

President's Report

March 5, 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.

- **Herb Wegner Award** We might have mentioned that MCUCD was honored by the National Credit Union Foundation (NCUF) with the distinction of Outstanding Organization last Monday. It was a special evening and we were so grateful for the opportunity to showcase the work that Montana's credit unions are doing in their communities. Special thanks to Jeanne, Karen, Robert, and the many Americorps Vista Members who made it possible.



We are so proud of you! Visit www.mcun.coop for more details and photos from CUNA's Governmental Affairs Conference. See page 6 of this [publication](#) for Montana's credit union representatives meeting with Congressman Denny Rehberg.

(Pictured above from left to right: Allan Kemp McMorris, NCUF Chairman; Tracie Kenyon, MCUN President; Jeanne Saarinen, MCUCD Executive Director; Steve Delfin, NCUF Executive Director; Karen Smith, MCUCD Director of Outreach Services; Robert Coble, MCUCD Program Support Coordinator)

- **Register Today for Regional Training Near You!** Montana Credit Unions for Community Development (MCUCD) is offering regional training in your area this March and April – ***Train-the-Trainer: Making Financial Education Effective and Engaging.***

This seminar is for anyone at the credit union with member interaction. The seminar will not only cover the various ways financial education can be delivered, it will include the following:

- Psychology of Money
- Effective and Engaging Facilitation
- Financial Education Essential
- Grab Bag of Ideas

This is a full-day workshop – 9:00 a.m. to 4:00 p.m. It is being held in the following locations:

- [Glendive](#) - Tuesday, March 17, Yellowstone River Inn
- [Billings](#) - Thursday, March 19, Avanta FCU
- [Missoula](#) - Tuesday, April 7, MSU-Missoula County Extension Office
- [Great Falls](#) - Thursday, April 9, Sletten Cancer Institute

Click on the location you are interested in for information and registration. The registration fee is \$150 per person, which includes lunch. Please contact **Karen Smith** at karen@mcun.org or (800-745-5546 ext 124) with your questions.

- **Region V Acting Director Named** We told you recently that Melinda Love will be leaving her NCUA Region V position to become the director of the Office of

Examination and Insurance (E&I) at NCUA headquarters in Alexandria. Effective March 16, Jane Walters has been named the acting Region V Director. We look forward to working with her and her staff in this transition.

- **'In Compliance...'** Some of you have questioned whether regulatory changes have occurred with **overdraft protection programs**. There has been some activity in recent months, including a [proposed change](#) to Regulation E (comments are due by March 30) and changes to Reg DD which affects banks on January 1, 2010. Since credit unions follow NCUA Part 707 for Truth in Savings, you are not yet impacted by the TIS change, but NCUA is expected to follow suit and make similar changes. We do not yet have a proposed rule or an effective date. So, for the time being, refer to the TABs bulletin on Overdraft Program Regulations ([here](#)) for any questions about current regulations and visit [CUNA's e-guide](#) for information on pending proposals.

FinCEN released a new pamphlet on **CTR filing**. It is available [here](#) and is intended to assist consumers with their understanding of why you are asking for information when they perform certain transactions. It also contains good explanations of structuring. For any of you that have been in that awkward conversation at the teller line while trying to fill out a CTR, you know this is a welcome reference and we encourage you to incorporate them into your frontline BSA training program.

- **Final 2008 Numbers Released** Preliminary analysis of the NCUA call report data for year-end 2008 was released late last week. The summary of year-end 2008 is available [here](#) and shows some drastic changes in the overall economy, but also some strong growth for credit unions. State by state comparisons are also available ([here](#)). Montana compared well against the national medians, including:
 - Asset growth- MT 13%; National 8.7%
 - Loan growth- MT 11.4% National 8.2%
 - Member growth- MT 4.2% National 1.9%
 - ROA- MT .84 National .49
- **NCUA Board Meeting Summary** The NCUA Board met February 26 and approved a final rule that will restrict certain credit card practices. Many of these “deceptive” practices are not currently used by credit unions, so little change will be required when it is effective in July 2010. The Board also approved a final rule change to §740.4 revising signage requirements for federally insured credit unions participating in shared branching networks and a final rule that will revise the credit union service organization (CUSO) requirement. More details are available [here](#).
- **NCBA Video Available** The [National Cooperative Business Association \(NCBA\)](#) and Cabot Creamery Cooperative have produced an 8-minute informational video that features interviews with credit union members, employees and industry executives. The video is designed to educate the media and general public on the value of credit unions, how they work, and why they are different from banks. It is available at [thebetterchoice.coop](#).
- **Do Your Members Know?** Do you, your staff, and your members know about a new resource for renters and rental housing providers? [MTHousingSearch.com](#) is a free service that assists individuals to find property listings and/or help individuals manage their properties online anytime. The site is sponsored by Montana Board of Housing and the Montana Dept. of Commerce Housing Division.

Take this opportunity to educate you members on [MTHousingSearch.com](#) – the

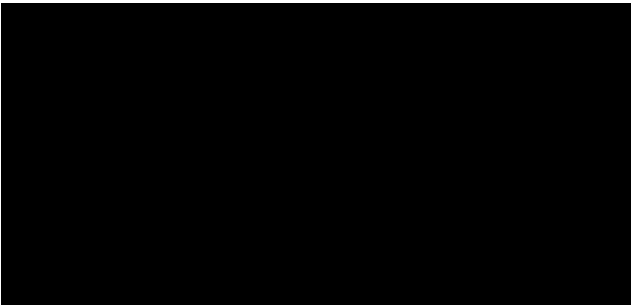
'one-stop' website to help your members add, manage, or find property listings across the state. Find out more by viewing this week's 'Consumer Tip of the Week' on the MCUCD website at www.montanacreditunions.coop.

If you would like more information on providing consumer education for your members, please contact Karen Smith at MCUCD – karen@mcun.org.

- **Fraud Alert** Thank you to **Betty Willman** at Kootenai Valley FCU for alerting us last week to the text message scam (vishing) that was occurring in the name of a "Montana Credit Union." Despite most of our staff traveling that day, an email from Tracy Thornburg was sent to notify all of you and a message was also posted on our website www.mcun.coop about the scam. If you have not yet had a chance to visit our newly revised site, try it today. The ability to quickly post and update this type of information (even from an airport in the middle of a snow storm) is a real bonus.
- **Treasure State Update** Montana's credit unions received an email this week to assure them that Treasure State Corporate Credit Union has signed the agreement for the extended temporary guarantee through the NCUSIF for all deposits through the end of 2010. This guarantee applies to all deposits, with the exception of the Membership Capital Shares, regardless of the amount.

Even though Treasure State's deposits with U.S. Central fall under the guarantee which limits your credit union's exposure, the board felt that the additional protection was warranted to alleviate any concerns. "The protection of your deposits with Treasure State is our number one priority," stated TSCCU CEO Steve Howke. He continued, "Treasure State continues to be a financially sound institution as we navigate through these difficult times. This is due primarily to all of our member's support, and for that I thank you." To read NCUA's Supervisory Guidance on the corporate stabilization, [click here](#).

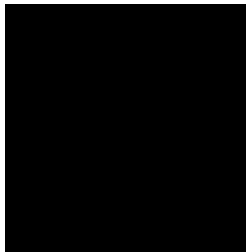
- **Cramdown Legislation Update** The House was scheduled to hear H.B. 1106 last week that contained provisions to both 1) permanently extend the \$250,000 share insurance amount and 2) to allow bankruptcy judges to rewrite mortgage terms by lowering the value of a mortgage to the current market value of the property, reducing interest rates and extending loan maturity. Talk about a love/hate relationship! When credit unions visited the Hill on February 25, our voices of opposition (to the cramdown provisions) were heard and the floor action on this bill was postponed. Action may come up this week in either the House or Senate and we expect to continue to oppose the provision in it's current form. Contact [Clyde](#) or [Donya](#) for more information as this progresses and watch your inbox for a possible Call to Action.
- **Healthy You!** The MCUN Health Insurance Trust has had two very successful years and now launches its newest program for ALL MCUN members. The Healthy You! Campaign offers excellent ways for you to build morale, advocate for healthy employees, win some great prizes, and save you money.



Please join us for a FREE webinar on Monday, March 23, 2009 at 11:00am-

11:50am. Richard Miltenberger of Mountain West Benefits will share how to maximize your health insurance benefits and will be announcing our incentives and address your questions. We will also offer a similar session following the Bankruptcy & Collections Conference (see below) on **Tuesday, March 24, 2009 at 4:15 pm at the Heritage Inn.** You can register for both of these events on our website. Please watch your mail for more information.

- **Bankruptcy & Collection Conference** Sign up today for the Bankruptcy and Collections Conference with speaker Eric North, Credit Union Rights Attorney, from North Legal Training & Publication. The conference will be March 24 & 25 at the Heritage Inn in Great Falls. [Click here](#) to register online.
- **Save Money on Education this Year** Purchase a bundling package. We have specific education bundles for Lending (which includes the upcoming Bankruptcy & Collections Conference), Front-Line, Management, and Directors. For more information [click here](#) or contact [Ranel](#) at 800-745-5546 ext 126. Start saving!
- **Small CU Workshop and Volunteer Training a success!** NCUA presented a Small CU Workshop on February 18 at the Hilton in Billings for 13 credit unions (with less than \$20 million in assets) from around Montana. The Volunteer Training on February 19 brought in 26 credit union volunteers to listen to speakers inform them on topics such as balance sheet management, planning sessions, common audit findings and supervisory committee and board duties.
- **Change in April Schedule** Due to some scheduling conflicts with our primary speaker, the HR Conference on April 15 & 16 in Helena has been cancelled. An HR focus and several speakers on the topic will be added to the line up at the Executive Staff Roundtable on June 11 & 12. We hope you will join us in Big Sky.



- **Annual Convention & Exposition** Registration will begin in the next few weeks online for our annual convention. Watch for more information on this Hollywood-style gala being held May 13 – 15 at the Hilton Garden Inn in Missoula. ***In Montana in May - Credit Unions Steal the Show!***
- **Invest in America Update** Chrysler announced a change to the credit union discount effective March 3, 2009. Credit union members will be able to receive a \$1,000 cash allowance on any of the vehicles listed below. Discounts will also be available on popular SRT models which were previously excluded. The \$500 cash allowance has been eliminated; however, Chrysler reports that 90% of the sales utilizing the credit union discount were on vehicles that qualified for the \$1,000 discount. For a list of vehicles eligible for the \$1,000 bonus cash incentive, [click here](#). Remember that details of the Invest in America program are available at <http://www.lovemycreditunion.org/>.
- **MBL Legislation Coming** New York Sen. Charles Schumer notified his colleagues today (Thursday) that he plans to introduce legislation that would enable credit unions to increase their business lending. The senator said in a letter released Thursday morning that he plans to introduce legislation that lifts the cap on how much credit unions could lend to businesses. "Our focus must be on increasing the

lending to small businesses, which are the lifeblood of our economy," said Schumer. "The situation facing these businesses right now is much worse than a matter of them simply being denied new loans. They are being strangled by having existing lines of credit pulled."

Schumer said in the letter that lifting the current cap would "help credit unions fill the gaping void in small business lending during this credit crisis." His bill would require regulators to report twice a year to Congress on the "small business lending and delinquency so that Congress can monitor the impact of the cap elimination." The senator has proposed several other relief proposals for small businesses. "We believe given the urgency of the situation facing small businesses, there should be a good level of support," said Schumer, who is a member of the Senate Finance Committee and the Senate Banking Committee.

"Credit unions want to help but many are chafing against the arbitrary cap that exists under current law," said Daniel A. Mica, President and CEO of CUNA, which estimates that credit unions could loan \$10 billion to small businesses in the first year after the cap is lifted.

- **Professional and Volunteer of the Year Awards** It's that time again...time to nominate deserving Montana credit union professionals and volunteers for the annual awards bestowed at our Annual Convention. I've attached the nomination forms, please submit your completed forms back to the Network by April 1, 2009.
- **Philosophy in Action** This comes from **Connie at EnerGComm FCU** "Each year we have a promotion for our membership where they can skip a loan payment in one of the months of November, December, or January. We collect a fee to do this. We take the proceeds from our skip-a-pay promotion and the Board votes to donate to different organizations, (MCUCD, Energy Share, etc.) This year we took our proceeds and donated to a local family. They have been members for a long time. The mom has had several bouts with cancer and still is, both of her sons have cancer, and her husband had a heart attack this past summer. We were able to give them a check to help with expenses. They were so gracious you can't believe it; they have had a terrible struggle. Usually we give to an organization of some type, but felt this was a cause we had to help with." Connie, thanks so much for sharing this great story!
- **Parting Shot** Last week the FDIC approved a one-time "emergency" fee and other assessment increases on the for-profit banking industry to rebuild their deposit insurance fund. The response of the community bankers? They suggested that the agency modify the assessment to shift the burden to the large banks "that caused this train wreck." Camden Fine, the president of the Independent Community Bankers, continued by stating, "community bankers are feeling like they are paying for the incompetence and greed of Wall Street." My response...take a number and get in line, we're all feeling the same way!