

# League Peaks

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## NCUA Board Modernizes Field of Membership Rule



The two-person National Credit Union Administration Board held its October 27<sup>th</sup> meeting and passed a much anticipated rule governing the way credit unions define their fields of membership.

“More Americans will become eligible for credit union products and services under a final rule (Part 701) approved by the Board to modernize NCUA’s field-of-membership regulations,” the agency said in a news release following the board meeting.

“This comprehensive rule expands consumer access to credit and provides them a safe place to invest their life savings,” NCUA Board Chairman Rick Metsger said. “Congress passed the Federal Credit Union Act and the Credit Union Membership Access Act to improve access for consumers to a national system of not-for-profit cooperative credit. But, the world has changed since we last put in place rules to implement these laws. We cannot anchor our regulations to the past; we have to keep pace with how consumers access financial services today.”

“Our field-of-membership final rule is consistent with both the letter and spirit of the law,” Board member McWatters said. “During our deliberations, I carefully examined the Federal Credit Union Act and the requirements of the Administrative Procedure Act. Based on more than 30 years of legal experience working with issues of complex statutory interpretation, I am confident that the final rule we’ve approved today follows the law. More importantly, these changes will expand access to affordable financial services for consumers, including those in underserved communities.”

Consistent with the limitations of the Federal Credit Union

Act, the final rule updates key definitions and makes more than a dozen changes to NCUA’s chartering and field-of-membership rule for federal credit unions by:

- Allowing greater flexibility to community charter credit unions in how they define the local communities they serve;
- Providing credit unions with better opportunities to serve underserved areas by updating the process for defining those areas;
- Enhancing access to credit union services for residents of rural areas by allowing rural district credit unions to serve up to 1 million people;
- Streamlining paperwork for multiple common-bond credit unions that seek to serve additional groups, such as including independent contractors with a strong dependency relationship with an employee group; and expanding credit union access for honorably discharged members of the armed services by allowing them to join credit unions serving their active-duty counterparts.

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The final rule also modifies the type and extent of information that a federal credit union must submit to support an application to expand its field of membership.

The final rule, will become effective 60 days after publication in the *Federal Register*.

## Hike The Hill 2016 Recap

Amidst several federal legislative issues facing credit unions, the West Virginia Credit Union League hosted its members in Washington, DC, on September 14 as part of the annual Hike the Hill program in conjunction with the Credit Union National Association (CUNA). With 21 in attendance, including League President Ken Watts, and CUNA's Kristin Eagan, the group convened at the U.S. Capitol and hosted a luncheon for the West Virginia Congressional delegation and their staff. Prior to the luncheon, Eagan provided a legislative update to the group.



WV credit union delegation gathered at the U.S. Capitol Visitors' Center on September 14, 2016.

Photo courtesy of Kristin Eagan, CUNA

Both Senators Joe Manchin and Shelley Moore Capito along with Congressman Evan Jenkins spoke to attendees and acknowledged their concerns regarding data security legislation and regulatory burden.

"Hike the Hill is always a good opportunity to discuss our issues directly with our lawmakers and their staff," stated League president Ken Watts. "We wish to express our sincerest thanks to our credit unions who participated in the event."

The day concluded with credit union representatives traveling to Nationals Park to take in a Major League Baseball game between the Washington Nationals and New York Mets.

Credit unions participating in this year's Hike the Hill included: First Choice America Community FCU; Kemba Charleston FCU; One Community FCU; Strip Steel Community FCU; and, West Virginia Central CU.

## Parkersburg Chapter Makes History During ICU Week

Educating volunteers and staff about credit union history and philosophy during International Credit Union Week took a slight twist from the normal format at the Parkersburg Chapter meeting on October 17. The meeting was held in WV Central CU's training room and linked up with National Credit Union Foundation Executive Director Gigi Hyland via Skype. A popular web application, Skype connects people through a webcam in real time, and it marked the first time a chapter in West Virginia has used the technology.



Hyland spoke to attendees about the early origins of the credit union movement and the role that credit unions play in the current economy using the seven cooperative principles.

Krista Raines, a former chapter president, set up the meeting with Hyland months ago and returned to Parkersburg for the historic event after moving with her family to North Carolina in April. As a Development Educator, Raines has stayed active in the credit union movement, but was thankful she could return "home" to take part in the meeting.

"We commend the Parkersburg Chapter for using web technology to link up with a speaker of Gigi's caliber on a topic that ties with our mission and purpose during ICU Week," stated League President Ken Watts who attended the meeting. "Skype, and other similar web applications provide chapters with new options in providing speakers from around the country," he added.

## League Offers Updated Free Staff Salary Report through CUNA Special Arrangement

### Free download offers data for CUs under \$50 million in assets

Credit unions under \$50 million in assets will now have access to new salary survey data that will help them plan for the future. This report comes through a special group licensing arrangement with CUNA, who published the report earlier this year. It is the third consecutive year that League has



provided the report as part of credit union dues services. The report has a retail price of \$249.00 if purchased directly from CUNA.

The 2016-2017 CUNA Staff Salary Report is designed exclusively for credit unions with \$50 million or less in assets. Credit unions may use data, along with the report's job descriptions to

develop a successful salary program. This year's report includes data on 45 full-time and 8 part-time positions in small credit unions.

This essential report provides statistics on base salaries, incentives, bonuses, total cash compensation, and salary ranges for the most common positions in small credit unions. Credit union managers will be able to make meaningful comparisons, because the report displays results by asset size, region, number of full-time employees, number of services offered, number of members, and total amount of loans outstanding at the credit union.

#### How do you get your copy?

The e-report is available for download from the League's web site at [wvcu.org](http://wvcu.org) and clicking on the Salary Survey banner, or looking under the Publications/Member Publications tab. Registration on the web site is required before downloading.

## League Designated Fund Sends Flood Aid to Louisiana

Following devastating flooding this past August in Louisiana which has directly affected 20 credit unions, the West Virginia League Designated Fund Committee responded with a donation of \$5,000 according to League President Ken Watts.

"We are mindful of the devastating impact that flooding can have on communities," Watts stated as he recalled the June flooding in West Virginia. "With a desire to help our fellow credit unions in Louisiana, we thought it urgent to help those who are in great need."

In addition, the National Credit Union Foundation (the Foundation) activated the online disaster relief system CUAid.coop to raise money for credit union people in Louisiana affected by flooding.

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"Louisiana has been severely affected by the recent floods in our state and could use your help," said Connie Major, EVP/CFO of the Louisiana Credit Union League. "It's been called the 'great flood of 2016' and it came so fast that many credit union people didn't have enough time to even *consider* evacuating."

As donations have been posted through CUAid.coop, the National Credit Union Foundation has coordinated with the Louisiana Credit Union Foundation in the disaster area to distribute money efficiently to affected credit union employees and members. 100% of the donations through CUAid goes to credit union disaster relief. In the event that all donations are not used for Louisiana flooding relief, the National Credit Union Foundation will transfer any and all unused funds to its "General Disaster Relief Fund" for future disaster relief efforts.

This year alone, the fund has donated \$30,000 in local and national disaster relief efforts.

The West Virginia League Designated Fund of The National Credit Union Foundation is a 501(c)(3) non-profit organization established to advancing credit unions' social mission in West Virginia by supporting financial education, promoting charitable giving, and by providing disaster relief assistance.

# Nine year old's unusual birthday request is just what the doctor ordered



Brooklynn's birthday request will help sick children in West Virginia

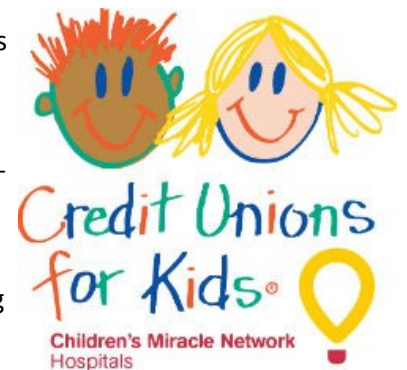
What gift do you get a happy and healthy girl for her ninth birthday? A trip to the American Girl Doll store? A softball glove? Or, perhaps, tickets to an amusement park? The answer is *none of the above*. At least, that was the case for nine year old Brooklynn Blankenship who celebrated her birthday in June and made an unusual gift request: “lots and lots of Play-Doh.”

Brooklynn is the daughter of National Employees FCU Manager Charlie Blankenship, and wife Nicki who enjoy seeing their daughter participate in gymnastics, cheerleading, and other typical activities of a nine year-old, so they were surprised when her birthday request was quite atypical. Brooklynn asked that her friends bring unopened Play-Doh to the birthday party, so it could be donated to Children's Miracle Network (CMN) Hospitals affiliate WVU Children's Hospital in Morgantown. “The parents of the children loved it, and so did the kids who attended the party,” Brooklynn's dad shared. “We have already collected 347 cans of Play-Doh for the patients at WVU Children's.”

Although money raised from donations is the primary engine that powers the 170 CMN Hospitals, they gladly accept donations like Brooklynn's. “We are so lucky to have supporters like Brooklynn and National Employees FCU,” said WVU Children's Hospital representative Ashley Olczak. “Items such as Play-Doh are needed every day at the hospital and clinics. Because of the generosity of Brooklynn and credit unions in the community, we can continue to put smiles on the faces of the kids in our hospital,” Olczak added.

When asked how she heard about CMN Hospitals, Charlie said his daughter was moved by a *Credit Unions for Kids* flyer she saw with mail that he had brought home from the office. “Brooklyn thought Play-Doh would be a fun activity for kids who can't get outside and enjoy the summer,” he further explained. “I am so proud that Brooklynn has embraced the *Credit Unions for Kids* message.

*Credit Unions for Kids* is a nonprofit collaboration of credit unions, chapters, leagues, CUNA, and business partners from across the country, engaged in fundraising activities to benefit 170 CMN Hospitals. Credit unions are the 3rd largest corporate sponsor of CMN Hospitals, raising over \$11 million in 2015 and over \$150 million since



1996. Locally, the West Virginia Credit Union League and member credit unions have raised tens of thousands of dollars for CMN Hospitals through various fundraising activities over the past twenty years.

One hundred percent of every dollar donated by members of the credit union movement goes back to the CMN Hospital which serves their respective communities. CMN Hospitals provide 32 million patient visits for 10 million children every year. In fact, one in ten children in North America is treated at a CMN Hospital annually.

# New Employee Overtime Rules take Effect December 1, 2016

## Recorded webinar addresses impact and preparation steps for CUs

In 2014, the U.S. Dept. of Labor (DOL) was directed to update the overtime regulations to reflect the original intent of the Fair Labor Standards Act, and to simplify and modernize the rules. As a result, the DOL issued new rules on May 18, 2016 that will increase the minimum salary level necessary for employees to be properly classified as exempt executive, administrative, and professional employees. The final rule will take effect on **December 1, 2016** and could have an impact on credit union staffing including budgets.

### CUNA asks for six month implementation delay

In the meantime, CUNA has asked the Congress to pass H.R. 6094, which would delay implementation of the new rules for six months in order to assess the impact on smaller institutions. In a letter to Congressional leaders, CUNA asserts the rule “will magnify the regulatory burdens and constraints credit unions already face, particularly since 35 percent of all credit unions have no employees making salaries over the DOL's threshold.” CUNA further contends that the rule will negatively impact credit union members, particularly if the credit unions are forced to limit services as a result of changed employment situations or the inability to hire full-time employees. This legislation is critical to ensure that the DOL more fully assesses the severe impacts of this rule, particularly on small credit unions. Passage of the bill is uncertain before the December 1 implementation date.

### Who does it affect?

According to the DOL, the final rule increases the minimum salary level for "white collar" exempt employees. The DOL expects that fewer employees will meet the requirements to be exempt from overtime, and as a result, either will be entitled to receive overtime pay, or will have to receive a higher salary in order to remain exempt under the FLSA.

### How you can prepare:

In anticipation of the new rules going into effect, the West Virginia Credit Union League is sponsoring an archived webinar which was originally broadcast on October 17 to help better prepare credit unions for the changes.



### Topics covered:

- New rules regarding overtime exemptions
- Specific tests that must be satisfied for each type of overtime exemption, including the duties test
- Alternatives if an employee will no longer qualify as exempt from overtime pay
- Restructuring each employee's compensation to achieve the same previous salary
- Controlling the hours worked to manage potential overtime costs
- How to notify employees about these new changes

### Webinar takeaways:

- Chart comparing the current rules, the old proposed rules, and the new final rules
- DOL's *Guidance for Private Employers on Changes to the White Collar Exemptions in the Overtime Final Rule*
- DOL's *Small Entity Compliance Guide to the Fair Labor Standards Act's "White Collar" Exemptions*
- Employee training log
- Quiz you can administer to measure staff learning and a separate answer key

### Who Should Attend?

This informative session is designed for human resources personnel, managers, compliance officers, audit staff, budget personnel, and attorneys. Webinar registration information may be found under the Education tab of the League's website.

# West Virginia Central CU board member becomes latest Certified CU Development Educator

## 45 Earn Certification in Madison, WI

Forty-five credit union representatives, including one from West Virginia became Credit Union Development Educators (CUEs) after being guided by dedicated program facilitators and mentors through the intensive Credit Union Development Education (DE) Training from the National Credit Union Foundation (the Foundation). The DE training was held September 14-21, 2016 at the Lowell Center in Madison, Wis.

Vijay Shah, a volunteer director at West Virginia Central Credit Union in Parkersburg became the latest representative from the state to earn the designation. Earlier this year, Bayer Heritage FCU's Rachael Graham and Long Reach FCU's Crystal Rocchio obtained their CUE designation in Madison.

### Team Projects

DE Training provides critical lessons in cooperative principles, credit union philosophy and international development issues while incorporating challenges credit unions face today. During the recent week-long program, participants were involved in group exercises, field trips, discussions with speakers from around the credit union system, and are required to complete team projects proposing solutions for credit unions to help alleviate or eliminate challenging situations in any given area. For this class' final case studies, participants worked through and presented solutions to critical issues that included student loan debt, board development and recruiting including the debate over compensation, building microfinance programs in developing countries, credit union solutions to predatory lending, the increasing issue of homelessness in America, and rejuvenating a stagnant credit union.

"We congratulate Vijay on earning his CUE designation," stated League President Ken Watts. "Becoming a CUE requires a commitment of time, and a passion for credit unions, and he has certainly demonstrated both," he added.

The mission of the Credit Union Development Education (DE) program is to promote credit unions' social responsibil-



Vijay Shah proudly holds his CUE certificate as he is joined by National Credit Union Foundation program mentors.

ity and domestic and international development through interactive adult education and professional networking. By linking credit unions' past and present, the DE program brings renewed relevance to credit unions' seven cooperative principles and the philosophy of "People Helping People."

For those interested in 2017 DE Trainings, visit [ncuf.coop](http://ncuf.coop) to learn more, or you can email [cude@ncuf.coop](mailto:cude@ncuf.coop) to be put on a notification list for when registration opens up.

*"We congratulate Vijay on earning his CUE designation. Becoming a CUE requires a commitment of time, and a passion for credit unions, and he has certainly demonstrated both."*  
WVCUL President, Ken Watts

# CUNA Governmental Affairs Conference set for Feb. 26 to March 2, 2017

The Credit Union National Association has announced that the [2017 CUNA Governmental Affairs Conference](#) will be held February 26 to March 2 in Washington, D.C. serving as the largest advocacy event in the credit union movement, CUNA GAC unites thousands of credit union advocates to fight for fairer legislation, regulation and policies for credit unions.

“CUNA GAC unites credit unions around our powerful cause,” said CUNA President and CEO Jim Nussle. “It’s a great conference and networking event. It’s our time to bring our message to Washington, D.C. Credit unions are different, and we make a difference for our more than 100 million members and their communities.”

Hill Hikes, coordinated together with the state credit union Leagues, are at the heart of CUNA GAC. Credit union representatives from all 50 states visit Capitol Hill to meet with their representatives, start conversations on pivotal legislative and regulatory issues, and remind them of the benefit credit unions have on their constituents’ lives.

## CUNA GAC also features:

- Keynote sessions from business, media and politics
- Breakout sessions on important regulatory and advocacy topics
- Touring the largest exhibit hall of any credit union event
- Networking with fellow industry leaders

For the 8<sup>th</sup> year CUNA welcomes young professionals to get engaged at CUNA GAC. Professionals under the age of 35 will have the opportunity to attend through a “GAC Crasher” scholarship facilitated by The Cooperative Trust and funded by each League.

To learn more and register for CUNA GAC, please visit [gac.cuna.org](http://gac.cuna.org).

## Apply now for *First Time Attendee* GAC Scholarship

League President Ken Watts announced on October 21 the continuation of a scholarship program that was started in 2009. It provides for a scholarship to be awarded annually through the West Virginia Credit Union Foundation for individuals attending CUNA’s Governmental Affairs Conference (GAC). The 2017 GAC will be held February 26 – March 2, 2017, in Washington, DC.

The intent of the scholarship is to allow for participation and exposure to one of the premier credit union conferences and to encourage greater involvement in the political process by participating in Hill visits, which are part of the GAC.

The scholarship is for \$2,000. ***Any employee or volunteer representing a credit union \$50 million in assets or under and who would be attending the GAC for the first time is eligible.*** Further details are contained in the letter and fact sheet mailed to all League member credit unions.

Completed applications must be returned to the League office by November 30. An independent set of judges will make the selection and the recipient will be announced by December 15th.

Scholarship funds are paid directly to the credit union and the recipient will be responsible for taking care of his/her conference registration, accommodations, and travel arrangements. Hotel reservations must be coordinated between the applicant’s credit union and the League. Reservation details will be provided upon notification of the scholarship recipient. The \$2,000 scholarship may not take care of all expenses, but it will go a long way in covering the costs associated with attending such a top notch conference.



# NCUA: Credit Unions Can Expect No Further Stabilization Fund Assessments

The National Credit Union Administration announced on September 21 that updated information on the costs of the **Corporate Resolution Program** and the performance of the **NCUA Guaranteed Notes Program** is now available online. The upper and lower ends of the projected assessment range for the Temporary Corporate Credit Union Stabilization Fund remain negative, from negative \$2.4 billion to negative \$4 billion, respectively. As long



as both ends of the range remain negative, it is unlikely NCUA will charge credit unions future Stabilization Fund assessments.

“We have come a long way since the days when the credit union system faced up to \$10.5 billion in possible Stabilization Fund assessments,” NCUA Board Chairman Rick Metsger said. “The carefully guided corporate resolution strategy, an improving economy and the agency’s determination to hold Wall Street firms accountable have together put federally insured credit unions in a position for a much less intimidating outcome. If these trends continue, credit unions can expect no further Stabilization Fund assessments.”

Credit unions have paid \$4.8 billion in assessments since the creation of the Stabilization Fund in 2009. The Stabilization Fund is scheduled to close in 2021.

The assessment projections are based on the performance of the failed corporates’ legacy assets, legal recoveries and economic variables such as interest rates, unemployment and housing costs. Those variables and projections are subject to change. NCUA uses BlackRock, an independent securities valuation firm, to project the future performance of the legacy assets in the NCUA Guaranteed Notes Program.

The NCUA is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions.

## LEAGUE PEAKS

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Founded in 1937, and headquartered in Parkersburg, the West Virginia Credit Union League is the state trade association for West Virginia’s cooperatively owned credit unions and is governed by an elected nine member volunteer Board of Directors.