit unions have worked to protect their members from payday loans.

Fryzel went on to say that NCUA must work to keep the confidence in the system to ensure the survival and growth of the credit union industry and that the industry must move forward with greater determination and strength. Fryzel stayed on an upbeat note highlighting that the American people have done remarkable things in history and that they will do remarkable things again. He likened this history of never giving up to the credit union industry's attitude of "we will get this done."

Fryzel admitted that while he wished he could stand at the podium and make everyone smile by telling everyone how great the financial environment is, he was unable to do so. Fryzel stated that the Final Rule for the corporate credit unions should be out early this fall, noting that while there was no way to deal with the corporate credit unions without realizing some loss, NCUA has 30 of their best people trying to minimize that loss. He also mentioned that natural person credit unions would be able to choose which corporate credit unions they support, and those corporate credit unions would start with a clean balance sheet.

Fryzel touched on the issues surrounding the Shared Insurance Fund estimating that the new assessment will be 15 - 40 basis points.

Fryzel concluded on another positive note stating that credit unions are the best simply because they work to be the best and encouraged the audience to keep up the hard work.

Fortney Speaks on NASCUS Victory for Credit Unions

Mary Martha Fortney, President/CEO of NASCUS, followed Boardmember Fryzel stating that NASCUS has a productive and interesting relationship with NCUA and that State and Federal Regulators must work together to keep the credit union system strong.

Fortney briefly gave a history of the NASCUS stating that it was established in 1965 and that its mission is to ensure a safe and sound state credit union system. Fortney assured the audience that NASCUS is fully committed to that mission by highlighting a few issues they have been working on to include: Supplemental Capital, an at-risk liability or equity account that acts as a buffer to share insurance funds in the event a credit union depletes its retained earnings; Regulatory Reform, such as making the \$250,000 share/deposit insurance permanent and the interchange fee standards that are to be established by the Federal Government; Interstate Branching, highlighting the first Regional Interstate Banking Agreement between 7 Southern states allowing state chartered credit unions to more easily open branches outside of their home state; and UBIT, mentioning two credit unions who sued the IRS for taxes they paid under UBIT with both credit unions winning although one is currently under appeal.

NAFCU's Becker Gives Perspective on Latest Legislative Issues

Fred Becker, President/CEO of NAFCU, concluded the General Session by jumping right into defense credit union issues. He spoke about a recent letter and article that came out from the National Consumer Law Center listing the good, bad and ugly of Payday lenders to include credit unions in all three categories.

Becker then brought up the very controversial new finance centers being set up by USAA showing a promotional commercial put out by USAA and discussing what was at these locations and why they may have a huge impact. Another issue discussed was the JP Morgan Chase/AAFES Card, which is a \$35M contract expiring in 2011. Becker stated that it is his opinion that the card should be gotten rid of completely as it is duplicitous during this time when financial readiness is such a priority.

Looking ahead to the future, Becker emphasized that the business models used today by credit unions will not work going forward. He suggested that in addition to credit union publications, CEOs read bank publications as well to get a full picture of the financial industry.

Becker warned the audience that larger credit unions could potentially cause more trouble if they fail and need to be bailed out since they are too big for smaller credit unions to absorb. He also stated that it is a credit union's right to take NCUA to court if they are brought under conservatorship and advised that if NCUA wants to meet with your board, bring your attorney. He also suggested that credit unions build a solid relationship with their regulators in case there is trouble in the future.

Becker strongly stressed that there is no difference in the accountability of a bank's board from a credit union's board. The Federal Credit Union Act states that the board is responsible to set the direction of the credit union. Becker stated that the word "volunteer" means nothing when it comes to accountability.

Becker closed his presentation by touching upon the corporate credit union issue, going into a bit more detail about why the 15-40 basis point range is in consideration. He ended by advising credit unions to watch the issues very closely.

Hot Market: CUNA Mutual Group

Dave Colby, Chief Economist for CUNA Mutual Group, opened his presentation by speaking on the current perception on recovery. He stated that while most news sources try to say that 2009 was the bottom with the last year being the recovery, most people do not feel like there are in a recovery. Instead, Colby described it as bouncing along the bottom.

Colby continued by talking a little bit about the housing market and why it has done so badly in recent years. He explained that instead of housing prices and income rising and falling together, housing prices suddenly skyrocketed without a corresponding rise in income. With this sudden inflation must come a correction with the prices rapidly dropping. Colby also placed blame on enabling financial institutions that held a blind allegiance to models instead of following what the real world was doing.

Colby delivered the bad news forecasting a slow but sustained recovery that will take around six years to get back up to our previous employment peak. He also warned that all of his forecasts assume that no more major shocks occur which shouldn't be counted on. Colby stated that anything could happen.

Colby continued by advising that households are having to do the same thing as the housing markets, make a correction. After years of being over-leveraged, they are starting to reset and pay down their debts, especially since savings rates are so low.

Colby warned that while housing prices will start to rise, in 2012 they will still be 20% lower than peak prices. Colby then outlined a few risks to the economic recovery, including the economic engine stalling, wave two of employment shock, a second credit crisis, interest rate spikes, unintended consequences and external shocks. He stated that this is the first true global recession so there are a lot more moving parts that need to start moving in the right direction.

He wrapped up by saying that no one knows for sure what will happen because of the number of unknowns. The good news is that credit unions have managed through 20 recessions over the past 101 years. Colby advised to focus on existing members and to not neglect strategic planning during this difficult time.

Hot Market Issue: Institute for Financial Literacy

Leslie Linfield, Executive Director and Founder of the Institute for Financial Literacy, presented on how to be mission ready through Financial Education. She provided her audience with the necessary information and tools to successfully implement a financial literacy program.

Linfield began by discussing some benefits of offering a financial literacy program, such as members' need for education; it would ultimately lead to a reduction in loan delinquencies & losses; and it would increase deposits & savings as members become more financially savvy.

Linfield then gave the audience an overview on how to start up a program at their credit union. She outlined the process: first step determining who the audience will be, such as members, staff, community, adults, K-12 or a special population. Linfield emphasized the importance of educating staff before beginning the program with members. Second, get the necessary approval from everyone. Next step, choosing the curriculum, she stressed the fact that depending on the demographic more than one curriculum may be needed. Children, for example, have much different needs than adults, and the Military is much different than civilians.

Linfield stressed the importance of looking for a product that is objective and neutral in tone, one that is not deceptive, misleading or biased, one that does not promote a brand, product or provider, contains current and accurate content, includes assessment questions and is informative. She also provided some resources as to where to find these products.

Next, Ms. Linfield discussed the importance of finding trained and qualified educators. They should hold professional certifications as financial literacy educators, be licensed by a government entity in a relevant subject matter and willing to engage in on-going professional development.

She wrapped up the session by explaining how to apply for grant for financial literacy education and encouraged the audience to apply.

Thanks to the generosity of our exhibitors, attendees and guests, we have raised a total of \$15,790 for The Vail Veterans Program, this year's conference fundraiser. Whether you have bought a mulligan at our Golf Tournament, bid on a Silent Auction item or bought a ticket for our 50/50 Raffle, please know that you are helping a wounded veteran in need become more confident and optimistic in his or her new life.