



As a membership organization, CUNA with its network of 44 state and regional leagues counted more than **6,000 of America's credit unions as members**. The following is a summary of your "Membership @ Work," the activities and actions funded by your investment in the League and CUNA System...

#### **Legislative Advocacy**

CUNA and the Leagues continued to advance legislation in the House and Senate on issues important to credit unions.
 And while the monitoring and preservation of credit union tax status remains our highest priority, together we have taken a broad-based, multi-faceted approach to address critical issues such as providing regulatory relief, expanding MBL, eliminating unnecessary ATM disclosures, and securing access to Supplemental Capital.

### **Protecting the Credit Union Tax Status**

• CUNA has held regular **meetings with top tax policy advisors** in the Administration and Congress to advocate for the preservation of credit unions' tax status.

## **Testifying before Congress**

Credit union representatives ensured that the credit union voice is heard, testifying 19 times in the 112th Congress (2011-2012), with 9 occurring in 2012 on key issues including the value of MBL to our communities, the role of CFPB in the credit markets, the rising cost of complying with regulations, and exam fairness. As a result of these hearings, legislation was introduced related to examination fairness, ATM disclosures, and privacy notifications.

# **Member Business Lending**

CUNA sponsored an event on Capitol Hill which focused on credit union member business lending. Live streamed by
 *The Hill* newspaper, the event featured a who's who in Washington, D.C. and drew nearly 160 MBL advocates,
 60 of whom were Congressional staffers. Other key groups included members of the CUNA led MBL coalition, small
 business owners and credit union CEOs.

Forum leaders included *The Hill's* Editor-in-Chief, Hugo Gurdon; CUNA President/CEO Bill Cheney; and the original sponsors of S. 2231 and H.R. 1418, **Senator Mark Udall** (D-CO) and **Representative Ed Royce** (R-CA).

Forum panels were comprised of recognized business leaders including Eli Lehrer of the R Street Institute; John Arensmeyer from the Small Business Majority; Eric Blinderman, owner of two restaurants in New York, NY, including Mas Farmhouse; and Zachary Davis, owner of The Penny Ice in Santa Cruz, CA represented small businesses owners. Credit union representatives were **Brad Green, CEO of Listerhill CU** in Alabama, and **Brooke Van Fleet, CEO of St. Helen's Community FCU** in Oregon.

H.R. 1418/S. 2231: The Credit Union Small Business Jobs Bill (As of 9.18.12)

Lead Sponsors: Rep. Ed Royce (R-CA) / Sen. Mark Udall (D-CO)

Co-sponsors: 140 including Rep. Carolyn McCarthy (D-NY) / 21 including Sen. Susan Collins (R-ME)





#### **Regulatory Relief**

• A representative from CUNA or a League has testified at **Seven hearings** this year related to regulatory burden, helping to raise credit union concern with pending CFPB rulemakings related to remittances and mortgage lending. These hearings led to the introduction of legislation related to examination fairness, and privacy notifications.

H.R. 3461/ S. 2160- Financial Institutions Examination Fairness and Reform Act (As of 9.18.12)

Lead Sponsor: Rep. Shelley Capito (R-WV) / Sen. Jerry Moran (R-KS)

Co-Sponsors: 191 including Rep. Bachus (R-AL)/ 13 including Sen. Susan Collins (R-ME)

#### **ATM Disclosures**

CUNA-inspired legislation to eliminate the requirement that credit unions place a physical disclosure of potential fees
on ATM machines passed the House of Representatives in July by a vote of 371-0. The bill is now in the Senate,
which is expected to approve the legislation before the end of the year.

H.R. 4367/ S. 3204 (As of 9.18.12)

Lead Sponsor: Rep. Blaine Luetkemeyer (R-M0) Sen. Mike Johanns (R-NE)

Co-Sponsors: 145 including Rep. Shelley Moore Capito / 63 including Sen. Saxby Chambliss

# **Supplemental Capital**

• CUNA and Leagues have been working together with a coalition of credit unions to educate members of Congress that capital is king for all financial institutions. Without access to supplemental capital, and with earnings power facing headwinds, credit unions and their members will face a protracted period of reduced member service, disadvantageous member pricing, and very slow growth, unless Congress allows credit unions to access supplemental forms of capital. In fact, supplemental credit union capital will reinforce and strengthen the regulatory incentive for credit unions to remain exceptionally safe and sound, and, will allow credit unions to do even more to serve all their members. This would benefit all credit unions whether they use the authority or not.

H.R. 3993- Capital Access for Small Businesses and Jobs Act (As of 9.18.12)

Lead Sponsors: Rep. Peter King (R-NY)

Co-Sponsors: 43 including Rep. Sherman (D-CA)





## **Regulatory Advocacy**

CUNA's Regulatory Advocacy team continues to operate in overdrive to push back on onerous regulations, both as they are developing and on ones that are already on the books, as well to monitor regulatory activities that impact credit unions and help update the credit union system on all material regulatory developments.

- Just this year, CUNA held more than **75 in-person or telephone meetings** with regulators and examination staff of NCUA and the Consumer Financial Protection Bureau (CFPB) and more are planned.
- So far this year, CUNA's Regulatory Advocacy group has analyzed pending regulations and proposals via 64 comment letters to NCUA, CFPB, IRS and other key agencies.
- CUNA keeps the credit union community informed of key regulatory actions, issuing weekly Regulatory Advocacy Reports and monthly NCUA Board Meeting Summaries issuing weekly Regulatory Advocacy Reports, Monthly NCUA Board Meeting Summaries, and daily stories in CUNA News Now.

## **National Credit Union Administration (NCUA)**

CUNA and Leagues maintained constant communications with NCUA to ensure the appropriate levels of regulation, serving as the "watchdog" over the agency's operations and activities. These efforts have mined some positive results for credit unions and CUNA's efforts will continue as we advocate for much more regulatory relief.

- In September the NCUA Board issued four proposals that are designed to be positive for the credit union system. While CUNA will be pointing out ways to improve these proposals, the agency's efforts to provide flexibility for payday-type loans, increase the definition of small credit unions, expand investment authority to include Treasury Inflation Protected Securities; and to expand the definition of "rural" community are steps in the right direction.
- CUNA's Examination and Supervision Subcommittee, which meets monthly by phone and talks with NCUA's Larry
  Fazio, Director of Examination and Insurance, convened at NCUA's headquarters in early October to discuss a range
  of examination issues. The Subcommittee, working with CUNA staff, will be reissuing the January 2011 CUNA
  Examination Guidance to help credit unions deal with problem examiners and examinations. The Subcommittee has also developed a range of recommendations to NCUA to improve the examination process, including urging the
  agency to establish a working group on regulatory relief.
- At CUNA's urging, the agency has agreed to release to the credit union system relevant portions of its National Supervision Policy manual, which is expected in October. And NCUA has issued a new legal opinion letter that will allow federal credit unions to convert their charter types (for example from single group to multiple group), to facilitate a merger.
- CUNA has strongly opposed NCUA proposals on authority for the agency to determine a state credit union is in
   "troubled condition" and to require all credit unions to meet new emergency liquidity requirements, despite adequate
   interagency guidance that already exists. CUNA continues to oppose the CUSO and loan participation proposals as issued.





## **Consumer Financial Protection Bureau (CFPB)**

CUNA is working hard to educate the Consumer Financial Protection Bureau regarding the impact of their actions on the operations of credit unions and on their members. We are strongly opposing all regulations that Congress did not specifically require, focusing on their negative impact on credit unions.

- Throughout 2012, CUNA President and CEO **Bill Cheney has met monthly with CFPB Director Richard Cordray** and CUNA Regulatory Advocacy staff also meet with him and his staff on a regular basis -
  speaking with CFPB staff nearly every day.
- While CUNA appreciates the importance of well-tailored consumer protections, CUNA has stood up to the CFPB on its international remittances regulation and proposals regarding mortgages, to name a few. On international remittances CUNA's work improved, although not to our satisfaction, the safe harbor to 100 per year.
- At the invitation of CFPB Director Cordray, CUNA has organized two working groups that will meet with Director Cordray in October on remittances and on mortgage-related issues.

## **State Issues Advocacy**

The unique structure of the CUNA-League System ensures that credit unions are protected not just in your state, but in all 50 state capitals.

- CUNA and state leagues participated in national meetings of state legislators held by the National Conference of State Legislatures (NCSL) and the American Legislative Exchange Council (ALEC) to promote credit unions and credit union-friendly legislation to the attendees. Our advocacy efforts ensured that an NCSL policy supporting the dual chartering of credit unions was confirmed and made permanent. During the two events, CUNA and League Representatives visited with more than 300 Republican and Democrat legislators.
- CUNA appointed a working group of credit union experts to provide input and feedback to a committee of the Uniform Law Commissioners that is drafting a uniform mortgage foreclosure law. When the uniform law is completed, it will be used by state legislatures as guidance in crafting their own foreclosure laws.

## **Political Advocacy**

Our Legislative advocacy wouldn't be possible without building a solid foundation of friends in Congress. Therefore CUNA and the Leagues engage the campaign process with incumbents and challengers, across party lines, with one important thing in common – SUPPORT OF CREDIT UNIONS.

Working with the Credit Union Association of New York (CUANY), credit unions spent \$68,000 in radio ads supporting former Rep. Dan Maffei (D) in his challenge to Rep. Ann Marie Buerkle (R). Maffei, who is also endorsed by the CUANY, was a strong credit union advocate last Congress on House Financial Services, and was especially helpful to credit unions during the Dodd-Frank drafting.







- In lowa, CUNA worked with the lowa Credit Union League to **spend \$198,000 on radio ads** supporting Rep. Tom Latham (R), who is in a "member vs. member" race against Rep. Leonard Boswell (D). **Rep. Latham has evolved into a strong credit union friend**. Latham has likewise been endorsed by the lowa League. Radio ads in both districts are running in scheduled to begin in heavy rotation, and are positive in nature.
- With support from CULAC donations, CUNA, league or credit union advocates showed support for credit union friends in or seeking office, attending over **1,000 political fundraisers** with Members of Congress or congressional candidates during this election cycle.

#### **Consumer Awareness**

CUNA and the leagues used media outreach, social media strategies, and more to raise consumers' awareness about credit unions and grow credit union membership.

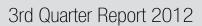
- Notable media coverage included a high profile segment, "Credit Unions 101" on **The CBS Morning Show**, which steered viewers to the CUNA/league consumer website, aSmarterChoice.org, to learn more about credit unions and find one to join (the day of the broadcast, more than 2,000 visitors went to the site).
- MBLs was also the topic when CUNA President/CEO Bill Cheney conducted a multi-state radio tour, doing interviews on Fox News' national network and Bloomberg radio, plus stations in Alabama, Arizona, Florida, Maryland/DC, Mississippi, Nebraska and Virginia. Cheney also urged passage of the MBL bill in a Huffington Post column ("Congress-Stop Listening to the Banks"), in Inc. Magazine, and in a series of New York City meetings with print media, including the Wall Street Journal, the New York Times and USA Today.
- CUNA economists remained prominent in national media, commenting on economic and personal finance trends.
   Examples include *US News & World Report* (CUNA Chief Economist Bill Hampel on trends in the mortgage market), Associated Press (whose nationwide pickup of a story quoting Bill Hampel on household wealth included, NBC News, the *Washington Post*, and *USA Today*), and the *Wall Street Journal* (Hampel on anticipated monetary policy moves by the Fed).
- National media continue to point to credit unions as a preferable choice for consumers with input from CUNA experts.
   Examples include *The Huffington Post* (Bill Cheney column on auto financing); Fox Business ("Five pros and cons of banking at credit unions"); Yahoo! Finance and Bankrate.com ("What to look for in credit union checking")
- *Credit Union Times* selected CUNA Deputy General Counsel Mary Dunn as a "woman to watch" based on her knowledge, experience and accomplishment on regulatory advocacy issues.
- The heightened media attention, supplemented by a CUNA-driven social media effort, led more consumers to aSmarterchoice.org. The site registered more than 303,343 visits during the first 9 months of 2012, which resulted in 168,286 successful credit union searches by these consumers.





## **News, Professional Development & Strategy Tools**

- CUNA remains on the forefront of education, putting education at your fingertips with the launch in the 3rd quarter of **23 eBooks/courses**, with more to come, and CUNA just released **7 iPad** ready courses.
- News affecting credit union operations occurs virtually every day. The writers and editors of CUNA's News Now online daily news service generated approximately 1500 news stories in the third quarter of 2012 to inform credit unions about key developments emanating from Washington, within the Credit Union System, in the realm of new products and services, and among their non-credit union competition. Many of these stories feature resource links to more in-depth information related to the story or related CUNA products/services.
- CUNA's *Credit Union Magazine* keeps more than **40,000 credit union professionals and volunteers** informed on emerging trends, industry "best practices", CUNA's Compliance Corner, and much more.
- Success today also requires credit union personnel to be well trained. To that end, CUNA awarded more than 17,960 certifications and designations through 3rd quarter 2012, including: 1,074 Volunteer Achievers, Certified Volunteers and Volunteer Leaders; 767 Compliance professionals and Certified CU Compliance Executives; 214 Board Financial Literacy Certificates; 258 Certified CU Financial Counselors; and 169 Certified Credit Union Executives.
- Remote learning also remains highly popular, with **6,866 registrations** for CUNA webinars and e-schools. The most popular events during the 3rd quarter included: July TDR's The New Regulatory Requirements; August Understanding what NCUA Letter (12FCU02) means to your Open End Lend; and September Economic Update.
- CPDOnline continues to provide powerful and convenient access to online education for credit union staff and directors; in fact through 3rd quarter 2012, students took 131,372 online courses and completed 126,774 on-line exams across all credit union disciplines and programs.
- CUNA Councils ended the 2012 membership year in **September with 5,500+ members, representing more than 1,625 credit unions**, providing unique education and networking opportunities for key disciplines including marketing/business development, technology, finance, lending, human resources, and operations.
- So far in 2012, the CUNA Councils approved **71 Scholarships** totaling more than **\$178,000** for executives to attend conferences and schools.
- CUNA Councils will publish 23 white papers by year's end in addition to four "financial flashes," bringing the historic total to more than 300! Key issues include The Transforming Role of the Credit Union CFO, Performance Evaluations in the CU Industry: Updating a Tired Task to Drive Change & Goal Achievement, Back in Business: The Pros and Cons of Re-Launching Credit Card Programs and Other Options to Boost Card Revenue, Juggling Priorities in Branch Operations Management, Alternative Revenue Sources: An Engine for Sales & Service Growth.
- CUNA Councils has held 15 virtual roundtables in 2012, discussing key issues such as FASB Disclosure Proposal, Examiner Engagement, JCP Brand Failure Lessons Learned, Driving New Member Growth via Tablets, and Pre-Funding Employee Benefits.







•CUNA's 2012-2013 Credit Union E-Scan provided strategic insights to more than **600 credit unions** to help them position their credit union for success into 2013 and beyond.

## **Compliance Support**

Credit unions continue to face ever increasing amounts of regulation, and while your CUNA-league team is hard at work to prevent, mitigate or reduce the burden of compliance, where regulations already exist, we will continue to provide you with the support you need to address laws, rules, and regulations.

- Keeping abreast of compliance responsibilities is essential, and credit unions continue to turn to CUNA for guidance.
   CUNA's members-only compliance on-line resources received 2,262,848 visits in the through third quarter 2012, with credit unions frequently visiting CUNA's CompBlog and CUNA's e-Guide to Federal Laws and Regulations.
- CUNA's Compliance Team made 335 CompBlog posts through for the first nine months of 2012, keeping credit unions up to date on pending and recently implemented regulations, as well as long-standing rules and regulations. CUNA's monthly "Wrap-Up" highlights key compliance developments reported on the CompBlog during the month, as well as provides an article oriented towards helping smaller credit unions stay on top of regulatory developments.

For more information on the value of the CUNA-League Membership or to learn more about your Membership@Work, please contact your League or Jeff Carpenter, CUNA's VP of Membership Development at jcarpenter@cuna.coop or 800-356-9655, ext. 6722.