

Leading the Movement

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, securing access to Supplemental Capital and passing flood insurance reform.

Testifying Before Congress

- Credit union representatives ensured that the movement voice is heard, **testifying 18 times in the 112th Congress** (2011-2012), eight 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.

Moving Member Business Lending

- CUNA organized a special Small Business "Hike the Hill," bringing 75 participants—including **small business lenders and coalition partners**—to lobby Congress and make the point that raising the cap is doing what's best for the nation's small businesses.
- CUNA bolstered its coalition of third-party, pro-small business organizations for MBL. The Coalition now numbers more than 30, with the addition of such influential new members as the **U.S. Hispanic Chamber of Commerce, the National Association of Home Builders and the National Rural Electric Cooperative Association.**
- CUNA worked through its network of Leagues to run **more than \$700,000 worth of radio commercials** in 11 key states aimed at moving their respective U.S. Senators to support S. 2231, the Senate bill that would raise the cap on credit union member business lending.

H.R. 1418/S. 2231: The Credit Union Small Business Jobs Bill (as of 8.1.12)

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

Co-sponsors: 140 including Rep. Carolyn McCarthy (D-NY) / 22 including Sen. Susan Collins (R-ME)

Last Action: House Committee hearing on Oct. 12, 2011 / Senate Banking Committee hearing on June 16, 2011

Regulatory Relief

- A representative from CUNA or a League has **testified at six hearings** this year related to regulatory burden. As a result, legislation was introduced related to examination fairness, ATM fee disclosures and privacy notifications. CUNA and the Leagues have actively lobbied Congress on these bills, helping them to earn the support of more than 100 members of Congress each, and putting them in a good position to advance before the end of the year.
- CUNA supported legislation, which passed the House in April, **exempting credit unions** engaging in derivatives from CFTC regulation if their exposure is less than \$1 billion. This bill was inspired by a CUNA comment letter on a proposed CFTC regulation.
- 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. 3461/ S. 2160- Financial Institutions Examination Fairness and Reform Act (As of 8.1.12)

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

Co-Sponsors: 190 including Rep. Bachus (R-AL)/ 11 including Sen. Susan Collins (R-ME)

Last Action: Hearing held on February 1, 2012

Supplemental Capital

- CUNA and the 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 or not they use the authority.

H.R. 3993- Capital Access for Small Businesses and Jobs Act (as of 8.1.12)

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

Co-Sponsors: 42 including Rep. Sherman (D-CA)

Last Action: Referred to House Subcommittee on Financial Institutions and Consumer Credit

Flood Insurance Program

- A five-year extension to the National Flood Insurance Program—a measure that CUNA and the Leagues have been working on for months—was signed by the President, extending the program through 2017. **CUNA-League suggested language to address force-placed flood insurance** was included.

Regulatory Advocacy

CUNA's Regulatory Advocacy team stays in steady contact with regulators to convey credit unions' views and concerns, an effort that yielded strong results in the first half of 2012.

- CUNA achieved a key win as NCUA released an improved rule on regulatory and reporting treatment of troubled debt restructurings (TDRs). The TDR rule contained improvements suggested by a CUNA-League working group that will **save credit unions millions of dollars**. CUNA is taking a similar approach to improve the CUSO and loan participation rules pending at NCUA.
- Just this year, CUNA held more than **50 in-person or telephone meetings with regulators and examination staff** of NCUA and the Consumer Financial Protection Bureau (CFPB). The main focus of CUNA and Leagues is to reduce the regulatory burdens on credit unions.
- CUNA's Regulatory Advocacy group provided input and analysis of pending regulatory proposals via **42 comment letters to NCUA, CFPB, IRS and other key agencies**.
- CUNA is working with the CFPB to pursue **relief on ATM notices, annual privacy notices, remittances and mortgage-related CFPB regulations**, among others. CUNA and the Leagues have held meetings and discussions to bring CFPB personnel up to date regarding the importance of credit unions and the need for regulatory relief.
- CUNA keeps the credit union community informed of key regulatory actions, issuing **weekly Regulatory Advocacy Reports** through the first half of 2012.

Political Advocacy

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

- A busy primary season in 2012 saw electoral primary **wins by 225 CULAC backed candidates**, setting up a nice opportunity to achieve an even higher number of credit union friends in Congress.
- A key success was a special election victory by Suzanne Bonamici (D-OR). Bonamici's win, which was made possible because of the great work of the Northwest Credit Union Association and its member credit unions, created a bond so strong that after being sworn into office her **first action was co-sponsoring the House MBL bill**.
- CUNA-organized independent expenditure-financed radio ads helped propel a key member of Congress—House Financial Services Committee Chairman **Spencer Bachus (R-AL)—to victory in a hard-fought primary contest**.
- CUNA continues to urge credit unions to employ direct voter communications heading into the 2012 election season. Bolstering the case: CUNA's annual National Voter Survey showed that by the widest margin ever, a **majority of voters (55%) would favor credit unions over banks** in a legislative fight in Congress or a state legislature.
- With support from CULAC donations, CUNA, League or credit union advocates showed credit unions support for credit union friends in or seeking office, attending **more than 450 political fundraisers** with members of Congress or Congressional candidates.

State Advocacy

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

- This year CUNA launched a new state **legislative tracking system** to provide state leagues access to critical information on state legislation across the country.
- CUNA completed the first two sections of a comprehensive update of CUNA's **"Comparative Digest of Credit Union Acts."** These comparisons of selected provisions related to Supervisory Authorities and formation/structure are convenient references used by state leagues to evaluate their state credit union laws and provides a blueprint for creating empowered state charters.

News, Professional Development & Strategy Tools

- CUNA's News Now daily news service generated approximately **3,000 news stories** in the first half 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.
- In 2012 CUNA awarded **12,020 certifications and designations**, including: 747 Volunteer Achievers, Certified Volunteers and Volunteer Leaders; 392 compliance professionals and Certified CU Compliance Executives; 146 Board Financial Literacy Certificates; 159 Certified CU Financial Counselors; and 89 Certified CU Executives.
- Remote learning also remains highly popular, with **1,922 registrations for CUNA webinars and e-schools**. The most popular events so far this year: January – Project Zip Code; February – Regulation E Remittance Transfer Rule; March – Troubled Debt Restructuring; April – Interest Rate Risk Compliance; May – Fixed Income Investments e-School; and June – Garnishments, Levies & Subpoenas.
- CUNA Councils published **12 new white papers** on key issues, including Financial Forecasting & Analysis in Turbulent Times; Transitioning from Product to Brand-Based Marketing; and Credit Union Wellness Programs.
- **CUNA Councils' 5,500 members** represent key disciplines including finance, human resources, lending, marketing/business development, operations and technology. Through the first half of the year Council conferences attracted record numbers.
- CUNA's Governmental Affairs Conference remained the premiere credit union advocacy event with **more than 4,000 attendees** representing 969 credit unions and Leagues. From **Union Baptist Church FCU of Fort Wayne, Indiana at \$416,000 in assets** to **State ECU from Raleigh, North Carolina at \$25 billion**, credit unions of all sizes participated. The GAC exhibitor showcase is the largest in the financial services industry, displaying the latest innovations in products and services to improve credit union operations.
- CPDOnline continues to provide powerful, convenient, award-winning access to online education for credit union staff and directors; in fact in the first half of 2012, students took **87,219 online courses** and completed **83,270 online exams** across all credit union disciplines and programs.
- CUNA released its 2012-2013 Credit Union E-Scan which presents **trends and projections critical for strategic and business planning**. Highlights include trend information on compliance, the role of finance professionals, growing lending and attracting younger members.
- CUNA released the 2012-2013 **Complete CU Staff Salary Survey report**, featuring compensation data for a range of credit union positions and the 2012-2013 **CEO Total Compensation Survey report** which provides CEO compensation data for credit unions \$100 million plus in assets.

Consumer Awareness

CUNA and the Leagues used media outreach, social media and other strategies to raise consumer awareness about credit unions and grow credit union membership. These efforts contributed to **membership growth of more than 1 million** in the first half of 2012:

- Notable media coverage included: **The Huffington Post** (Bill Cheney op-eds on MBLs and credit union new-member growth), **The Daily Caller** (Bill Cheney MBL op-ed), **Marketplace Radio on NPR** (John Magill on MBLs), **The Washington Post** (credit unions ask for rule change on supplemental capital; credit unions brace for the end of Fannie and Freddie; local credit unions add employees after membership surges), **Consumer Reports** magazine (February cover story—fight back against your bank), **The New York Times** (“credit builder” loans help burnish your credit score), **Fox Business Network** (Bill Hampel analysis of consumer confidence index; Bill Cheney on credit unions offering financial counseling), **Wall Street Journal** (mortgage options for the self-employed), **Fox News** (CUNA defends Credit Union CEO compensation), **USA Today** (battle over debit card fees), and **Chicago Tribune** (Banking choices abound for those willing to do their homework).
- The heightened media attention, supplemented by a CUNA-driven social media effort, led more consumers to aSmarterchoice.org, the website CUNA and Leagues launched to help consumers learn about and join credit unions. The site registered more than **225,980 visits** during the first half of 2012 which resulted in **119,091 successful credit union searches**.

Compliance Support

Credit unions continue to face ever-increasing regulation. Complementing the hard work your CUNA-League team does to prevent, mitigate or reduce the burden of compliance, we also provide the support you need to address existing laws, rules and regulations.

- Credit unions continue to turn to CUNA for guidance. CUNA’s members-only compliance online resources received **1,461,473 visits in the first half of 2012**, with credit unions frequently visiting CUNA’s CompBlog and CUNA’s e-Guide to Federal Laws and Regulations.
- CUNA’s Compliance Team made **214 CompBlog posts from January to June**, keeping credit unions up to date on pending and recently implemented regulations, as well as long-standing rules and regulations. In addition, CUNA’s monthly summaries equipped credit union CEOs with the three most important compliance related questions they should be asking their staff.

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 vice president of membership development at jcarpenter@cuna.coop or 800-356-9655, ext. 6722.