

League Peaks

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Making History

84th League Annual Meeting Held Virtually

What would have been considered unimaginable years ago, and improbable six months ago, the 84th League Annual Meeting was conducted online for the first time in its 84 year history on October 14 due to COVID-19 health concerns. The 80 minute meeting conducted via the Zoom platform provided a viable alternative to an in-person Spring meeting that has become a tradition of renewing old friendships and carrying out the annual business of the League. On top of that, the meeting was held on the eve of International Credit Union Day.



Zoom screenshot from featured speaker Dave Sanderson's "Miracle on the Hudson" presentation

"If you would have told me last year at this time that the League Annual Meeting would have transpired in October in an online format, I would have thought it unthinkable," stated League President Ken Watts. "COVID-19 has indeed thrown us, and everyone, a curveball but we're thankful the League board and credit unions have been so sup-

portive of the reasonable changes that had to be made out of abundance of caution," stated League President Ken Watts. "There is no real substitute for a face-to-face gathering but we have learned to adapt to the online setting for this year."

Watts, based at the League office, kicked off the annual meeting with a brief welcome and transitioned with an introduction of keynote speaker Dave Sanderson who lived to tell about the "Miracle on the Hudson" plane crash in January of 2009. Sanderson was one of three survivors hospitalized with minor injuries following the water landing in the Hudson River.

When the Business Meeting was called to order by Chairman Joetta Heck, she was the first League Chairman to hold a gavel in front of a computer screen full of familiar faces in a virtual format. While the agenda was fairly routine, the process was not, but that didn't seem to affect the flow or participation. **(cont. on P. 4)**

Gov. Justice Issues ICU Day Proclamation in West Virginia

As credit union members around the state and around world celebrated International Credit Union Day, West Virginia Governor Jim Justice formally issued a proclamation noting the October 15 occasion. Justice’s proclamation states that “credit unions empower people to improve their economic situations in 117 nations around the world at more than 89,000 credit unions that serve the financial needs of 260 million people, including 380,000 in West Virginia associated through local, state, regional and international organizations sharing the same commitment to serving credit union members.”



Justice also noted credit unions’ service commitment during the COVID-19 pandemic, “WHEREAS, throughout the COVID-19 crisis, credit unions around the globe have continued to provide a high level of service to their members and have inspired hope in their global community.

“We thank Governor Justice for again recognizing the good work and hope that credit unions are providing around the state to their co-workers, and neighbors,” stated West Virginia Credit Union League President Ken Watts. “From their modest and humble beginnings, in good times and in recent challenging times, League member credit unions have touched the lives of many West Virginian’s seeking ongoing access to affordable financial services,” he added.

Watts emphasized that credit unions have stayed open and accessible during the pandemic even though some lobbies have been closed at times. “Despite the service challenges associated with the pandemic, credit unions have become financial first responders over these past many months,” he stated.

Since 1948, International Credit Union Day has been celebrated annually on the third Thursday of October. Each year, the international event affords the opportunity to remember credit unions’ proud history and promote awareness of and support for the credit union difference.

Credit unions are recognized universally as a force for positive economic and social change and have provided significant value in both developed and emerging nations. International Credit Union Day is sponsored by World Council of Credit Unions, the international trade association and development agency for credit unions, as well as numerous credit union trade associations and federations around the world.

The Credit Union National Association (CUNA) estimates that West Virginia’s credit unions provided \$22,369,030 in direct financial benefits to their members during the twelve months ending in June 2020. These benefits are equivalent to \$54 per member or \$124 per member household.

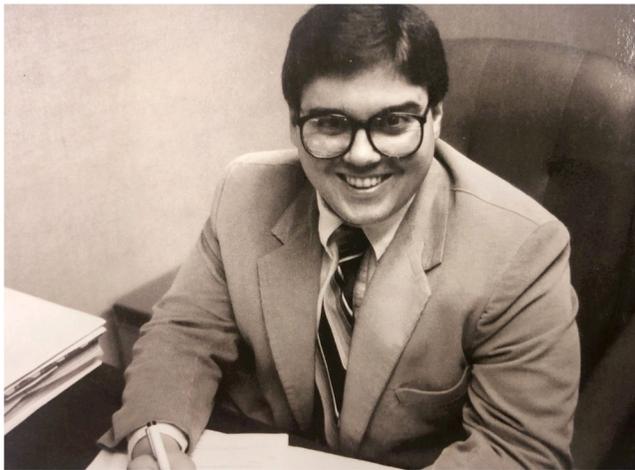


League Mourns Passing of Friend and Former Colleague Charlie Thomas

League staff, board members, and credit unions were shocked and saddened after learning of the sudden passing of Charles (Charlie) E. Thomas who died at his home on October 28, 2020, in Vienna, West Virginia.

Several notes of condolences and good memories streamed in from credit union friends to the inbox of League President Ken Watts following notification to credit unions. Watts, a long-time friend and colleague of Thomas dating back to 1981 when Thomas began his career at the League, recalled Charlie's impact on the West Virginia Credit Union movement over the years.

"Charlie's passion for credit unions ran deep. He possessed a strong knowledge of the technical aspects of credit union operations, but also fully understood the impact credit unions can have on the lives of their members. He had a real desire to help credit unions refine the way they provided services to their members, knowing it



League file photo of Thomas in 1981

would eventually benefit those who looked to their credit union to better their financial well-being," stated League President Ken Watts.

A native of Nitro, WV, Charlie was a graduate West Virginia University. After moving to Vienna, Charlie began his career at the League working as a Data Processing Consultant with the West Virginia League Services Corp. He

would later become CEO of West Virginia Corporate Credit Union where he served until 2012. He was also active in the national Corporate Credit Union Network and was admired by his peers across the country. Following the merger of West Virginia Corporate CU with Vol Corp. he would later serve as CEO of Wood County Community FCU, and most recently as a Project Manager at West Virginia Central FCU in Parkersburg.



Outside of his credit union career, Charlie was a founding member of the Mid-Ohio Valley Ringers, a community handbell group, and a member of Wayside United Methodist Church.

"Charlie's good spirit and open, friendly demeanor was something everyone who knew him truly appreciated. You wanted to hear Charlie's deep, full throated laugh fill a room as it often did. But more important was the genuine way in which he worked with people, trying to make sure he was understood and what he was saying was helpful," Watts explained.

Charlie is survived by his wife, Donna, his daughter Lisa Ann Turner (married to Anthony) of Milford, Connecticut; his son James Nelson Thomas (married to Amy), of Edgewater, Maryland; his siblings, Robert, Jerry, and Margaret; his mother, Ina; and his beloved dog, Gus. He is preceded in death by his father, Stanley.

"I had the pleasure and good fortune to know and work with Charlie for almost 40 years. He was a true friend, and I will miss him dearly. However, I am tremendously pleased that it was credit union work that he chose as his career. The credit union movement in West Virginia will benefit from his efforts for many years to come," Watts added.

CUNA Announces Plans for Virtual GAC in 2021

The credit union movement's largest face-to-face meeting, the CUNA GAC, will be going virtual in 2021. Like many small and larger gatherings, COVID-19 has placed restrictions on meeting hosts and their participants.

Next year's CUNA GAC will be held virtually from March 2-4, 2021 and delivered in real time via a full-feature, interactive digital platform. This annual conference brings together credit unions, Leagues, thought leaders and policy-makers from across the nation.

The online format will integrate many of the conference's most popular features including live speakers and breakout sessions, a virtual exhibit hall and the opportunity to (virtually) advocate for the credit union movement.

"With anticipation of virtual Hill visits during this timeframe, it will be again vital to communicate the concerns and challenges brought about by the pandemic, and to communicate the good work credit unions are doing for their members," stated League President Ken Watts.

Some of the country's most influential business and political thought leaders will be among the presenters at CUNA GAC.

Key advocacy topics will include:

- Preserving the tax status and fighting bank attacks
- Regulatory relief
- COVID pandemic relief efforts/ resources

"The shift to a digital format for the 2021 CUNA GAC gives us an opportunity to bring industry leading programming, networking and thought leadership to a whole new, expanded pool of credit union champions," said CUNA President/CEO Jim Nussle. "I look forward joining my colleagues across the movement in this new take on advocacy, learning and networking."

To learn more and register, visit cuna.org/gac.



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"While this new method comes with a learning curve, me included, I for one am hoping to get back to face-to-face meetings very soon," Heck noted in her opening remarks. Heck ran a smooth meeting with assistance from League Secretary, Mike Tucker and Treasurer, Tom Walker in a similar set-up.

Approved by the delegates, a resolution was put forth by Tom Walker, Resolutions Committee Chairman, recognizing "the essential workers of Federal, State and local level that are on the frontline providing support to our communities during the COVID-19 global pandemic."

While the date and location of the in-person 2021 League Annual Meeting is set for mid-April in Charleston, Chairman Heck cautioned credit unions that those plans are subject to change due to pandemic health restrictions.

Credit Reporting During COVID-19

By Dinny Lechman, 2020 Analytics



The credit score is THE key attribute lenders use to determine if they will offer credit to a borrower and if so at what rate. It is also key in analyzing loan portfolio risk as credit scores change from loan origination. It is vital that the credit reports of consumers reflect risk of default. The impacts of the COVID-19 pandemic have been wide and varied resulting in historic unemployment, waning consumer confidence and GDP contraction. Yet during this period, credit scores actually improved. According to [Experian](#), the average VantageScore increased by 5 points during the period from January 2020 to May 2020.

Let's look at some of the reasons why.

Relief Programs

One reason FICO scores have yet to see a decline could be the relief programs and consumer protections enacted by the Federal government. Through the CARES Act, the Federal Government instituted COVID-19 relief programs to consumers including Economic Impact Payments, Paycheck Protection Programs for small businesses, and \$600 in Federal Pandemic Unemployment Compensation. Financial institutions also offered consumers ways to help those affected with a variety of programs including deferment of payments, emergency loans and PPP loans to small businesses. These relief efforts bridged the gap for borrowers adversely affected by COVID and contribute to why we are not seeing drops in credit scores

Reporting

To protect consumers credit, the CARES Act included language as it relates to those borrowers who participate in a relief program. The CARES act requires lenders to report to credit bureaus any account that has an accommodation applied to it as **current**, if it was current prior to the accommodation. An accommodation refers to payment assistance or relief given to a borrower who is affected by the COVID-19 pandemic. The Consumer Data Industry Association issued a reminder to lenders about the specific guidance during a natural disaster. The Consumer Financial Protection Bureau specifically addresses using comment codes for borrowers who receive an accommodation as a result of COVID-19 which was declared a natural disaster on March 13, 2020 by President Trump. There are two comment codes that may be used in reporting.

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“Advancing Communities” Launches to Promote Value of Credit Unions

CUNA launched the Advancing Communities campaign on October 19 – an initiative designed to inform state policymakers and consumers about the economic and social impact that credit unions provide to communities across the country.

The campaign was made in collaboration with state Leagues to reinforce how credit unions are providing personalized support to members navigating difficult circumstances, namely financial recovery from the coronavirus (COVID-19) pandemic.

“At the core of the credit union mission is a commitment to our communities. And now that the pandemic has upended finances for people across the country, credit unions have returned to that commitment tenfold,” said CUNA President/CEO Jim Nussle. “As policymakers consider the pathway toward economic recovery, we want to make sure that credit unions have a platform to share the work they’ve done to preserve their local economies while assisting members and small business that might otherwise be left behind. It is an important message that both federal and state lawmakers need and want to hear.”

The Advancing Communities website features data and statistics on how credit unions are creating opportunities for underserved populations, expanding financial services in rural areas, and helping small businesses thrive, as well as first-person testimonials from credit union members sharing how credit unions have benefitted their lives.

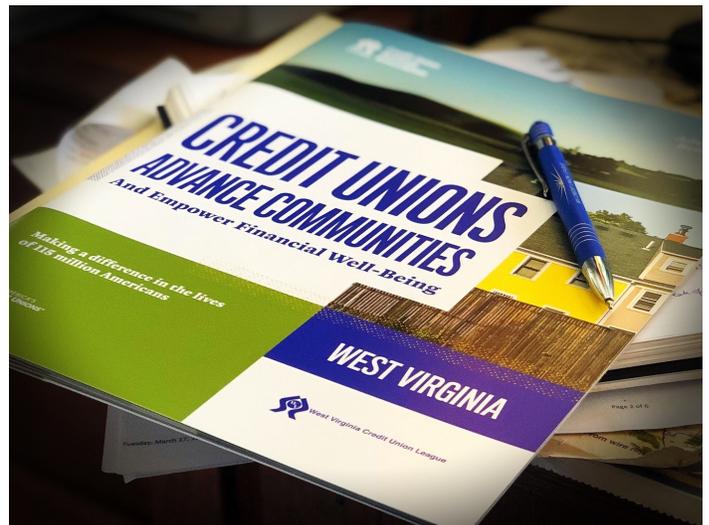
According to the campaign, America’s credit unions provide \$223 billion to the economy, over 1 million jobs, and \$13 billion in total financial benefits for Americans.

In West Virginia, CUNA estimates that credit unions provide \$23 million in financial benefits to consumers with a total economic impact of \$312 million. In a commitment to ensure economic prosperity and

fairness for all, the campaign features a Plan for Better Communities to address systematic socioeconomic disparities and inequalities across the country.

The bipartisan set of solutions includes:

- Providing affordable financial services to more Americans, no matter where they live—especially for underserved and diverse communities in rural and urban areas;
- Protecting families from abusive lenders by providing low-interest and responsible short-term



loans when facing an unexpected medical debt, surprise medical billing, job loss, or other emergencies;

- Helping more Americans achieve the American dream of owning a home with access to easy and lower-cost home loans;
- Assisting working families in sending their children to college via lower-cost student loans;
- Ensuring their members’ personal financial data is secure and their privacy is protected against hackers and other bad actors;
- Investing more in the local communities they serve, growing the local economy by expanding small businesses loans, and empowering job growth; and Ensuring that all Americans have access to a not-for-profit cooperative choice when it comes to their families’ financial futures.

Resolution Passes Honoring COVID-19 Essential Workers

The League Resolutions Committee chaired by League Director, Tom Walker, presented a formal resolution to be considered during the League's 84th Annual Meeting on October 14, 2020. The resolution, which recognizes COVID-19 essential workers, was unanimously passed by the delegates.

Resolution

Support for Essential Workers of COVID-19

Whereas; the WVCUL recognizes the essential workers of Federal, State and local level that are on the front-line providing support to our communities during the COVID-19 global pandemic; and

Whereas; we realize that it has altered the life of every American; and

Whereas; the COVID-19 pandemic has intensified all of the daily lives of our health care personnel, medical technicians, first responders, law enforcement and firefighters that are facing unprecedented challenges to stay healthy and serve our communities; and

Whereas; delivery and postal workers continue to keep their delivery operations working as part of the nation's critical infrastructure by delivering essential medical supplies, Social Security and stimulus relief checks; and

Whereas; our grocery and food service workers throughout our nation are working tirelessly to stock shelves and prepare food for the public, while facing even greater risk from public interaction; and

Whereas; most importantly, the WVCUL wants to pay tribute to our own state credit unions and employees who have had to dramatically change their operating environment in continuing to offer valuable services to their credit union members; so **therefore, let it be;**

Resolved; on this day, October 14, 2020, at our most unusual virtual 84th Annual Meeting; the WVCUL fully recognizes, supports and pays tribute to all COVID-19 essential workers of America; by including them in our daily prayers.

Credit Reporting-Continued from Page 5

These special comment codes have no effect on the consumer’s credit score and may be another reason why credit scores have not declined as a result of the COVID 19 pandemic.

AW – designates that the loans current status is affected by a natural or declared disaster. CP – designates an account that is in forbearance

Changing Spending Habits

As businesses shut down and stay in place orders enacted, Americans’ spending habits changed. With less things to spend money on and fears over the future economic environment, Americans hunkered down on spending and paid down their debt.

The Federal Reserve Bank of NY reported record decline in credit card balances for the second quarter of 2020 of \$76 billion. With less outstanding debt, consumer credit scores rose.

While it seems as though Americans are weathering the pandemic storm, the question remains what will happen as relief efforts expire. Unemployment numbers are improving, but uncertainties remain. As a lender, the key to weathering the storm is in monitoring those borrowers who have elected deferment, as they may pose an increased risk that is not reflected in their credit score. As more borrowers come out of deferment periods, are they able to pay the loan amount or do they become delinquent?

2020 Analytics can help you identify and monitor these borrowers. We provide additional reporting and data analytics on accounts that are in deferment to help you asses your portfolio risk.

Dinny Lechman is a Data Analyst with 2020 Analytics, an endorsed provider of CUNA Strategic Services (CSS). She works with clients on loan portfolio risk engagements. She graduated Cum Laude from Vanderbilt University with a degree in Mathematics. She has worked in the financial services and marketing industries for over 20 years. Most recently she has been helping to provide digital marketing data analytics to clients in a broad spectrum of industries.



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