

CUNA Launches System-wide Vision – Unite for Good

CUNA launched the Unite for Good campaign to rally credit unions around a system-wide strategic vision where "Americans choose credit unions as their best financial partner." Together, credit unions, the leagues and CUNA are Removing Barriers, Creating

Unite for The Good

Awareness and **Fostering Service Excellence**. The campaign includes a new website, www.UniteforGood.org, with specific action steps for credit unions and resources for leagues.

Your league and CUNA, along with 44 peer state and regional associations, are committed to work with your credit union to achieve this new vision. The following is a summary of your CUNA-League 2013 1st Quarter Membership@Work to Unite for Good!

Removing Barriers

Your credit union needs an operating environment that enables you to provide the products, services and programs that best serve your members. Together, we must remove barriers that impede credit unions' from serving members or do not contribute to the safety and financial security of your members.

Retaining the Tax Exemption

Retaining the tax status is CUNA's number one legislative priority. As Congress contemplates comprehensive tax reform, the tax status remains vulnerable,

and your league and CUNA have taken a proactive approach through aggressive advocacy and the creation of a Credit Union Tax Status Advocacy Toolkit. If you haven't already, please visit

www.cuna.org/taxstatus-toolkit website for sample print and radio ads, newsletter articles



for credit unions, op-eds, and more all aimed at educating credit union members, the public and policymakers on the credit union tax exemption.

CUNA's Legislative Affairs team was active in advocating for the continuation of the credit union tax status by conducting daily meetings with Members of Congress and



their staff on the important House Ways and Means Committee and the Senate Finance Committee.

Principally our research (See "Prioritizing Legislation with Market Driven Strategy," below) helped refine our strategy – resulting in radio ads and the strategic assistance we provided to Illinois and Oregon in their state tax fights. The research also drove most of the materials in our Credit Union Tax Status Advocacy Toolkit. A key to our success is educating credit union members on their membership, tax exemption, credit union structure and the benefits of membership: and the toolkit provides great educational materials.

Prioritizing Legislation with Market Driven Strategy

CUNA unveiled our 2013 legislative agenda with top priorities as the retention of the tax-exempt status, regulatory relief, charter enhancements (i.e. MBL and supplemental capital) and credit union involvement in housing finance reform.

Our legislative agenda is driven by our ongoing research, which in the first quarter included: CUNA's CEO/Board Survey, National Voter Survey, and Focus Groups. The CEO/Board Survey, with a statistically robust 894 CEO and Board responses, helps the CUNA-League System determine our membership's needs/wants/concerns which enables us to refine our legislative and regulatory priorities. The National Voter Survey and Focus Groups provide unique marketplace insights which help us determine the best strategy and messaging for engaging on those issues. The National Voter Survey surveyed 1,000 voters (23% were done by cell phone). Two key things we learned from the survey were that voters that consider themselves CUPFI (credit unions as their primary financial

institution) would support credit unions over banks in a legislative battle 93-2, versus non-PFI at 64-28. Currently 40 million Americans choose credit unions as their PFI. Our 2023 Unite for Good goal is to reach 50 million CUPFI. Also interesting to note is the perception that credit unions are "behind banks" on federal insurance, convenience and access to online banking. Educating our member on these topics must remain a priority.

CUNA and leagues conducted eight focus groups in Dallas, Philadelphia, San Diego and St. Louis between January 7 and 15. The groups included self-described CUPFI members and "media attentive" participants. A consistent theme is the more credit union members know about the structure, attributes and benefits of credit unions, the stronger their resistance to taxing credit unions.

Moving Charter Enhancements Forward

The Member Business Lending legislation was reintroduced in the House of Representatives (H.R. 688) by Representatives Ed Royce (R-CA) and Carolyn McCarthy (D-NY) with 89 co-sponsors, showing broad and bi-partisan support.

The Supplemental Capital legislation (H.R. 719) was also reintroduced by Representatives Peter King (R-NY) and Brad Sherman (D-CA) along with 23 cosponsors, again showing bi-partisan support.

Pursuing regulatory relief, our Privacy Notification legislation (H.R. 749), sponsored by Representatives Blaine Luetkemeyer (R-MO) and Brad Sherman (D-CA) along with 73 co-sponsors passed the House of Representatives and was introduced in the Senate (S. 635) by Senators Sherrod Brown (D-OH) and Jerry Moran (R-KS) with 11 co-sponsors.



In the first quarter your league and CUNA also continued to pursue additional regulatory relief legislation in the House of Representatives and we remain actively engaged in housing finance reform conversations in the House of Representatives.

Protecting You in Washington, D.C. and in All 50 Capitals

CUNA-League System's unique structure of a national association in Washington, D.C. combined with the local presence in every U.S. state capital continues to be a powerful weapon against grassroots banker attacks.

CUNA's State Governmental Affairs has monitored over 2,000 state legislative bills during the first quarter. Some 500 of these bills were tied to foreclosure. And the impact of the Durbin Amendment continues as more states consider prohibitions on "surcharges on card transactions". CUNA's State Governmental Affairs team provided timely information and assistance to state leagues as they addressed this emerging issue in their respective state legislatures.

And not just monitoring bills, but providing support to the states such as Northwest CU Association, the Illinois CU League, and the Credit Union Association of Oklahoma with their emerging state tax battles. CUNA assisted with research, information and analysis to support state tax advocacy, and posted these resources for all credit unions to use as part of a Credit Union Tax Status Advocacy Toolkit on the CUNA website (cuna.org).

Working with Regulators to Garner Relief

In the first quarter CUNA unveiled a redesigned Regulatory Advocacy Report, distributed via email weekly to all CUNA-affiliated credit unions, in a colorful, easy-to-read newsletter format with details and resource links on the week's important developments from NCUA, CFPB and other federal regulatory bodies whose policies affect credit union operations. As an affiliated credit union, you can receive this at no cost by going here and clicking "subscribe."

As we all know, the financial crisis resulted in an outpouring of proposed new regulations required by Congress. The leagues and CUNA have been fighting this tide from day one, and these efforts are showing results as regulators are responding to concerns about the overwhelming regulatory burden being created.

On pace with the 108 comment letters we filed last year, CUNA has already submitted 25 comment letters in the first quarter to the NCUA, CFPB, FFIEC and FinCEN and more are in the pipeline.

CUNA participated in the CFPB's Consumer Advisory Board (CAB). Director Richard Cordray delivered prepared remarks where he focused on student loan issues, credit card market matters, the agency's consumer response function, broadening public participation in the Bureau's rulemaking processes, the financial exploitation of military and elder Americans, and overdraft protection provided by financial institutions. There was a good amount of discussion around the regulation of payday lenders and nonbank entities, an area in which CUNA has advocated the Bureau become much more involved.

While credit unions are rightly concerned about the totality of the CFPB's rule and in particular rules on mortgage servicing, the borrower's ability to repay and remittances, the CFPB has made changes in the rules to accommodate small lenders, such as certain exemptions and revising requirements such



as eliminating the need to disclose state and local foreign taxes in connection with an international remittance transfer. The agency also provided legal protections for lenders making qualified mortgages, as well as for lenders that make mortgages that do not fit the QM profile.

CUNA continued to urge NCUA to provide regulatory relief to credit unions, and the agency has listened and is currently working on a rule to allow federal credit unions to invest in derivatives to hedge interest rate risk and is working on improving the loan participation proposal that has been pending since December 2011. The agency's CUSO proposal remains delayed, due in part to strong opposition from CUNA and the leagues.

CUNA is standing up to the Financial Accounting Standards Board (FASB) on the single credit measurement proposal and is organizing a student loan working group to meet with NCUA and with the CFPB to urge these agencies to refrain from issuing new regulations regarding student loan programs.

Your league and CUNA published the results of the National Exam Survey that was conducted in the fourth quarter of 2012. There were 1500 respondents. 60% said their last exam was favorable and 25% said they did not have a good experience. Using the information from the survey, CUNA and leagues are using the survey results as the foundation for continued dialogue with NCUA and state regulators to pursue remedies for challenges credit unions are facing with the examination process.

Making Compliance a Little Easier

Within days of the CFPB finalizing seven complex mortgage lending rules in January, CUNA's Compliance team released a Summary of the CFPB's Mortgage Lending Rules chart which summarizes the proposals, lists the various effective dates, describes which mortgage products are impacted by the different rules, and links to the CFPB's requirements and CUNA's analyses and other explanatory information. The chart is regularly enhanced and updated.

CUNA's eGuide to Federal Laws and Regulations has been reformatted into a more user-friendly tabular system as part of CUNA's redesigned website at cuna.org. Each of the 100+ eGuide topics now starts with information on latest developments on that topic, and continues to provide a summary, links to the applicable law and regulations, resources and frequently asked questions.

Creating Awareness

Credit union "people" know the value of being a credit union member. Total member value, or savings to credit union members, was \$6 billion in 2012. But, less than half of our 96 million members consider us their Primary Financial Institution (PFI) and less than one-third of the more than 300 million Americans choose credit unions. Our 2023 Unite for Good goal is to provide \$20 billion in total member

value and to reach 50 million CUPFI. Together we must work to create awareness with consumers, policymakers and the media to help more consumers learn the benefits of credit union membership.

Helping Consumers Find Your Credit Union

The CUNA/league consumer website, <u>www.</u>
<u>aSmarterChoice.org</u> drove tens of thousands of consumers to learn about credit unions and find one



they can join. The first quarter of 2013 saw nearly 55,500 visits to aSmarterChoice.org, resulting in 50,377 successful searches to find a credit union. Consumer interest in credit unions was enhanced by a CUNA-funded ad campaign on Google, bringing the attention of searchers to aSmarterChoice.org whenever they 'googled' about credit unions.

We worked to raise consumer awareness by keeping credit unions in front of the national media. High-profile coverage in the first quarter included CBS Sunday Morning (family-focused credit unions); CBS News Money Watch (tips to save money in 2013); Bloomberg Radio (MBLs); NBC Today.net (overdraft protection), Army/Navy/ Air Force/Marine Times ("making a case for credit unions"); The New York Times, CNN Money, NPR, Kiplinger's Personal Finance (free checking at credit unions); Fox Business ("five types of credit unions worth joining"; "saving for college-three trends to know";), Bloomberg/Business Week (growing CU membership), CNBC and Bloomberg TV (CUNA's Bill Hampel on job growth's economic impact), and The Washington Post (credit unions serving public housing residents).

CUNA's weekly, one-hour personal finance radio show, Home & Family Finance, marked its 300th radio broadcast since launching six years ago. The program, which is "presented by America's credit unions," builds the credit union brand and advances the movement's mission of promoting financial education. The show now airs in 61 markets nationwide plus U.S. military bases worldwide via the American Forces Radio Network. Haven't heard it yet? Stream or podcast it via the internet here.

For the third year in a row, the National Credit Union Foundation (NCUF) held a Financial Reality Fair in

conjunction with the 2013 CUNA Governmental Affairs Conference. A reality fair is an interactive financial literacy tool for high school students and more than 100 students from area schools attended NCUF's fair. Many others stopped by to observe the fair, including Members of Congress and GAC attendees during their Hike the Hill visits. After the fair, teachers described it as "an eye-opening experience" and "the students learned a semester's worth of meaningful material in just two hours." CUNA and NCUF both offer reality fair programs, which are used across nearly 40 states. An estimated 10,000 students attended a fair in 2012. That number is expected to grow substantially in 2013. For more information, visit realsolutions.coop or cuna.org.

At the GAC, Today Show finance guru Jean Chatzky delivered a highly rated keynote speech touting that "money is simple, people make it complicated." That lesson and 90 others are distilled in her most recent book, *Money Rules: The Simple Path to Lifelong Security*, which is a powerfully simple, must-have manifesto on money. Late last year, NCUF started making "*Money Rules*" available to credit union organizations at a substantially reduced rate to distribute to staff, members and others. To date, NCUF has distributed almost 75,000 copies of the book to more than 200 credit union organizations, with orders steadily coming in. For more information, visit ncuf.coop.

CUNA helped credit unions gear up for the 2013 National Credit Union Youth Week (April 21-27). More than 240 credit unions will participate in the annual Youth Savings Challenge. Record numbers of credit unions are celebrating in the Savings Sleuth-themed event this year. Look for an update in our next report.



Educating Policymakers

CUNA also kept credit unions prominent in Capitol Hill publications read by members of Congress and their staff, such as *Politico* (credit unions' battle with banks continues), *The Hill* (TAG win for credit unions a top lobbying victory of 2012), *Roll Call and National Journal* (GAC coverage).

CUNA and your league hosted the movement's premier political event, the CUNA Governmental Affairs Conference, which this year drew one of its largest turnouts, 4,200 GAC participants, to lobby Capitol Hill in support of credit unions' legislative agenda. The GAC is the only national conference at which movement leaders hear directly from such influential policy makers as House Speaker John Boehner, House Majority Leader Eric Cantor, House Minority Whip Steny Hoyer, House Financial Services Committee Chairman Jeb Hensarling (R-TX) and Ranking Member Maxine Waters (D-CA), Senate Banking Committee member Elizabeth Warren (D-MA), CFPB Director Richard Cordray and keynoters like NBC newsman Tom Brokaw, Today Show personal finance editor Jean Chatzky, former Republican National Committee Chairman Haley Barbour and former Democratic National Committee Chairman Terry McAuliffe.

Keeping You Informed

CUNA introduced The Cheney Report, a weekly direct communication to credit union leaders with the latest updates and intel from CUNA's CEO on key Washington and system developments. If

you're not already receiving it, go to this page of cuna.org and click "subscribe." There's no cost.

Our expanded and revamped *News Now* now gives you more daily headlines and brief descriptions of top stories. More than 45,000 readers now start their day with *News Now*.

In the first quarter, your *News Now* editorial team produced some 1,500 stories, keeping *News Now* positioned as the credit union movement's top and most comprehensive daily news source.

CUNA's monthly Credit Union Magazine – and its companion website, creditunionmagazine.com – publish information and analysis credit union boards and senior management teams need to run thriving credit unions. Recent articles highlighted: how credit unions stepped up to lend members a hand during the Great Recession; how credit unions and their partners teamed up to reach out to 68 million unbanked or underbanked consumers, by providing prepaid card solutions and adopting unique service strategies; How credit unions work to turn young consumers into lifelong and loyal members through youth education, community outreach and ageappropriate products and literacy tools.

CUNA and your league want you to get the most of your membership. That is why we created a new checklist, "Maximize Your Benefits of Membership" to help ensure your credit union is taking full advantage of your benefits of CUNA-League membership.



Fostering Service Excellence

Credit unions have been lauded as the service leaders in nearly every consumer national poll, but we must continue to deliver the best experience, service, technology, education and financial resources for our members. Together, credit unions must work together to be individually and collectively, the best choice for our members. Together we must foster service excellence.

Recognizing Excellence

Recipients of the 2012 Dora Maxwell Social Responsibility Community Service Award and the Louise Herring Philosophy-in-Action Member Service Award, chosen from among the state winning entries by CUNA's national awards committee, were presented at the 2013 CUNA GAC. The 2012 Dora Maxwell Award firstplace winners include: Renaissance Community Development CU in Somerset, NJ; United Labor CU in Kansas City, MO; Health Center CU in Evans, GA; Rock Valley FCU in Loves Park, IL; Mid Missouri CU in Fort Leonard Wood, MO; Alabama CU in Tuscaloosa, AL; Credit Union ONE in Ferndale, MI; American Heritage FCU in Philadelphia, PA; and Pittsburgh Chapter of Credit Unions, Pittsburgh, PA. And the 2012 first-place Louise Herring Award winners include: Syracuse Cooperative FCU in Syracuse, NY; St. Louis Community CU in St. Louis, MO; Commonwealth CU in Frankfort, KY; State Employees' CU in Raleigh, NC; and Erie Chapter of Credit Unions, Erie, PA.

Also at GAC, NCUF presented three Herb Wegner Memorial Awards at its annual dinner Monday night. Denise Gabel, Chief Operating Officer of the Northwest Credit Union Association, served as the night's emcee for the first time. NCUF celebrated three of the highest national honors in the credit

union movement: Rick Craig, retired President/CEO of America First Federal Credit Union for Lifetime Achievement, Hubert H. Hoosman Jr., President/CEO of Vantage Credit Union for Individual Achievement, and Credit Union Miracle Day for Outstanding Program. Nominations are open now for the 2014 Herb Wegner Memorial Awards. For more information, visit ncuf.coop.

Fostering Conversations Among System Leadership

CUNA Councils is starting 2013 strong, with record-breaking renewals and a robust influx of new members already totaling more than 5,400. On pace to set a new record for members in 2013, CUNA Councils provide unique education

and networking opportunities for key disciplines including marketing/business development, technology, finance, lending, human resources, and operations, sales and service.

The CUNA Marketing & Business Development Council held its 2013 Conference in Anaheim, CA with nearly 500 attendees, a record-breaking turnout. Scholarships of \$22,500 were provided to nine credit union executives, allowing them to attend the conference.

The CUNA Marketing & Business Development
Council held its annual Diamond Award
competition, awarding 88 Category's Best winners
and 207 Diamond winners (out of nearly 1,200 total
submissions). At the annual Conference, the Council
honored Lisa Nicholas from Amplify FCU with the
Marketing Professional of the Year award, Andy
Reed from American Airlines FCU with Business
Development Professional of the Year, and inducted
Lesley Carrell from Fibre FCU into the Hall of Fame.

CUNA Councils also held six virtual roundtables in



Q1 2013, discussing key issues such as Mortgage Audits, Affordable Care Act Implications for Credit Unions, Putting Tablets to Work in Credit Union Operations and FASB Proposed ASU on Credit Losses – Overview and Ramifications for Credit Unions.

CUNA Technology Council's CUFX Project – an initiative to develop standards that would make product and service integration across the credit union industry easier and less expensive – continues to make progress. The first standard (for personal finance management) is now live at *Baxter CU*; a second standard (for new member applications) is nearing completion. The group has kicked off work on a standard for online banking, mobile banking, and IVR. CUFX has contracted with a technical business analyst to support standards development work of volunteers. To support this effort, seven credit unions have contributed \$230,000 to date.

Developing Today's and Tomorrow's Leaders for Excellence

Demonstrating your knowledge is important. CUNA awarded more than 6,506 certifications and designations through first quarter 2013, including: 249 Volunteer Achievers, Certified Volunteers and Volunteer Leaders; 445 Compliance Professionals and Certified CU Compliance Executives; 39 Board Financial Literacy Certificates; 35 Certified CU Financial Counselors; and 8 Certified Credit Union Executives.

CUNA CPDOnline continues to provide powerful and convenient access to online education for credit union staff and directors; during first quarter 2013, students took 48,137 online courses and completed 49,101 online exams across all credit union disciplines and programs. Topics that drew the most activity in the first quarter include: Office

of Foreign Assets Control; Robbery: Actions, Reactions, and Coping Skills; Bank Secrecy Act; The Credit Union Difference; and Member Service: The Core of Credit Unions.

CUNA enhanced RegTraC subscriptions by now giving continuous real-time updates and access to all employees at the credit union. CUNA currently has more than 1700 Credit Union Compliance Experts (CUCE) designees.

In an effort to get training in the hands of directors and volunteers in a wide range of formats, as conveniently as possible, CUNA has created a video of its most popular volunteer workshop, Supervisory Committee Duties & Responsibilities. And our work to deliver training where you need it is being recognized by other industries as two of CUNA-CPD staff will be presenting on the topic presenting mobile learning to various generations at the ELearning Guild's mLearnCon in June.

During the first quarter of 2013, CUNA Creating Member Loyalty certified 28 trainers to deliver CML courses to their staff. Creating Member Loyalty credit unions trained a total of 1,727 employees and managers during the first quarter of 2013

CUNA also released 14 new online courses in the following areas: Workplace Diversity - Demographics, Diversity and Workplace Inclusion; Looking Inward: Where Inclusion Begins; Diversity, Compliance and Credit Unions; Teamwork in a Diverse Workplace; and Diversity in Action.

Budgeting and Accounting for Non Financials-Accounting Basics; Financial Statements; Keeping the Books; Monitoring Financial Performance; The Planning and Budgeting Cycle. Social Media for Credit Unions. How to Conduct a Webinar. Frontline Basics Refresher. Balancing the Drawer



Educating Members, Educating Staff

CUNA's Consumer Publishing area is devoted to helping credit unions deliver on their commitment to financial education. In the first quarter of 2013 these resources included 75 feature articles, fast facts, and newswire service articles on CUNA's consumer microsites, 75 blog posts from bloggers in the same age demographic as the microsite target audiences, 40 audio segments featuring experts in money management hot-topic areas, and 50 credit union content specific items ready to be inserted into credit union online and print newsletters, local newspapers, or used for direct mail. To assist credit unions in getting their financial literacy efforts out to members and nonmembers, all feature content is sharable via social media and we also provide specific blurbs credit unions can use on Facebook and Twitter.

Leveraging Relationships

CUNA Strategic Services (CSS), owned by CUNA and the state leagues, shared its 2012 results during its annual shareholders' meeting in February. The numbers are something to be proud of: last year, credit unions saved \$35 million through our strategic alliances. Because of these valued relationships, 60 cents of every dollar earned—a total of \$3.2 million—was returned to the credit union system.

In March, CSS announced a new strategic alliance relationship with Compushare, a fully hosted cloud

computing solution designed specifically for the financial services market.

In the first quarter of 2013, CSS provided you with information to keep you on top of the latest credit union trends with the following white papers: Insights into 2013: Regulations, Rates and Recovery Dampen Optimism and Credit Unions, and Compushare Cloud Computing Trends. The CSS subject matter experts contributed 15 articles to the online version of *Credit Union Magazine*, CUInsight. com's Community, and several leagues on topics such as enterprise risk management, small-business banking, and identifying financial stress.

More than 1,885 of you took advantage of the 26 complimentary webinars CSS presented on behalf of its providers. You learned about branch transformation, international remittances, mobile banking, and the ineffectiveness of two-factor authentication.

CSS prides itself on its due diligence process for both potential and current providers. In 2012, it completed 33 due diligence evaluations. So far this year, three companies have undergone the due diligence process. These evaluations don't always lead to new relationships—they help CSS ensure that it continues to bring on providers who offer quality products and services to you.



For more information on CUNA-League Membership, please contact your League or Jeff Carpenter, CUNA VP of Membership Development at icarpenter@cuna.coop.