



During a break in the action at the Democratic National Convention in Denver, CUNA Legislative Affairs Vice President Ryan Donovan keeps tabs on things in a relatively distant and quiet Washington, D.C. (CUNA photo)

CU Convention Efforts Recognized on C-SPAN

Credit unions' Homes for Our Troops project was praised on live television last week during a C-SPAN broadcast from the Republican National Convention in Minneapolis.

The live telecast was a culmination of credit union efforts at both the Democratic and Republican National Conventions, which erected homes for disabled U.S. servicemen wounded in the line of duty.



The broadcast was part of a National Journal Daily Briefing, which featured U.S. Sen. Lamar Alexander (R-Tenn.), U.S. Rep. Tom Cole (R-Okla.), MSNBC's Chris Matthews and CNN's Charlie Cook.

Moderator Cook also singled out for recognition Iraq war veteran Army Sgt. Marcus Kuboy—the recipient of the custom home built by credit unions—and CUNA's Political Affairs Senior Vice President Richard Gose.

CUNA, the Minnesota Credit Union Network, the Credit Union Association of Colorado, Co-op Financial Services and the Corporate Network also were noted.

Credit unions built the homes for Kuboy in St. Paul, Minn., site of the Republican

CUs' Convention Momentum

Representatives from CUNA, the state leagues and credit unions built upon existing relationships and made new ones as they advanced the credit union movement during the back-to-back Democratic and Republican National Conventions.

During the conventions, the three-tiered system reinforced credit unions' non-partisan, consumer-oriented position in American politics. That effort was illustrated by CUNA and the leagues' signature project at both party events: Building a home for a wounded veteran >> [See page 2](#)

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Political Absence Has High Cost, Say CU Reps

The cost is too high for credit unions not to be involved in the local, state and national political scenes, according to credit union representatives who attended the Democratic and Republican National Conventions.

“We’ve seen all too clearly 10 years ago how being not involved can cost credit unions dearly,” said Harry Carter, president/CEO of Topline FCU in Maple Grove, Minn., in referring to the landmark legislative effort to pass H.R. 1151, the Credit Union Membership Access Act.

Carter, who also is board chairman of the Minnesota Credit Union Network, urged credit unions not to let history repeat itself.

“Ten years ago, we got caught flat-

footed, but we’ve learned,” he said, pointing out that credit unions have strengthened both CUNA and their league’s political muscle. “If you’re going to master the strength of your industry, you must always be heard by those who make the laws.”

Pamelya Herndon, U.S. New Mexico FCU Board vice chair and delegate to the Democratic National Convention, continues

to support candidates who support the ideals and principles of credit unions.

“I strongly encourage credit union volunteers and professionals to learn about the issues that affect credit unions and support candidates who believe in the principles, ideals and philosophy of credit unions,” said Herndon.

Jeff Schwalen, president/CEO of Hiway FCU in St. Paul agreed.

“You must be involved in the process or accept what people put on you,” said Schwalen, who chairs the Minnesota Credit Union Network’s Political Involvement Committee. 🏠



Harry Carter



Pamelya Herndon



Jeff Schwalen

2008 Election Resources for CUs
www.cuna.org/pol_affairs/election

▶ Live from Denver: Mica Touts CUs on FOX

Speak to middle America in addressing the credit and housing crisis, was the advice that CUNA President/CEO Dan Mica had for the presidential nominees when asked by FOX Business Network during the Democratic National Convention.

Mica said whether the new president is Democrat Barack Obama or Republican John McCain, their first order of business should be “do no harm.” A new president must assure Americans that their government is there as a back stop but won’t do anything to create any more jitters in the markets.

Appearing live from INVESCO Field here just hours before Barack Obama accepted the nomination to become the Democratic Party’s presidential candidate, Mica also touted the strength of the credit union system to a national audience during his FOX interview at the Democratic National Convention.

Coolly espousing credit union virtues above the sound of a loud practice session of Michael MacDonald singing “America” in the background, Mica reiterated that credit



CUNA President/CEO Dan Mica had for the presidential nominees when asked by FOX Business Network. Mica appeared live from the convention floor at INVESCO Field at Mile High during the Democratic National Convention. (CUNA photo)

unions have not been part of the subprime lending mess; rather they are helping to address the country’s credit crunch by continuing to lend.

For credit unions, Mica said, “liquidity is there” and he assured that deposits in credit unions are “absolutely” safe.

“Amid all this (market) chaos, there is a calm, a reasonable place to go—credit unions,” he added.

Watch complete interview
www.cuna.org/download/video/mica_0828/mica_082808.html

CUs’ Convention Momentum

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with Homes for Our Troops.

Beyond the flurry of meetings, receptions and other events during both party conventions, CUNA teamed up with the *National Journal* to produce a series of “Daily Briefings” with national pundits and politicians.

The two organizations also hosted nightly VIP viewing receptions, where those not attending the convention facilities could mix and mingle while watching speeches via television.

CUNA and credit unions have been involved in these national events since 1988, according to CUNA Senior Vice President of Political Affairs Richard Gose.

“Being a part of the party conventions demonstrates CUNA’s resolve to put itself in front of the key people who will be making policy affecting credit unions in the coming years,” said Gose. “It’s just as important to be part of the campaigns as it is to be lobbying in Washington.” 🏠

CUs at 2008 National Party Convention

www.cuna.org/newsnow/08/national_conventions

>> Special Report

CU Convention Efforts Recognized on C-SPAN

▶ From page 1

convention, and Staff Sgt. Travis Strong in Golden, Colo., near the Denver site of the Democratic convention. Lawmakers from both parties attended the deed presentation ceremonies, including U.S. Reps. Ed Perlmutter (D-Colo.) and Patrick Murphy (D-Pa.) and Minnesota Gov. Tim Pawlenty (R).

Co-Op Financial Services, the Corporate Credit Union Network, and state credit union leagues across the country were instrumental in the fundraising effort, which totaled more than \$350,000.

At each national convention, CUNA explored ways to cut through the communication clutter and underscore the credit union difference, said CUNA President/CEO Dan Mica, who emceed both presentation ceremonies.

"Credit unions operate every day with a 'People Helping People' philosophy," he said. "That's why our credit unions and their members jumped at the opportunity to assist these very deserving soldiers, either through fundraising efforts across the country or by volunteering their time in person."

Homes for Our Troops is a national nonprofit organization that builds specially adapted homes for severely injured service members. ■

View more scenes from Homes for Our Troops ceremonies
www.cuna.org/newsnow/08/national_conventions.php



From left, U.S. Rep. Tom Cole (R-Okla.), U.S. Sen. Lamar Alexander (R-Tenn.), and CNN's Charlie Cook lead the audience in applauding Sgt. Marcus Kuboy during last week's National Journal Daily Briefing, broadcast live on C-SPAN from the Republican National Convention in Minneapolis. (CUNA photo)



Minnesota Gov. Tim Pawlenty (R) arrives to help present the home during the Republican National Convention. Clockwise from left: Minnesota Credit Union Network President/CEO Mark Cummins, Homes for Our Troops President and Founder John Gonsalves, Pawlenty, Credit Union Association of Colorado and Wyoming President/CEO John Dill, CUNA President/CEO Dan Mica, and CUNA Political Affairs Senior Vice President Richard Gose. (CUNA photo)



"In downtown Denver right now, they are making speeches and giving goody bags. But credit unions are about people helping people and here is where the true commitment is made," said CUNA President/CEO Dan Mica, who emceed both key ceremonies. Clockwise from left: Carroll Beach, president/chief operating officer of CO-OP Shared Branching, Minnesota Credit Union Network President/CEO Mark Cummins, Homes for Our Troops President and Founder John Gonsalves, Mica, U.S. Rep. Ed Perlmutter (D-Colo.), Credit Union Association of Colorado and Wyoming President/CEO John Dill, and Sgt. Travis Strong. (Tom Cherrey photo)

It's NOT whether you can afford to learn at a CUNA school this year.

It's whether you can afford **NOT** to.

Make this year's budgets work harder for you with CUNA's on-site, on-target training institutes and conferences. An investment today will strengthen your knowledge base and your credit union will be better prepared for the future with CU-specific learning opportunities from a trusted resource — CUNA.

BOARD & VOLUNTEER

*"Success in today's environment requires more than good business savvy, it requires the ability to create a vision of your credit union's future."**

At CUNA Volunteer Institutes, you can earn the credentials of a credit union board expert! By successfully completing identified sessions and exams, you can earn credits for the CUNA Volunteer Certification Program toward your Certified Credit Union Volunteer designation.

At the CUNA Supervisory Committee & Internal Audit Conference, five due diligence sessions have been added that are hot on the NCUA's list in 2008!

CUNA Volunteer Institutes

Directors explore how to be most effective by learning how to build a culture of trust, plan for the future, and define their board role.

October 25-29, 2008 – Maui, HI – Tuition: \$1,395**

January 10-14, 2009 – Cancun, Mexico – Tuition: \$1,395**

CUNA Supervisory Committee & Internal Audit Conference

Understand the important role board and supervisory committee members play at your credit union, along with their legal and organizational responsibilities.

December 14-17, 2008 – Las Vegas, NV – Tuition: \$895**

COMPLIANCE

*"Complying with the Bank Secrecy Act and Office of Foreign Assets Control requirements is at the top of many credit unions' to-do list. Credit unions might not see anything new on these requirements, but they'll continue to see an emphasis on strict enforcement of the requirements going forward."**

The CUNA Bank Secrecy Act Compliance Specialist Certification will be offered at the October conference. Upon completion of your certification, make sure to stay certified by renewing your certification every three years.

CUNA Bank Secrecy Act Conference

Safeguard your credit union and help satisfy your statutory and regulatory training requirements.

October 19-22, 2008 – Atlanta, GA – Tuition: \$995

HUMAN RESOURCES & TRAINING

*"Innovation and creativity will become essential skills as the U.S. moves from an industrial economy to a creative economy. Innovation and creativity have been gaining recognition as ways to improve profitability and increase employee engagement."**

CUNA Experience Learning Live! will be unlike any training event you've ever attended! You'll maximize your ability to boost the energy of staff, energize the dedication of volunteers, and increase the knowledge level of your members.

CUNA Experience Learning Live!

Experience new training methods, expand knowledge with your peers, and explore cutting-edge techniques at this credit union training for trainers.

October 26–29, 2008 – Tempe, AZ – Tuition: \$895**

MANAGEMENT & LEADERSHIP

*"The economic environment in 2009 will be one of the most challenging in a generation."**

Community credit unions have great opportunities for growth, and they provide the best opportunity to bring credit union service to every resident of the country. But "business as usual" will not make it happen. Whether your credit union is considering a change to a community charter or has had one for years, this conference will be a valuable learning experience.

CUNA Community Credit Union Conference

Tailor your products, delivery systems, marketing, and service culture to fit your community.

October 8-11, 2008 – San Diego, CA – Tuition: \$995

* Source: CUNA's 2008-2009 Credit Union Environmental Scan Report (E-Scan)

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>> Governmental Affairs

With Congress Back, CUNA Heat Remains on CUBTRRA, Interchange

As Congress returns to session this week, following a five-week recess that spanned the Democratic National Convention and the Republican National Convention, CUNA will keep the heat on its two year-end priority issues: Passage of the Credit Union Bank and Thrift Regulatory Relief Act CUBTRRA); and dissuading lawmakers from allowing government interference in interchange fees.

Interchange was a hot topic for credit unions at the national conventions. In

fact, during DNC event in Denver, MasterCard International General Counsel Noah Hanft pointed out CUNA's effectiveness with the interchange message and thanked the association and credit unions for their efforts. Also, in discussions with lawmakers at the conventions, CUNA continued to promote opposition to a bill that would give merchants an antitrust exemption to negotiate interchange fees.

CUNA will continue those efforts as lawmakers return to Washington

and will also work during the final few weeks left in the legislative session to push for passage of CUBTRRA.

"We haven't given up hope for final passage this year," says CUNA Vice President of Legislative Affairs Ryan Donovan, who put the chances for passage in 2008 at about thirty percent. The U.S. Congress has a target adjournment date of Sept. 26. 🏠

LEGISLATIVE ISSUES
www.cuna.org/gov_affairs

Sarah Vega named NCUA Chief of Staff

NCUA Chairman Michael Fryzel has named Sarah Vega, a former director of the Illinois Department of Financial Institutions, as his chief of staff and senior policy advisor.

Vega is expected to takeover her new duties on Wednesday. She will advise Fryzel on the full range of issues before the NCUA and will oversee the day-to-day management of his office.

Vega's background includes four years served as director of her state's Department of Financial Institutions, the regulatory agency responsible for licensing and examination of all state-chartered credit unions, among other responsibilities. She also was administrator of the

department's Credit Union Division for 10 years. The division regulates Illinois state-chartered credit unions.

Additionally, Vega is a former chairman of the National Association of State Credit Union Supervisors and a former member of the board of directors of the Federal Home Loan Bank of Chicago.

CUNA Deputy General Counsel Mary Dunn welcomed the announcement saying CUNA has

enjoyed working with Vega as an Illinois regulator and looks forward to working with her at the NCUA.

"There are many issues that are pending at NCUA and Sarah's background and experience will be very useful for the agency," Dunn added. 🏠



▶ Seeking CU Comment...

These issues are open for comment by the general public. Credit unions are asked to submit a copy of their comments to CUNA.

▶ **Prompt Corrective Action: Amended Definition of Post-Merger Net Worth Agency: NCUA**
Due date: Sept. 29 (Due to CUNA: Sept. 15)

▶ **Proposed Revision to Regulation S - Reimbursement to Financial Institutions for Providing Records**
Agency: Federal Reserve Board
Due date: Sept. 29 (Due to CUNA: Sept. 22)

CUNA Comment Calls
www.cuna.org/reg_advocacy



>> Notes Bearing Interest

▶ The Front Burner

The most viewed news stories on cuna.org during August 2008 reveal the hottest issues for credit unions. Access the complete stories and register to receive daily credit union news headlines at www.cuna.org/newsnow/top10.

10 CUNA: CTR exemption bill promising for CUs

A bill that would exempt certain customers from currency transaction report (CTR) rules, as well as streamline that exemption process, was introduced in the House just before Congress recessed for its August District Work Session.

9 Parade magazine: Apply for a card with a CU

Parade magazine Sunday encouraged readers to apply for credit cards at a credit union because credit unions are "less likely to impose burdensome fees."

8 Broker for liquidated CU a suicide, says media

A broker who handled investments for a credit union in Connecticut that was liquidated last week committed suicide, according to local news media.

7 Compliance: Can a CU change existing loan terms?

When a federal credit union has been offering home equity line of credit (HELOC) loans to members for years, can it modify the terms of existing loans to reflect a newly adopted policy, asks CUNA's Compliance Challenge.

6 No support for NCUA 'underserved' plan, says CUNA

CUNA does not support NCUA's proposal proposal that would dramatically alter the current federal regulatory process for approving multiple group credit unions' applications to serve underserved areas.

5 CU loans up, savings down in June

Credit union loans are up and savings have declined, and that's causing CUNA economists to reconsider their economic outlook.

4 Study: Gens X, Y more likely to switch PFIs

Generation X and Y may be the future of retail banking, but they are the most likely to switch primary financial institutions (PFIs) because of fees or poor service, according to a poll by Maritz Inc.

3 Fifth Third wants court to reverse CU standing

Fifth Third Bank of Cincinnati is seeking a rehearing of a July court decision granting Pennsylvania State Employees CU (PSECU) and Sovereign Bank standing to sue BJ's Wholesale Club for the cost of replacing member credit cards after customer data was stolen from the retailer.

2 Wescom CU to close 11 branches

Members of Wescom CU, Pasadena, Calif., were understanding when the \$3.7 billion asset credit union announced that it would close 11 branches and continue Sunday hours only at in-store branch locations starting Sept. 12.

1 NCUA reiterates corporates' strength after WSJ story

Following a story in yesterday's *Wall Street Journal*, the NCUA said it would continue prudent regulatory oversight and close supervision of the corporate credit union system, which the agency said maintains a "strong" liquidity position.

CUNA Calls for Board Nominations

October 17 is the deadline for nominations for eight CUNA Board seats. Nominations and seconds were accepted beginning Friday, Sept. 5 and voting will begin Oct. 22 and will close on Dec. 19.

To make a nomination, a credit union or league must complete a nomination form and obtain the consent of the candidate, as well as seconding nomination(s). All nominations and seconds must be submitted on the appropriate forms

The eight directors will take office Feb. 27, 2009, for three-year terms to expire at the adjournment of the 2012 CUNA Annual General Meeting.

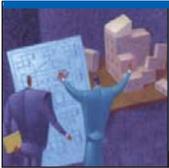
To become an eligible candidate for a CUNA director position to be elected by credit unions, an individual must be an employee or voting board member of the nominating credit union. The nomination must be in writing and must be seconded in writing by two other credit unions of the same size group from the district.

Nomination packets may be obtained by calling CUNA at 800-356-9655, ext. 4013; from CUNA's website at www.cuna.coop; or by e-mail to thanson@cuna.coop. Nomination or seconding forms will be accepted by mail, fax or e-mail. All requests for nomination forms will be kept confidential.

Positions up for election are:

- ▶ District 1, Class B;
- ▶ District 2, Class C;
- ▶ District 3, Class A;
- ▶ District 3, Class D;
- ▶ District 4, Class B;
- ▶ District 4, Class D;
- ▶ District 5, Class A; and
- ▶ District 6, Class C. 🏠

 **CUNA Call for Nominations**
<http://www.cuna.org/cuna/boardelec.html>



>> Serving the Community

CUNA, Leagues Helps CUs Prepare for '08 Storms

As Hurricane Gustav hit landfall last Monday at Cocodrie, La., credit unions, their trade association and leagues, and their regulators were preparing for disaster, readying their response to help credit unions and their members in the wake of the storm.

There were fewer losses from Gustav than expected and the National Credit Union Administration (NCUA) reported that as of close of business last Thursday, there were about 180 federal and state-chartered credit union in affected areas and that more than 75% were fully operational.

CUNA is monitoring the aftermath of Hurricane Gustav, as well as keeping an eye on weather service reports of upcoming storms, and is ready to respond,

if necessary, with resources that include;

▶ **CU Locate:** the Credit Union National Emergency Information System provides credit union members with a toll-free number, 1-877-CULOCATE (877-285-6228), to receive information about the status of their credit union affected by a crisis; and

▶ **R.E.S.C.U.:** the Relief Effort and Support for Credit Unions is the credit union movement's effort to prepare for and respond to large-scale natural and man-made emergencies and business interruptions. This resource includes Adopt-A-Credit Union.

Also, CUNA Strategic Services offers disaster preparedness and recovery services through several alliance programs:

▶ **Agility Recovery Solutions** can

provide a mobile recovery unit fully equipped with power, communications, computer equipment, and many other amenities within 48 hours of a disaster;

▶ **Strohl Systems** offers PLANet, the industry's only Internet-based business continuity planning tool designed to help credit unions meet NCUA and Federal Financial Institutions Examination Council regulations for business continuity and disaster recovery; and

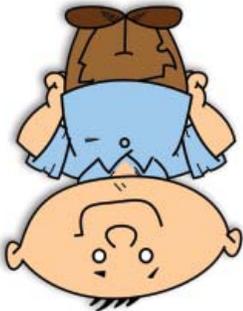
▶ **VoiceGard** offers a comprehensive suite of services to restore telephone capabilities after a catastrophic system (PBX) failure or loss of facilities. 🏠

▶ **CUNA Disaster Preparedness**
www.cuna.org/initiatives/disaster_prepare

CU Locate

http://www.cuna.org/initiatives/disaster_prepare/member/setup_instructions.doc

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Address Changes:
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