



Senate to Get CURIA Twin

CUNA President/CEO Dan Mica (left) and more than 4,000 credit union attendees exalt U.S. Sen. Mary Landrieu (D-La.) after the senator said she and U.S. Sen. Joe Lieberman (I-Conn.) would introduce a Senate bill identical to the Credit Union Regulatory Improvements Act (H.R. 1537), currently making its way through the House. The announcement came during the March 5 GAC general session in Washington, D.C. (CUNA photo)

Credit union attendees of CUNA's Governmental Affairs Conference responded with a raucous standing ovation March 5 to U.S. Sen. Mary Landrieu's (D-La.) news that she will introduce a Senate version of the Credit Union Regulatory Improvements Act.

Sen. Joe Lieberman (I-Conn.) will co-sponsor the credit union bill, which is identical to the House bill, CURIA, H.R. 1537.

"Credit unions reach people where they are and get them to where they need to be," said Landrieu. "Sen. Lieberman >>

[▶ See Page 7](#)

CUNA Speaks Out For CU Reg Relief

New CUNA Chairman Tom Dorety, on behalf of credit unions across the nation, testified in favor of regulatory relief and improvements before the House Financial Services Committee March 6.

Dorety told House lawmakers it truly is ironic that as the economy experiences a credit crunch—and credit unions stand "ready, willing and able to help alleviate the problem and promote economic growth"—credit union efforts are inhibited by "outmoded laws that protect the narrow self interest of bankers."

He urged Congress to support efforts to improve a current 12.25%-of-assets cap on member business lending (MBL) by raising it to 20% of assets.

"There is no economic rationale for this cap," Dorety said, noting credit unions have provided such loans safely for more than 100 years. Also, he said lawmakers should exempt from the cap MBLs made in underserved areas.

The CUNA witness also backed an NCUA plan for a risk-based capital system (PCA reform) and the statutory clarification that all federal credit unions may apply to NCUA to add underserved areas to their fields of membership.

"We are forced to ask Congress for this provision because the American Bankers Association (ABA) sued NCUA in 2005 for authorizing >>

[▶ See page 8](#)

Inside

2 | Dorety: High Impact Projects Right for CUs

New CUNA chairman highlights credit union involvement.

3 | Mica: CUs' 'New Day' is Here

Credit unions urged to continue delivering movement's message.

6 | CUNA Watches for Credit Card Proposals

Lawmakers want to do more to protect consumers.

7 | New Bill Good, but CUs Need More

Proposal offers relief in 12 areas, but falls short of CURIA.



>> Governmental Affairs



Dorety: High-Impact Projects Right for CUs

New CUNA Board Chairman Tom Dorety challenged credit unions to support high-impact community projects to raise awareness of credit unions among public leaders.

Highlighting the importance of credit unions' involvement, Dorety cited the 2008 Herb Wegner Memorial Award Winners: State Employees' CU Foundation; Harriet May, CEO of GECU of El Paso, Texas; and Bob Hoel, former Filene Research Institute executive director.

Dorety, CEO of Suncoast Schools FCU, Tampa, Fla., made his remarks March 4 before the CUNA 2008 Governmental Affairs Conference.

Few credit unions could raise more than \$7 million as State Employees' CU Foundation has done, Dorety noted. But he advised that as a percentage of assets, that amount is equivalent to \$50,000 for a \$100 million-asset credit union and \$5,000 for a \$10 million-asset credit union.

"If all credit unions did that, think of the good we could do," he said.

Dorety said it would be "foolish" to oppose Congress' and regulators' efforts to hold credit unions accountable for their H.R. 1151-mandated mission to serve people of modest means. Fortunately, he added, "many credit unions see the wisdom that serving working-class people can benefit those people and the net income of credit unions."

And, he added, doing so helps credit unions connect with their members. 🏠

2008 GAC Daily News
www.cuna.org/newsnow/gac_2008.html



GAC Quotables



Paul Kanjorski

"You are the leaders. Reach out to your members. Reach out to your communities. America doesn't need doom and gloom. America needs hope... Credit unions are going to be more needed than ever."

—Rep. Paul Kanjorski (D-Pa.)



Spencer Bachus

"I respect what credit unions do. There are so many people you serve that would not be served otherwise. (The Credit Union Regulatory Relief Act) will be a meaningful bill for you all... We want to help credit unions... to work with credit unions and banks to promote legislation to serve the American people."

—Rep. Spencer Bachus (R-Ala.)



Max Baucus

"Credit unions are the foundation of the community... Credit unions are in a unique position by placing value in communities and they should keep looking for ways to help... Credit unions should have the capital to provide high-quality services... They can demonstrate the benefits of cooperative lending... Credit unions are helping the next generation be wise with money..."

—Sen. Max Baucus (D-Mont.)



Mitch McConnell

"If you want something accomplished in the Senate, you cannot do it on a truly partisan basis. You have to compromise... a majority is not enough... The House is a place of action and of great passion... the Senate is a place where bills can cool off..."

—Sen. Mitch McConnell (R-Ky.)



Rodney Hood

"Credit unions were not part of the subprime mortgage debacle, I'm proud to report. You've placed the needs of members above exotic mortgages... Now it's time to demonstrate the difference between credit unions and other financial providers. Make capital available and affordable to those who need it most, when they need it most."

—NCUA Vice Chairman Rodney Hood

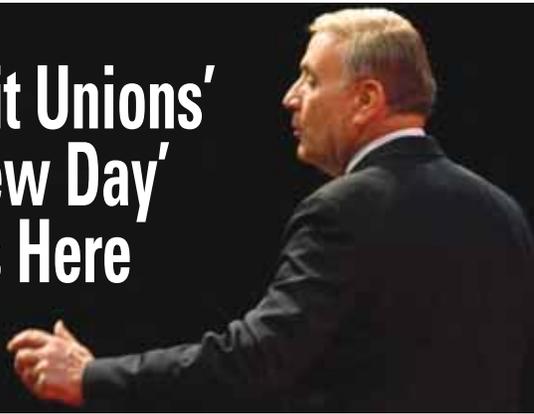


Gigi Hyland

"The Task Force had to balance concerns about privacy with the equally compelling public policy considerations that most financial institutions, not-for-profits and nonprofits disclose compensation. The Task Force concluded that an annual disclosure of compensation should be required, but federal credit unions need to have the flexibility to provide context about the compensation and to choose when and how the disclosure to all members should be made."

—NCUA Board Member Gigi Hyland

Credit Unions' 'New Day' is Here



CUNA President/CEO Dan Mica, addressing 4,500 credit union representatives at the Governmental Affairs Conference (GAC) in Washington, D.C., urged them to continue to deliver the movement's message to Capitol Hill, particularly in the face of increasing negative pressures from the banking industry.

Mica criticized the bankers for repeatedly placing their credit union attacks higher in their legislative priorities than such national issues as the current subprime mortgage crisis,

or even, after the terrorist attacks in 2001, above national security initiatives.

He said the relentless attacks on credit unions by bankers represents "true zealotry." Mica also encouraged credit union to continue helping those affected by the subprime mortgage debacle. He emphasized that while credit unions did not cause the mortgage market problems, they can be a part of the solution.

The CUNA leader also declared it the

▶ See page 6

GAC Capitol Hill Visits



House Speaker Nancy Pelosi (D-Calif.) spoke with credit union representatives in her office during the GAC's credit union visits to Capitol Hill. The group told Pelosi about the new Senate version of the Credit Union Regulatory Improvements Act, which is expected to be identical to the House version (H.R. 1537). The California delegation later held a reception at Credit Union House for House CURIA co-sponsor Ed Royce (R-Calif.). From left: Pelosi; Lynn Athens, president/CEO, Spectrum FCU, San Francisco; Annie Oliveto, board member, United Health CU, Burlingame; California CU League President/CEO Bill Cheney; CUNA President/CEO Dan Mica; Patsy Van Ouwerkerk, president/CEO, Travis CU, Vacaville; and Diana Dykstra, president/CEO, San Francisco Fire CU. More than 4,000 people explained credit union virtues during GAC Capitol Hill visits. (CUNA

"Credit unions' cooperative model represents a classic American ideal of people getting together. You represent the length, the depth and the breadth of our country...Unity, confidence, optimism—working for the common purpose—is what you represent."

—U.S. Sen. Joe Lieberman (I-Conn.)



Joe Lieberman

"I know how important (CURIA) is to providing needed capital in this country...We're going to continue efforts (with CURIA) until the job is done...My work with credit unions goes back to the (state) Senate. I've been a member for years...I have seen the effect of credit unions as they help developing countries build safe financial systems."

—U.S. Rep. Ed Royce (R-Calif.)



Ed Royce

"The subprime crisis did not come from credit unions...I am a proud supporter of credit unions...I will pledge strong regulatory relief to allow you to do your job. The first of many, hopefully...I support creating new credit unions..."

—Rep. Carolyn Maloney (D-N.Y.)



Carolyn Maloney

"NCUA is not in the business of making decisions for the members, but to provide the opportunity for members to make informed decisions. And NCUA is not in the business of dictating management decisions for credit unions, only to ensure decisions are made with members' best interests at heart."

—NCUA Chairman JoAnn Johnson



JoAnn Johnson

"What you do today on Capitol Hill is important. The effort you make and the discussions you'll have today are worth it. Guys like me work for folks like you—and nothing is more important than when your boss is in town...Competition is a good thing. That's what I tell my banker friend."

—House Republican Whip Roy Blunt (R-Mo.)



Roy Blunt

"(Americans) understand the world is flattening, and people are trying to understand how they fit into the world... America is not a Hollywood sitcom; we're not a Michael Moore book. We're good people, passionate people."

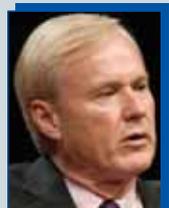
—Ret. General and former Secretary of State Colin Powell



Colin Powell

"In this presidential campaign, the uncertain economy has superseded the change message. In the end, while people may hope for future change, they face an immediate need of having to choose between paying a high heating fuel bill and paying the mortgage."

—MSNBC Hardball Host Chris Matthews



Chris Matthews

TURNING ON THE POWER

POWER UP

AMERICA'S CREDIT UNION CONFERENCE & EXPO

NEW YORK | JUNE 29-JULY 2

POWER SPEAKERS

4 high-powered authors and experts celebrate life and the pursuit of greatness!

POWER PLAYS

7 brilliant Big Apple events — from Broadway to the ballpark.

POWER THINKING

10 progressive thought leaders explore the power within and share their stories in a series of in-depth sessions designed to educate and inspire.

CU  IN NY

POWER BREAKOUTS

15 educational options focus on the top issues facing credit unions today.

POWER GENERATORS

Feel the power...of innovation and passion! America's Credit Union Conference & Expo has infused its agenda with the tools and insights you and your credit union need for success. And, we're generating it all in New York – the nation's number one city!

BACK BY POPULAR DEMAND!

Our Thought Leader Sessions are led by innovative leaders known for their unique ideas and strategies.

- **Richard Hadden** Contented Cows MOOve Faster: Work is Contractual . . . Effort is Personal
- **David Meerman Scott** Blogs, Podcasting, Viral Marketing, Online Media: How to Reach Your Members Directly
- **Mark Sievwright** From Crises and Conundrums to Survival and Success: A New Era in Financial Services
- **Meagan Johnson** Zap the Gap
- **Mark Adams** Play to Your Strength: Real Championship Coaching
- **Bill Hampel, Mike Schenk** An Economic Outlook: The Challenges and Opportunities for Credit Unions
- **Brian Grubb** World Class Member Service: The Ritz Carlton Way
- **Stacey Hanke** Speak To Be Heard: Influencing Others to Take Action
- **Scott Berkun** The Myths of Innovation

REGISTER TODAY



POWERED BY CUNA

Visit: events.cuna.org
Call: 800-356-9655, ext. 5700
E-mail: acuc@cuna.coop



SUSAN PACKARD

Co-Founder, HGTV

RICHARD PICCIOTTO

Retired NYC Fire Chief



STEVE FARBER

Author, *The Radical Leap: A Personal Lesson in Extreme Leadership*



DAN HEATH

Author, *Made to Stick: Why Some Ideas Survive and Others Die*



Your Trusted Resource



>> Notes Bearing Interest

CUNA on Watch for Credit Card Bills

CUNA has been closely monitoring bills intended to reform certain credit card company practices as attention to that subject continued to heat up on Capitol Hill in recent weeks.

At issue are credit card practices that some charge may be both predatory and confusing to customers. Lawmakers in both the House and Senate have spent many months investigating credit card practices.

CUNA generally supports legislative actions that protect consumers' rights in financial transactions, but also monitors such bills to ensure that they do not have the unintended consequence of hampering credit union service to their members.

In the House last week, the Financial

Services subcommittee on financial institutions and consumer credit held a hearing on The Credit Cardholders' Bill of Rights: Providing New Protections for Consumers (H.R. 5244). The bill was drafted by the subcommittee's chairman, Rep. Carolyn Maloney (D-N.Y.), after a series of hearings and a roundtable forum discussion with credit card issuers and consumer groups.

On the Senate side, Sen. Robert Menendez (D-N.J.) introduced the Credit Card Reform Act (S. 2753) intended to end what he labeled "egregious" practices such as excessive fees, retroactive rate increases, universal default, unilateral changes to credit card agreements, and deceptive credit card offers. 🏠

Credit Unions' 'New Day' is Here

▶ From page 3

"beginning of a new day" as excitement pulsed at the GAC over news of a Senate version of credit union regulatory improvements legislation.

Sen. Mary Landrieu (D-La.) chose CUNA GAC to unveil her plan to introduce a bill, which is expected to mirror the Credit Union Regulatory Improvements Act (H.R. 1537) with 147 co-sponsors in the House. (See related story, this issue.) 🏠

▶ CUNA Executive Committee Seated

Tom Dorety, president/CEO, Suncoast Schools FCU, Tampa, Fla., was named chairman of the CUNA board of directors. He succeeds outgoing chairman Allan Kemp McMorris, president/CEO of Oakland County CU, Waterford, Mich.

Dorety was voted chairman during the board's March 3 organizational meeting in Washington, D.C. The board executive committee includes:

- ▶ Vice Chairman: Kris J. Mecham, Deseret First CU, Salt Lake City, Utah;

- ▶ Secretary: Harriet May, GECU of El Paso, Texas;
- ▶ Treasurer: Mike Mercer, president/CEO, George CU League; and
- ▶ At-Large: Patricia Wesenberg, Point Plus CU, Stevens Point, Wis.

Learn more about the CUNA Board of Directors using the online link below.

 **CUNA Governance**
www.cuna.org/cuna



Tom Dorety



Kris J. Mecham



Harriet May

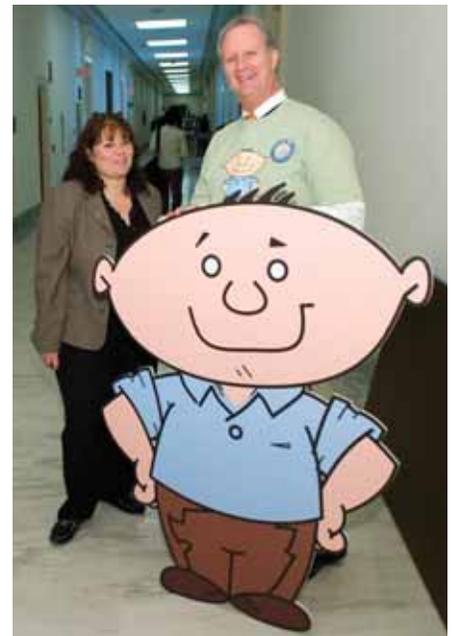


Mike Mercer



Patricia Wesenberg

Little Guy Keeps Focus on CU Members



Credit union activists sported Little Guy t-shirts and signs while they helped staffers and visitors arriving at the Rayburn House Office Buildings on Capitol Hill before the start of the March 6 House hearing on the Credit Union Regulatory Improvements Act (CURIA, H.R. 1357). The helpers opened doors, carried bags distributed mints. Some also attended the House Financial Services Committee hearing. At left, Linda Armyrn, VP of corporate development and government affairs, Bethpage FCU in New York, and Terry Costin, CUNA SVP of marketing and sales. The effort was to reinforce the point that credit unions look out for the Little Guy. The mint tins directed staffers to the Little Guy website. (CUNA photo)

 **Little Guy website**
www.lookoutforthelittleguy.org



>> Legislative Affairs

New Bill Good, but CUs Need More

Reps. Paul Kanjorski (D-Pa.) and Ed Royce (R-Calif.) introduced a new credit union bill March 3, which would offer regulatory relief in 12 areas but does not go as far as the CU Regulatory Improvements Act (CURIA, H.R. 1537).

The bill was introduced just days before a scheduled House Financial Services Committee hearing on CURIA.

Although it touches on many areas of CURIA, the new bill (H.R. 5519) does not contain language to increase the credit union member business lending ceiling or to transform prompt corrective action into a more risk-based system. H.R. 5519 is entitled the CU Regulatory Relief Act (CURRA) of 2008.

CUNA President/CEO Dan Mica commended Kanjorski and Royce for working to reduce the regulatory burden on credit unions. "This timely legislation will get us a long way toward credit union goals—but not all the way: More needs to be done," said Mica.

"Easing restrictions on business lending and providing more flexibility for credit unions in net worth requirements remain key goals for us," he added. "We will continue to urge Congress to consider CURIA, and will continue to seek co-sponsors for this important legislation."

CURIA currently has 147 official supporters in the House.

Among its provisions, the new CURRA bill (H.R. 5519) would permit federal credit unions to add service to underserved areas regardless of original field of membership; exclude member business loans made in underserved areas from the business lending cap; and allow federal credit unions to provide for short-term payday loan alternatives for nonmembers within a the credit union's field of membership. 🏠

 **Legislative Affairs**
www.cuna.org/gov_affairs

Senate to Get CURIA Twin

▶ *From page 1*

and I will do the best we can to move this bill in Congress on your behalf and on behalf of the people credit unions serve."

CUNA President/CEO Dan Mica praised the action. The bill's introduction remained imminent this week.

"Our sincere thanks to Sen. Mary Landrieu for introducing credit union regulatory improvement legislation in the Senate. Our gratitude also to Sen. Joe Lieberman for co-sponsoring," said the CUNA leader.

"This is a significant development for credit unions, as this bill is identical to a measure in the House—which has earned the support of 147 members, and continues to add co-sponsors," said Mica.

Mica said he looks forward to working with Landrieu, Lieberman and other senators in "building similar backing for this bill in the Senate in the weeks to come." 🏠

 **Daily Credit Union News**
www.cuna.org/newsnow

▶ CUs Meet with Senate Leader



U.S. Sen. John Ensign (R-Nev.), left, and Senate Majority Leader Harry Reid (D-Nev.) speak with Nevada credit union representatives March 5 in the Lyndon Baines Johnson Room of the U.S. Capitol. Reid and Ensign were urged to support a version of the CU Regulatory Improvements Act, which Sen. Mary Landrieu (D-La.) plans to introduce in the Senate. Ensign noted the difficulty of passing new legislation in the upcoming year to due the tight political landscape of a presidential election year, but noted that he'd look at the bill. "It's not impossible," he said, though he cautioned that bankers are "still powerful on Capitol Hill." Both also confirmed their concerns with the current economy, including the housing crisis. "I know credit unions are feeling the credit crunch," Reid said, recognizing that credit unions have helped many people. (CUNA photo)



>> Legislative Affairs

CUNA Speaks Out For CU Reg Relief

▶ From page 1

single-sponsor and community-chartered credit unions to add under-served areas to their field of membership."

Rep. Brad Sherman (D-Calif.) recalled how in 2005 the ABA complained before the House Ways and Means Committee that credit unions do not do enough to serve people of modest means and then, within days, took credit unions to court to prevent them from doing so. Sherman said the action defined the term "chutzpah."

Also testifying at the hearing entitled "The Need for Credit Union Regulatory Relief and Improvement," NCUA Chairman JoAnn Johnson urged the lawmakers to see PCA reform, as proposed by the CU Regulatory Improvements Act (CURIA), as a tool needed for oversight by the federal regulator.

She said CURIA would allow Congress to grant greater flexibility to credit unions serving consumers and to strengthen the NCUA's ability to maximize the safe and sound operation of federally chartered credit unions.

Johnson said a risk-based capital system, more aligned with that of the banking and thrift industries, would improve the current credit union "regulatory regime" and "put more money in the members' hands."



"To say we have an unfair advantage is an illusion," said CUNA Board Chairman Tom Dorety during a March 6 House hearing on CURIA (H.R. 1537). He pointed out if banks think credit unions have such an advantage, they can change to a credit union charter. "If there is one advantage that credit unions do have, it is our not-for-profit cooperative structure that puts members first," he said. (CUNA photo)

CURIA, H.R. 1537
www.cuna.org/gov_affairs

Look Out for the Little Guy
www.lookoutforthelittleguy.org



RETURN SERVICE REQUESTED



© Copyright 2008 Credit Union National Association, Inc. ISSN 0899-5597

Published 23 times per year by Credit Union National Association, Inc., 601 Pennsylvania Ave. NW, South Bldg., Suite 600, Washington, DC 20004
Contact: David Klavetter, vice president, editorial communication
Phone: (202) 638-7716 • Fax: (202) 638-7716 • newswatch@cuna.coop
Address Changes:
CUNA E&S, P.O. Box 431, Madison, WI 53701-0431; or call (608) 232-8045
To get free instant e-mail delivery instead of regular mail, log on to www.cuna.org and click Permission E-mail Service. Create your profile and check the box for Newsletter - NewsWatch.

FIRST CLASS TIME SENSITIVE MATERIAL

MARCH 17, 2008

A news service of the Credit Union System,
sponsored by your League, Credit Union National Association



PRESORT
FIRST CLASS MAIL
U.S. POSTAGE
PAID
MADISON, WI
PERMIT NO. 1949