



Managing a world of change

Former Secretary of State Madeleine Albright was managing a world of change long before she was giving speeches on the topic.

Albright, the 64th secretary of state—and first woman to hold that position—was born in Czechoslovakia, only a few months before Hitler’s troops marched into Prague. “My father was a diplomat at the time and unwilling to cooperate with the Nazis, so my parents and I fled to England, where we spent World War II.”

When the war ended, they returned to Prague, where her father was designated a Czech ambassador. But when the government was taken over by Communists, her family again went into exile, this time across the Atlantic. They moved to Colorado, where her father established a university program for international affairs.



The world is changing faster than ever, she said. “We used to compare international relations to chess, where two people are sitting quietly in chairs and conquering their moves. Now, I think it’s more like billiards—a game that’s dynamic and full of the unexpected.”

Megatrends in international systems intensify the pressures as we try to manage the world around us, she said. Policy makers have always dealt with megatrends, but these forces today create their own contradictions. For example:

- **Globalization.** The world has never been as interdependent as it is now. “This could be a force multiplier as we’ve seen during responses to natural disasters. But it also means trouble can spread far beyond its original source.”

The situation in Ukraine, she explained, began over a trade relationship with the European Union, but has now grown into violent confrontations, and the forced

Pierce’s plan

As CUNA Board Chairman, Dennis Pierce intends to conduct “a full and comprehensive look at the organizational structure and governance of CUNA” during his one-year term, he announced at Tuesday morning’s General Session after being sworn in.

“Credit unions are very different today, and I think we’re going to be very different in the future. Our trade association needs to be responsive to that,” said Pierce, CEO at CommunityAmerica Credit Union in Kansas City, Mo.

“We’ve had great success, and we have a wonderful system. But we also need to make sure that system remains viable going forward.”

Pierce pledged to provide credit unions ample opportunity to voice their opinions about CUNA’s course.



“Please take advantage of that and participate, because we’ll only be as good as you, the members, push us to be,” he said.

Pierce, who replaces Pat Wesenberg, president/CEO of Central City Credit Union in Marshfield, Wis., also serves on the board of NACUSO and as vice chairman of CUNA Strategic Services.

“I’ll work hard and I’ll do my best,” Pierce said. “Together, we’ll make CUNA even better than it is today.” ■

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resignation of the president. It's dissolving into unpredictable consequences for how the U.S. and Europe relate to Russia.

■ **Information technology.** Technology has transformed the way we live, work, and communicate, she said. "But opening everyone's eyes to one another has only exacerbated tensions. Now the poor can see what the rich had, and we can see in real time the growing chasm between the haves and the have nots."

These trends are straining the governance capacities of multinational institutions—such as the United Nations—and giving rise to nonstate actors, large companies, organizations, even credit unions, who are agents of change and influence.

On the proper role of the U.S. in international relations, Albright said, "the U.S. can't lead alone nor can others lead without us."

And on credit unions, she said, you're "like the Tom Hanks of the banking world. You're likeable, you're everywhere, and you weren't misbehaving," like the investment bankers depicted in the movie, "The Wolf on Wall Street."

"To me, credit unions embody timeless values—the spirit of community, importance of volunteerism, and the need for integrity and high standards," she said. ■



Outgoing CUNA Board Chairman Pat Wesenberg, president/CEO of Central City CU in Marshfield, Wis., passed the gavel to her successor, Dennis Pierce, CEO of CommunityAmerica CU in Kansas City, Mo., signaling the start of his one-year term.

Antonakes outlines CFPB's agenda

The goal of the Consumer Financial Protection Bureau (CFPB) is to promote financial services that are grounded in fairness, transparency, and choice, according to Steve Antonakes, CFPB deputy director. He was the first speaker at yesterday's General Session.

"At the CFPB, we would like to see a consumer experience similar to what credit unions deliver to their members," he said.

Antonakes, who has spent his career supervising financial institutions and is a self-described veteran of two banking crises, said he'd like to see a world where responsible financial institutions play by the rules and are free from the practices of unscrupulous competitors.

"We get about 30,000 calls and 20,000 complaints each month from consumers," he said. "Many of those have to do with unacceptable debt-collection practices."

Antonakes described how the CFPB



recently brought suit against the online lender CashCall for abusive collections practices. The agency also reached a \$19 million settlement with Cash America for improperly 'robo-signing' court documents used in collections. ■



The Winter Olympics in Sochi may have ended, but CUs are still in the midst of *their* biggest event—CUNA's GAC, said NCUA Board Member Rick Metsger on Tuesday. "We all come from different backgrounds but our common bond is the vibrancy of CUs." NCUA understands that CUs must take measured risks to ensure that vibrancy continues, he said. "In pursuit of safety and soundness, CUs shouldn't be so risk-averse that they don't meet the needs of their members. We don't want CUs that are safe, sound—and irrelevant to members." Visit ncua.gov for a copy of Metsger's full speech.

Small CUs share strategies for success

Small credit unions gathered for a roundtable discussion on Sunday to tackle critical issues unique to their operations.

Topics included real-world lending strategies, collaborative and back-office efforts to reduce costs, NCUA initiatives, and the regulatory climate. John Graham, chair of CUNA's Small Credit Union Committee and CEO of Kentucky Employees Credit Union, updated attendees on committee activities, including meetings with NCUA Chairman Debbie Matz and NCUA Board Member Richard Metsger.

Mike Schenk, CUNA economist, delivered a summary of small credit union financial and operational results, noting that despite significant challenges to this sector, more are growing and earning at healthy rates.

The Filene Research Institute's Bob Hoel led a discussion on strategies credit unions have employed to increase their lending share, sparking input from the audience on borrowing trends.

The panelists sharing their success stories included Nick Kessenich, CEO of \$19 million asset Members First Credit Union, Madison, Wis.; Teri Robinson, CEO, \$13 million asset Pacific Ironworkers Federal Credit Union, Portland, Ore.; and Windy Campbell, CEO, \$11 million Electric Cooperatives Federal Credit Union, Little Rock, Ark.

Hoel then shifted the discussion to the bottom line. Debie Keesee, CEO, \$10 million asset Spokane (Wash.) Media Federal Credit Union suggested simple changes can make a big difference—using health insurance tax refunds, for example. Joni Brown, president of Service Center for Credit Unions, Inc., and Filene's George Hofheimer, spoke about back-office solutions and successful collaborative efforts. And Third Degree's Anne Legg urged attendees to conduct strategic reviews of service offerings, delivery channels, and

member target markets.

Attendees mingled afterward with providers such as National Federation of Community Development Credit Unions, NCUA and its Office of Small Credit Union Initiatives, and the National Cooperative Business Association.

CUNA Mutual Group sponsored the event, which was recorded and will appear on CUNA's website (cuna.org) following the GAC. ■



The role of CUNA's Small CU Committee is to advocate for you and help you, John Graham, CEO, Kentucky ECU, Frankfort, Ky., told attendees of the small CU roundtable. Graham is chairman of the committee.

CREDIT UNION MAGAZINE

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Printing: Staples Digital Copy Services, Columbia, Md.

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CUs faced challenges in recent years and will continue to face challenges in the future, said NCUA Board Member Michael Fryzel. These challenges include competitors with big pockets, a need to grow and attract new members, rapidly changing technology, protecting member data, and more regulations. But Fryzel said CU leaders are up to the challenge. "Never forget that you come from a long line of challenge-facers," Fryzel said, referring to the founders of the CU movement.

LEGISLATORS

Rep. Darrell Issa, R-Calif.



When the U.S. economy entered the Great Recession in 2008, “It was credit unions that stood by and served their members,” Rep. Issa said. “That’s a story that needs to be told again and again.”

Regulators should return the favor by reducing the regulatory burden they’ve placed on credit unions, he said. Doing so would allow credit unions to provide the services members need, particularly member business loans.

“Let’s keep Congress and regulators off your backs.” ■

Rep. Ann Kirkpatrick, D-Ariz.



Rep. Kirkpatrick made it a point to say “thank you” to GAC attendees several times in her brief remarks.

“Credit unions are the cornerstone of economic development,” Kirkpatrick said.

Changing credit unions’ tax status would not be good for the working folks she represents in Arizona, the representative said.

“You can count on me to stand with you,” she said.

Kirkpatrick gave the attendees one tip for hill visits: “Be sure to tell the stories of the people you serve.” ■

Create a connection in Congress

Be sure to make a good impression on legislators during your GAC Hill visits by following these tips:

■ **Be prepared.** Know the representative’s stance on the issues and tailor your materials and conversations appropriately.

■ **Strategize.** Decide a plan of attack and the desired outcomes. Appoint a primary speaker, a manager to keep your meeting on topic, and a secretary to take notes.

■ **Practice professionalism.** Dress appropriately. Show up early. Introduce yourself confidently. Plan for meetings to start late and take longer than expected.

■ **Value staff.** They’re essential in the legislative process and might be more informed than legislators on a specific issue.

■ **Stay on point.** Focus on no more than three issues. Explain how a law, rule, or policy specifically impacts people in the district. Don’t discuss elections and donations.

■ **Listen.** Passion for an issue often leads to more talking than listening. Be concise, then pay close attention to responses from representatives and staff.

■ **Solicit insight.** Ask supporters, “How can we as constituents move this issue forward and support your stance?” Ask nonsupporters, “What can we as constituents do to make this an issue you can support?”

■ **Keep the ball rolling.** Publicize your visit on social media and through other communications. Send a thank-you note. Encourage supportive representatives to

rally other legislators, and to write an op-ed for a newspaper. ■

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LEGISLATORS

Rep. Sandy Levin, D-Mich.



Rep. Levin, the ranking Democrat on the House Ways and Means Committee, first joined a credit union 50 years ago and remains a member. As an ally in tax reform efforts, he advises credit unions to connect with more legislators.

“I want to lobby you: Come and see us friends of credit unions, but also focus on those who haven’t had the experience of being a member,” said Levin, a 16-term Congressman. “Tell them your stories, and tell them that in no way should credit unions sink under the weight of tax reform. ■

Rep. John Larson, D-Conn.



Credit unions command respect among his colleagues on the House Ways and Means Committee, according to Rep. Larson, a credit union member who says bipartisan efforts on tax reform will produce a draft bill this week.

“More often than not, that very important charter you received is under siege,” said Larson, an early backer of a separate House bill that would raise the member business lending cap. “But I can say that, serving on Ways and Means, there’s broad-based support, understanding, and respect for the position of credit unions.” ■

Rep. Daniel Maffei, D-N.Y.



“I am thrilled to be a champion of credit unions because credit unions are a champion of my constituents,” said Rep. Maffei.

Small businesses still can’t get the loans they need to help the middle class, he said. But he pointed to work that has been done to provide solutions—the Capital Access for Small Businesses and Jobs Act (didn’t make it out of committee last year) and the Credit Union Small Business Jobs Creation Act (recently referred to committee). ■

Rep. Kevin McCarthy, R-Calif.



"I never would have become Majority Whip without the help of a credit union," McCarthy said. That Bakersfield, Calif., credit union helped him finance a small business reselling used cars, which in turn paid his college tuition.

By taking a risk on McCarthy, the credit union set in motion a successful business career and, ultimately, a winning bid for Congress. But many consumers don't have such opportunities due to excessive regulation. "We need to believe in free enterprise and upward mobility. If you're burdened by regulations, that's not possible." ■

Rep. Linda Sánchez, D-Calif.



Rep. Sánchez said she's an optimist who believes things can still get done in Washington, but it requires some fight.

One legislative battle worth fighting, according to Sánchez, is overhauling the tax code. She wants to make it simpler, clearer, and fairer for everyone. It *can* be done and *must* be done, she said.

"If we don't get on the ball, we're going to fall behind," Sánchez said. ■

Rep. Ed Royce, R-Calif.



"I feel more at home with you in this room than anywhere else," said Rep. Royce.

"As of today, we have 117 co-sponsors of the Credit Union Small Business Jobs Creation Act. But we still have work to do," he reported.

Royce encouraged credit unions to tell their personal stories. "You make loans that grow our economy and create jobs," he said. "You know the stories. You are the people who can tell those stories most effectively to your elected officials as you visit with them on the Hill." ■

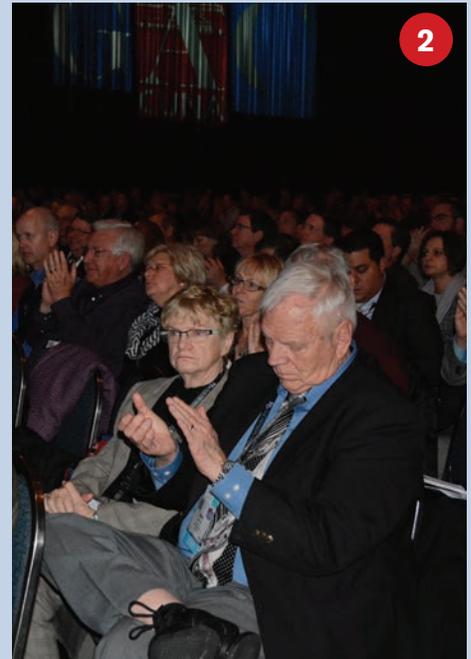
Sen. Jon Tester, D-Mont.



As a farmer, Sen. Tester noted that he's a small business owner. "I know the value of a hard day's work and I know you have to make responsible decisions to balance the books and plan for the future. "That's why I'm such a big supporter of yours," he said. "Credit unions understand these values."

Tester reminded credit unions that it's a continual process to make sure regulations coming out of Washington are appropriate for the institutions to which they apply. ■

Scenes from the GAC





1 inLighten—a digital media solutions provider—won the Best of Show Award from the CUNA Technology Council on Tuesday. Presenting the award is Guy Russo (center, right), vice chairman of the CUNA Technology Council and CIO of CommunityAmerica CU in Lenexa, Kan. Receiving the award is Doug Braun (center), SVP of inLighten. To the left of Braun is Jill Tomalin, CUNA's EVP and chief operating officer. Surrounding them are members of inLighten's GAC team.

2 More than 4,400 CU leaders—a record attendance—packed the Washington Convention Center at the GAC this year.

3 CUNA Councils gave GAC attendees free Money! The Sunday night kickoff concert, presented by CUNA Councils, featured Eddie Money. Money's blue-collar brand of rock 'n' roll delighted the audience with top 40 hits including "Two Tickets to Paradise," "Baby Hold On," "Take Me Home Tonight," and "Shakin'."

4 CUNA and the Wisconsin CU League signed statements of support for National Guard and Reserve employees through the Employer Support of the Guard and Reserve (ESGR) program, said Pat Wesenberg, former CUNA chairman, and president/CEO of Central City CU, Marshfield, Wis. The statement outlines their appreciation for the values, leadership, and unique skills that the National Guard and Reserve members bring to the workforce.

5 The U.S. Joint Armed Forces Color Guard presented the colors to open CUNA's 2014 GAC.

6 James Marshall (left), leader of The Cooperative Trust, talked shop with CUNA SVP Todd Spiczenski during the young professionals reception in the CUNA Lounge.

7 CUNA's Bill Cheney, Mary Dunn, and Bill Hampel voiced concerns about NCUA's risk-based capital proposal to a packed room of more than 320 attendees. They emphasized CUNA doesn't support layering additional requirements on a one-size-fits-all approach to prompt corrective action.





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help to promote the credit union mission while also creating partnership opportunities for leagues, credit unions, and CUNA with our nation's elected leaders.

Visit your Credit Union House during its annual Open House today, from noon to 4 p.m. Stop by for refreshments and a tour in between Hill meetings. And while you're at it, consider hosting your next board planning session at Credit Union House.

Credit Union House is located at 403 C St., NE, just a few blocks from the U.S. Capitol building. ■

The 2014 Hall of Leaders inductees

The Credit Union House LLC congratulates the 2014 Hall of Leaders inductees. Their dedication has made a significant impact on the credit union movement at the local, state, and national level:

- Robert G. Allen (NY)
- James C. Barbre III (GA)
- Bill Bynum (MS)
- Jim Cada (NE)
- Harry Carter (MN)
- Phillip J. Hellmuth (WI)
- Fred Kent (AZ)
- Sylvia Lyon (NM)
- Jim McCormack (PA)
- Betty M. Petree (FL)

- William J. Rissel (KY)
- Jeff Schwalen (MN)
- Patricia Wesenberg (WI)

The Credit Union House Hall of Leaders provides recognition at the Capitol Hill facility for a distinguished group of individuals whose leadership serves as a model for credit union leaders throughout the country.

Their names remind all Credit Union House visitors—including prominent members of Congress—of the many individuals dedicated to the founding mission and values of the credit union movement. ■

**Open House
today—from
noon to 4 p.m.**

What issues will you stress when you Hike the Hill?



Wes Nohara

Board chair, Maui FCU
Kahului, Hawaii

Taxation, small-business loans, making sure we have fair treatment of credit unions compared to banks. It's important we get to Capitol Hill and express this to our congressional folks. Hawaii has only four representatives, and two of them are new. One could say it's the "aloha" spirit, but they've always been very welcoming to us.



Lisa Graham

President/CEO, Gulf Coast Community FCU
Gulfport, Miss.

Compliance. We're an \$80 million asset credit union, and we're quite profitable, so we don't struggle much with keeping up with the cost. But that's a problem for many credit unions. Regulatory compliance is hamstringing the way we do business, and it could kill the industry. We want to emphasize this to our representatives when we meet this week.



Chris Abeel

Director of government affairs
New Jersey CU League

It's similar to previous years with the exception of taxation and data breach, which are newer issues—and they're at the top of the list. Regulatory reform is important, and we're very concerned about housing finance reform and charter enhancement—particularly member business lending reform and supplemental capital.

See you in San Francisco for ACUC 2014

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Gain new insights and re-energize your enthusiasm for the credit union movement by experiencing ACUC's "Discovery" sessions, networking opportunities, and its high-impact lineup of keynote speakers that include:

■ **Marcus Luttrell**, a Navy SEAL who was awarded the Navy Cross for combat heroism by President George W. Bush. He was deployed to Afghanistan in the spring of 2005 to gather intelligence on a Taliban leader with ties to Osama bin Laden. While there, his team of four Navy SEALs were ambushed by a large Taliban force. Following hours of combat, Luttrell was the only survivor. He is the author of two books including "Lone Survivor," which was recently made into a movie with the same name.

■ **Steve Farber**, a seasoned leadership coach, consultant, and author who has worked with an array of public and private

organizations in virtually every arena. Farber is the president of Extreme Leadership, Inc. and founder of The Extreme Leadership Institute, organizations devoted to changing the world through the cultivation and development of "Extreme Leaders" in business and beyond. He is also the former "Vice President and Official Mouthpiece" of The Tom Peters Co.

Additionally, the host hotel—the Hilton San Francisco Union Square—boasts stylish amenities and an ideal location in the heart of the city. Conference attendees will be close to local attractions such as the Golden Gate Bridge, Fisherman's Wharf, and the famous San Francisco cable cars.

Join the movement's

top experts and decision makers in San Francisco. Be ready to drive change in 2014. For more information about the ACUC and to register, visit acuc.cuna.org. ■

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