

President's Report

July 24, 2009

From the desk of Tracie Kenyon, President/CEO, Montana Credit Union Network

This is an internal publication of the Montana Credit Union Network intended for affiliated CEOs and their official family. For more information, call us at 1-800-745-5546 or visit us at www.mcun.coop.

- **Education Update**
 - **Directors Conference:** We hope your volunteers can join us for the 2009 Directors Conference being held August 13-15, at the KwaTaqNuk Resort in Polson. Topics include: Critical Components of Effective Governance, To Grow or Not to Grow, Understanding and Interpreting CU Financial Information, Corporate Stabilization, and Third Party Due Diligence. With a great line-up of speakers and entertainment by Jack Gladstone, we look forward to seeing you there! [Register Here!](#)
 - **Mountain Regional Roundtable:** Montana was well represented this year at the Mountain Regional Roundtable hosted by Idaho earlier this month in Post Falls. We had 19 MT CU folks in attendance. Next year the meeting will be hosted by Montana in beautiful Big Sky, July 6-8, 2010. Mark your calendars.
 - **CEO Roundtable:** (for Credit Unions >\$20 million in assets) registration is now available. It will be held September 21-23 at the Flathead Lake Lodge in Big Fork. For a complete agenda, information, and registration [click here!](#)
 - **Managers Roundtable:** (for Credit Unions <\$20 million in assets) will be held September 22-24 at the Flathead Lake Lodge in Big Fork. [Click here](#) for a complete agenda, information, and registration.
- **Literature Rack for Your Consumer Resource Center** If you are adding a Consumer Resource Center at your credit union, contact Empire Office Machines to purchase a literature rack that will be perfect for your needs. Empire Office is our newest Business Partner and fully Montana-owned. Give them a look today...contact Lisa at 406-442-8890 or online at www.empireoffice.net.
- **Coin Counter Available** Montana FCU has an extra coin counter, and they are looking for a Montana credit union that needs it. Contact Steve King at (406)727-2210 or sking@montanafcu.com for more details or to stake a claim.
- **There's Still time to TOOT YOUR CU's HORN:** If your credit union or chapter has been involved in a project this past year that would qualify for the **Dora Maxwell** Social Responsibility Recognition Award, the **Louise Herring** Award for Philosophy in Action, or the **Desjardins Youth Financial Education** Award, please take the time to showcase your work and give your credit union staff, volunteers, and members the recognition they deserve.

Entry forms, check lists, tips, and more info on the awards are posted [here on our website](#). For questions, call or [email Beth](#) (800-745-5546 x 134). Entries must be at the MCUN Offices by Monday, August 17, 2009.

SO... Don't be shy... Sound off about the great work your credit union is doing in your community and submit an entry!



- **Economic Sessions Scheduled** Business leaders are invited to hear the national, state and local updated economic forecasts at a series of presentations in seven Montana cites. The presentations are part of the 4th annual Economic Outlook – Midyear Updates, organized by the Montana Chamber Foundation. Presenters include Drs. Pat Barkey and Paul Polzin of the University of Montana’s Bureau of Business and Economic Research.

The list of locations, dates and times for the seven Mid-Year Economic Outlooks are:

- Thursday, **July 30**, 12:00 – 1:30 pm at the Hilton Garden Inn, **Kalispell**
- Wednesday, **August 5**, 12:00 – 1:30 p.m. at the Crowne Plaza, **Billings**
- Thursday, **August 6**, 7:00 – 8:30 a.m. at the Hilton Garden Inn, **Bozeman**
- Thursday, **August 6**, 12:00 – 1:30 p.m. at the Red Lion Colonial, **Helena**
- Wednesday, **August 12**, 7:00 – 8:30 a.m. at the Duck Inn, **Havre**
- Wednesday, **August 12**, 12:00 – 1:30 p.m. at the Holiday Inn, **Great Falls**
- Thursday, **August 13**, 12:00 – 1:30 p.m. at the Doubletree Inn, **Missoula**

Those interested in attending may register at www.bber.umt.edu/seminars/summer09 or RSVP to Dee Durand at 888-442-MONT (6668) ext. 100 or dee@montanachamber.com. A registration fee of \$20 includes breakfast or lunch at that location.

- **A New CU to the CIF Family!** Thank you to CEO **Sherry Essmann** and **Montana Health FCU** for making an investment into the Community Investment Fund! The CU joins 36 other Montana CUs, TSCCU, and the League as CIF investors. Here’s how it works: the CU makes an investment in TSCCU, and foregoes one half of the dividends earned on the investment. The other half, as well as the entire principal of the investment, belongs to the credit union.

The donated dividends are split between the National Credit Union Foundation and Montana Credit Unions for Community Development. MCUCD couldn’t do our award-winning work without the CIF! For more information about MCUCD or the Community Investment Fund, please contact [Jeanne](#). Thanks again to Montana Health FCU as our newest investor!

- **Welcome New AmeriCorp*VISTA Members:** Please help us welcome three of our newest members to the MCUCD Team – **Haley Nelson**, **Jim Auer**, and **Craig Smith**. The three incoming VISTA Members started their year of service to Montana’s credit unions this week. Both Haley and Jim will be working on MCUCD outreach in Butte and Missoula (respectively). Craig will focus his efforts on our IDA (matched savings) programs from the Helena office. We’re excited to have them join our team and are confident they will all have a terrific year with Montana’s credit unions.

They join **Abby Wolf**, who signed on for a second year working on free tax services, and **Dan Veale** who started in January on our Consumer Resource Centers. The new MCUCD team is shown here, left to right: Craig Smith, Jeanne Saarinen, Robert Coble, Haley Nelson, Abby Wolf, Karen Smith, Jim Auer, and Dan Veale.



- **Community Discussion Opportunity:** Rural Dynamics Inc., in partnership with the Corporation for Enterprise Development, will be hosting a community discussion about the formation of a Montana State Asset Building Coalition. Meetings will be held on July 29 in Great Falls, August 10 in Billings, August 11 in Bozeman, and August 12 in Missoula. All meetings will run from 9:00 a.m. – 11:45 a.m.

What is asset building and why does it matter? Traditional approaches to fighting poverty have focused on meeting the immediate needs of low-income populations, offering essentials like food, clothing, and shelter. While these approaches provide vital services for people in crisis, they do not offer a path that leads permanently out of poverty. Asset building refers to public policies, strategies, and programs that enable people with limited financial resources to accumulate long-term and productive assets.

Income helps people get by—assets help them get ahead. Families build assets through education, savings, individual development accounts, investments, retirement accounts, vehicle ownership, home & land ownership, and small business ownership. Efforts that support families building assets include, but are not limited to: financial education, Earned Income Tax Credits, workplace development, post-secondary education, healthcare, removal of asset limits in social assistance programs, and community assets.

A webinar will be held at the end of August for people who cannot attend in person. For more information or to RSVP, please email Benjamin Marks at bmmarks@ruraldynamics.org.

- **NCUA Board Meeting** Last week, the NCUA Board reviewed the latest NCUSIF report, reauthorized an 18% interest rate ceiling for federal credit unions (through March 2011), and issued final rules amending Truth in Savings Act disclosure requirements and credit union reporting requirements. The Board also approved revisions to the Temporary Corporate Credit Union Liquidity Guarantee Program, issued a proposed rule on National Credit Union Share Insurance Fund (NCUSIF) premiums and one percent deposit, and revised NCUA's 2009 budget. More information is available [here](#).
- **Do Your Members Know?** When members are choosing a credit card, there are many features – and several kinds of cards – to consider: Fees, charges, interest rates, and benefits can vary among credit card issuers. As a result, some credit cards that look like a great deal at first glance may lose their appeal once you get into the terms and conditions of use and calculate how the fees could affect available credit.

Read more about this at www.MontanaCreditUnions.coop. If you would like more information on providing consumer education for your members; please contact [Karen Smith](#) at MCUCD.

- **'In Compliance...'** NCUA recently approved a [final rule](#) that requires all credit unions to disclose aggregate overdraft fees on periodic statements. Credit unions were previously exempt from the statement disclosures if they had not advertised their overdraft program for two years. All credit unions with overdraft protection programs should plan to comply with the aggregate fee disclosures on statements by the first of the year. That includes disclosure of periodic and aggregate year-to-date overdraft fees on the statement.

In addition, the rule change also addresses account balance disclosures provided to members through automated systems. Previously only a best practice, credit unions should only disclose actual account balances and not include additional amounts that might be available to cover an item if there were insufficient funds in an account. The final rule aligns the NCUA regulation with the FRB Regulation DD. Both are effective on January 1, 2010.

- **(More) Truth-in-Lending Changes Proposed** The Federal Reserve Board recently proposed significant changes to Regulation Z (Truth in Lending) intended to improve the disclosures consumers receive in connection with closed-end mortgages and home-equity lines of credit (HELOCs). These changes, offered for public comment, reflect the result of consumer testing conducted as part of the Board's comprehensive review of the rules for home-secured credit. The amendments would also provide new consumer protections for all home-secured credit.

Highlights of the proposed rules can be found [here](#) and the Federal Reserve press release (including model notices) is available [here](#). Comments will be open until the later part of November on these proposed changes. An expected compliance date has not been announced.

- **California IOU** You may have read in the news that the state of California is having financial difficulty and is issuing IOUs for general fund payments. If your credit union has a request from a member to accept one of these instruments, see the interagency [guidance](#), NCUA's [letter](#) on treatment as an investment, or the [FAQ](#) that the California State Treasurer posted for details. If a credit union accepts one of these registered warrants, they must hold it until the redemption date (currently October 2, 2009) and the credit union will receive the 3.75% interest. The only way for the member to receive the interest is to hold it until the redemption date. Credit unions in California received positive press last week when they chose to accept these items after the banks were not willing to take them. Read more [here](#).
- **Who Can Contribute?** There have been some questions primarily in the national arena around direct political contributions to a candidate or a political action committee (PAC). Just for clarification, I asked our government relations staff to investigate both Montana and federal law regarding any direct credit union contributions. Under Montana law, corporations (including credit unions) are prohibited from contributing to a candidate or a PAC. Additionally, federal credit union contributions are also prohibited under federal statute. Individual contributions are allowed to a candidate or a PAC as we have done with Montana CUAC. If you have questions, contact [Clyde Dailey](#) (ext 136) or [Bob Pyfer](#) (ext 168).
- **Foreclosure Trends** As foreclosure trends continue to climb nationally, and in Montana, lenders should consider this valuable CUNA Mutual Group booklet as a resource. It is titled "Foreclosures: Insurance Issues for Credit Unions" and can be downloaded at no expense to bondholders at <https://sites.cunamutual.com/cm9/secured/proresource/media/00021197.pdf>. Information on foreclosure prevention and neighborhood stabilization is also available on the website <http://www.foreclosure-response.org/>.
- **Parting Shot** (Tracie is on vacation and out of the office until August 3.)