

League Peaks

Winter 2017

The Official Publication of the West Virginia Credit Union League

No. 619

McWatters Named as New NCUA Acting Chairman

President Donald J. Trump has designated National Credit Union Administration Board Member J. Mark McWatters as the Acting Chairman of the NCUA Board.



Mark McWatters

McWatters succeeds Rick Metsger, who was designated Board Chairman in May 2016. Metsger continues to serve as an NCUA Board Member.

“I am deeply honored that President Trump has asked me to serve as Acting Chairman of NCUA,” McWatters said. “I look forward to continuing to work with Board Member Metsger to facilitate the ability of credit unions to better serve their members. I remain committed to bringing

true regulatory relief to the extent permitted by applicable law and to protecting the deposits of the more than 106 million Americans who rely on federally insured credit unions for their financial needs, all in a manner that ensures the safety and soundness of the National Credit Union Share Insurance Fund.”

“I congratulate my colleague, Mark McWatters, on his designation, and I expect our strong working relationship to continue,” Metsger said. “He and I have mutual respect for, and trust in, one another, and I think we have accomplished a good deal in the past nine months. Our commitment to working together for a safe and sound credit union system remains the same.”

McWatters was nominated to the NCUA Board by then-President Barack Obama on Jan. 7, 2014. Following Senate

confirmation, he took office as an NCUA Board Member on Aug. 26, 2014.

Prior to joining NCUA’s Board, McWatters served as Assistant Dean for Graduate Programs and as a Professor of Practice at the Southern Methodist University Dedman School of Law and as Adjunct Professor at the university’s Cox School of Business. He also served on the Governing Board of the Texas Department of Housing and Community Affairs and on the Advisory Committee of the Texas Emerging Technology Fund.

Previously, McWatters served as a member of the Troubled Asset Relief Program Congressional Oversight Panel and as counsel to Rep. Jeb Hensarling (R-Texas). He also practiced law as a partner in three large cross-border law firms and as counsel to an international hedge and private equity firm, where he specialized in taxation, corporate finance, and mergers and acquisitions. He began his career as a judicial clerk to the Hon. Walter Ely of the Ninth U.S. Circuit Court of Appeals.

McWatters is licensed to practice law in Texas and New York and as a Certified Public Accountant in Texas. He holds a J.D. degree from the University of Texas at Austin School of Law and an LL.M degree from each of Columbia University School of Law and New York University School of Law.



Rick Metsger

Open Letter to Credit Unions...

On November 4, 2016, Gene Stump passed away. While his name may not be familiar to all credit union officials in WV, many will immediately recognize his name and realize that the credit union movement lost a true pioneer last month.

Gene's credit union involvement spanned almost 50 years. In the early '60's he was working for Johns Manville Corporation in Vienna, WV, as a machinist and became involved in the newly formed credit union there, Blennerhassett FCU. He was elected to the board and quickly stepped into the role of Treasurer, a position he held for nearly 30 years.



Eugene Stump

1926-2016

In 1963 Gene was elected to represent the Parkersburg Chapter on the League Board and he served in that capacity for 30 years, serving multiple terms as Chairman and as Treasurer. During Gene's time on the League Board several very significant events occurred, and Gene was instrumental in them all. He was Chairman of the Building Committee when the League purchased land in Parkersburg and moved the League office from a rented house in Charleston (actually Kanawha City) to a newly constructed building in Parkersburg, where League operations continue to originate from.

Gene was a charter member and played a major role in organizing WV League Central Credit Union in 1969, the WV League Services Corporation also in 1969, and WV Corporate Credit Union in 1978. Gene continued to serve as an official of WV Central Credit Union after he retired and was a board member at the time of his death. His total service spanned 48 years, the entire length of WV Central's existence.

Credit unions throughout West Virginia owe Gene a tremendous debt of gratitude for all he contributed during his illustrious career. For those of us fortunate enough to have known and worked with him, his presence will be felt for many years to come and credit unions will be stronger because of him.

Sincerely,

Ken Watts, League President



Gene shown with wife Cathy in 2011, celebrated their 55th wedding anniversary on Nov. 3, 2016



Gene (center) planting "Founders' Tree" with former League President Jose Alonzo as League President Ken Watts, and Directors Tom Walker and Mike Tucker look on in 2011.



Gene (center) at the 1973 groundbreaking of the new League office located in Parkersburg.

Campaign for Common Sense Regulation Launched

As a new Congress convened in Washington last week, CUNA and state Leagues system formally launched a multilayered advocacy campaign in the new year that looks to take advantage of a favorable political environment to rein in excessive regulations that are hurting credit unions. The central piece of the *Campaign for Common Sense Regulation* will be activating credit union members nationwide to get involved in the advocacy fight.

“The cost of excessive regulation has greatly impacted credit unions in West Virginia to the tune of \$28.9 million according to a Cornerstone Advisors study released last year by CUNA,” stated League President Ken Watts. “This cost averages out to \$322,000 per credit union or \$72.00 per member,” he added. “With credit union support, we plan to ask Congress to ease the burden on credit unions by supporting common sense legislation,”

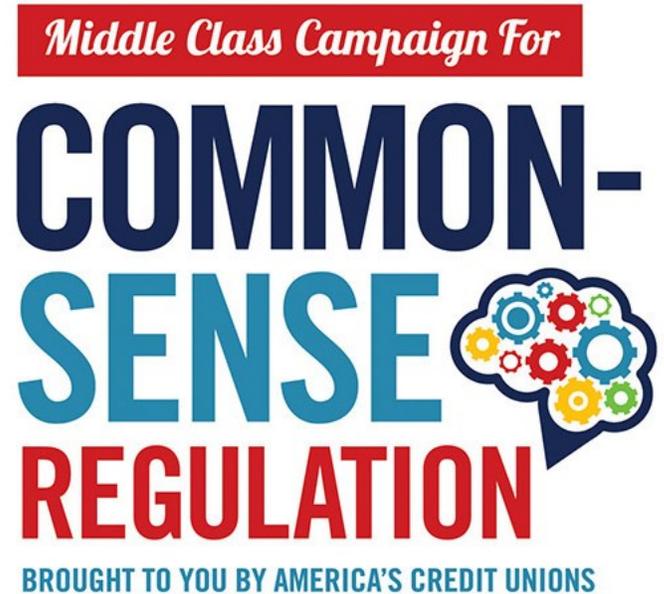
CUNA emphasized that while supporting regulatory relief is a top priority, protecting credit unions’ tax status and enhancing payment security are still major legislative priorities.

CUNA emphasized that while supporting regulatory relief is a top priority, protecting credit unions’ tax status and enhancing payment security are still major legislative priorities.

“We have a great opportunity to take full advantage of the strength of the CUNA/League system, and this campaign will help unleash our secret weapon: the voice of the credit union member,” explained CUNA President Jim Nussle during a webinar hosted a week after the official launch. Nussle emphasized that the campaign is a pro-consumer, bipartisan effort that will ultimately benefit the financial services marketplace by allowing credit unions to better serve their members and businesses.

While the campaign will be a sustained and coordinated

effort among CUNA, Leagues, and credit unions, all will be looking toward the February GAC to deliver the key messages in person to lawmakers in Washington.



The campaign includes goals on both the legislative and regulatory fronts:

Legislative:

- Broaden and clarify the statutory ability of the Consumer Financial Protection Bureau to exempt credit unions from certain regulations;
- Change the CFPB structure to a 5-person commission instead of a single director;
- Fund the CFPB through the appropriations process; and
- Increase the asset threshold for CFPB supervision.

Regulatory:

- Stop the CFPB’s payday, arbitration and debt collection rulemakings;
- Fix regulations related to the Home Mortgage Disclosure Act, TILA/RESPA integrated disclosure, remittances and others;
- Keep a potential CFPB rulemaking on overdraft protection from moving forward; and
- End the practice of regulation through supervision.

The **Campaign for Common-Sense Regulation webpage** (<https://www.cuna.org/commonsensereg/>) features a number of resources, including talking points, information for employees and members, graphics for communications and social media materials.

Gabrielle McClure honored to be selected as West Virginia's 2017 GAC Crasher

The West Virginia Credit Union League is pleased to announce that Gabrielle McClure of Members Choice WV FCU has been selected to attend Crash the GAC by The Cooperative Trust and Credit Union National Association. The GAC is the Credit Union National Association's annual Governmental Affairs Conference which will be held in Washington, D.C., February 27-March 1, 2017.



Gabrielle McClure

Crash the GAC will bring young credit union professionals together from each state, running a tailored program alongside the main event and allowing for mentor sessions with key individuals; previously from the likes of National Credit Union Foundation, Credit Union National Association, Filene Research Institute and CUNA Mutual Group.

"We congratulate Gabrielle as being selected as West Virginia's 2017 GAC Crasher," stated League President Ken Watts, upon receiving notice of the selection. "Her enthusiasm for credit unions and interest in advocacy makes this selection a natural fit. We look forward to her joining us on our visits with West Virginia's Congressional delegation in Washington, D.C. next month."

The Crasher program and its enthusiastic participants have truly become a staple of the GAC experience. I'm always in awe of this group's excitement and passion for credit unions," said Jim Nussle, CUNA president/CEO. "I very much look forward to working with them throughout the week to build up their confidence as future credit union leaders, and also to gain their critical, fresh perspectives on the direction of our industry, and what it means to them to advocate for credit unions on Capitol Hill."

"We are so excited to bring fifty young professionals to Washington D.C. this year," says James Marshall, Manager of The Cooperative Trust. "With a new administration in place, it is more important than ever for our young credit union professionals to be at the CUNA GAC and we're privileged to be able to provide the opportunity."

"I'm honored to represent West Virginia and the WVCUL as a Crasher for the 2017 GAC!" stated McClure.

"When credit unions stick together on a community level, they can come together at a state level and take it all the way to a national level, and that's exactly what the Governmental Affairs Conference is about. I look forward to learning from my credit union peers and working with legislators to continue furthering the credit union movement," she added.

All Crashers receive a complimentary registration to attend GAC, from Credit Union National Association. In addition, the West Virginia League Designated Fund provides funding to offset travel and lodging related expenses. During the previous two years, the West Virginia League has co-sponsored two *Crashers* from West Virginia to attend the GAC.



The Crash the GAC is brought to you by The Cooperative Trust and CUNA, in association with Credit Union Leagues/Associations.

About The Cooperative Trust: The Cooperative Trust is a [grassroots community of young people](#) who work in credit unions and cooperatives. Founded by the Filene Research Institute and made possible by CUNA Mutual Group, the Trust connects and enables several hundred young people fighting for the future of socially responsible finance through meet-ups, mentorships and collective action.

5 Tech and Operational Trends to Consider for 2017

Guest article by Jason Buckley, EVP Business Development for ATM Solutions, Inc.

New technology typically has the early adopters. Pioneers who want to be on the leading edge by providing the latest and greatest the market has to offer. We're seeing a significant trend with Branch Transformation technologies moving from the "leading edge" list to the "can't live without it" list. Here's a few technology and operational trends to consider in 2017:

The ITM

No, that's not a typo. I'm not referring to an automatic teller machine (ATM) — this is an *intelligent* teller machine (ITM). These new intelligent teller machines are smart! They can streamline branch transactions and allow local tellers to spend more time interacting with customers, creating an enhanced customer experience. More time cross-selling results in more business from existing customers. ITMs are capable of dispensing cash, accepting bulk cash and check deposits, check cashing to the penny - even check cashing for the unbanked, and a vast array of video assisted teller transactions. In the drive up, island application, these units can be a "branch in a box" and the possibilities are now truly limitless.

Teller Cash Recyclers

The concept began several years ago with Teller Cash Dispensers (TCD) or Teller Assist Units (TAU). These were simple units that dispensed cash for the tellers. The hope was that cash would be more secure and the machine would speed up the teller transaction. However, many FIs just didn't see enough value to adopt the devices. Fast forward from the TCD of yesterday to today's Teller Cash Recycler (TCR): Dispense/Deposit speeds up to 12 notes per second; Capacities up to 14,000 notes; Note Validation; and Self-audit. Some models even feature a transit cassette for securely transferring mixed notes to and from the vault, other TCRs and ITMs without ever exposing the cash. Time spent buying and selling cash to the vault is greatly diminished. End of day balancing is a snap and can be completed in a fraction of the time it took in the past. Not only are the teller transactions more efficient and accurate, the tellers can now spend more time cross-selling instead of repeatedly counting the customer's cash. This increases branch productivity and enhances the customer's experience at the same time. The high capacity of some models actually eliminates the need for the traditional branch vault for lower volume locations. The TCR is a great first step in the branch transformation process.

Cash Automation Middleware

Financial institutions choosing to implement cash automation solutions have long been schooled that direct integration was a must. This is no longer the case. Cash Automation Middleware has come a long way over the last several years. The claims of lots of extra steps required, lots of double keying required, and the infamous, "that TCR is not supported by us," have all been taken off the table by middleware. These solutions often deliver greater functionality over direct integration as well. Banks are now free to choose a product that best fits their needs versus what is dictated they use.

Smart Safes

Often overlooked by financial institutions, Smart Safes can be a valuable technology offering to secure business accounts for the bank. A Smart Safe adds tremendous security benefits for any business that handles large sums of cash. The cash deposits are made in the Smart Safe in their back office and the transaction data is wired to the bank. The financial institution issues provisional credit and the funds are later physically delivered to the bank by the armored carrier or Cash in Transit (CIT) Company. Sure, the intent of a Smart Safe originally was for retailers that operate in cash heavy businesses, but a well-implemented Smart Safe Program at the financial institution can help secure new business accounts and cement relationships with existing accounts.



Outsourcing

With all the changes over the past few years and all the changes coming in regards to the ATM or ITM in the future, many FI's have outsourced their ATM fleets to a trusted partner. Why own an ATM fleet and then outsource all of the ongoing services? Why not outsource the equipment to the experts as well? Outsourcing enables the bank to budget a set cost for their units without the typical compliance, upgrade, and liability concerns associated with owning the equipment.

These solutions have several benefits in common. They increase productivity, streamline transactions, enhance the customer experience, and add to the bottom line of the financial institution.

What better way to honor them?

The West Virginia Credit Union League's Designated Fund accepts charitable donations from credit unions, chapters, and individuals in honor and remembrance of past founders and directors who have left a lasting legacy at their credit union.



● ● ●

Leave a lasting memory of a credit union founder. Honor a former director. Recognize their volunteer service to your credit union and/or chapter through a gift to the League Designated Fund.

Contact Ken Watts or Rich Schaffer at the League office (800-642-1946) to discover how you can properly honor your volunteer through a gift to the League Designated Fund.

Our Purpose...

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.

WVDLF Committee Members

Ron Bragg, Hope FCU

Joetta Heck, Kemba Charleston FCU

Crystal Rocchio, Long Reach FCU

Ken Watts, WV Credit Union League

Court Dismisses Bankers’ Frivolous MBL Lawsuit Against NCUA

Credit unions are claiming victory following a January 24 ruling by U.S. District Court Judge James Cacheris’ granting the National Credit Union Administration’s motion to dismiss the lawsuit filed by the Independent Community Bankers of America (ICBA) against the agency and its member business lending rule.

The MBL rule was passed by the NCUA Board in February 2016, and a lawsuit was filed by the NCUA in September of last year.



“The court made the right decision in granting NCUA’s motion to dismiss ICBA’s groundless lawsuit,” commented The Credit Union National Association (CUNA) and the National Association of Federally-Insured Credit Unions (NAFCU) in a joint statement following the ruling. “We had maintained all along that this was nothing more than a frivolous and ill-conceived effort by the bankers. Today’s decision is a clear message that NCUA acted well within its statutory authority when it issued its member business lending rule. The CUNA/ League system and NAFCU applaud today’s ruling because it is a huge win for Main Street businesses which look to credit unions to secure much-needed access to capital,” said Dan Berger, president/CEO of NAFCU, and Jim Nussle, president/CEO of CUNA.

“Perhaps the bankers should put more effort into serving their own customers instead of filing meritless lawsuits that only result in wasted time and money.”



LEAGUE PEAKS

Publication No. USPS 066-870

Published Quarterly by the West Virginia Credit Union League, Inc. 411 Cedar Grove Road Parkersburg, West Virginia 26104. The Peaks is distributed to the board of directors and committee members of all affiliated credit unions, members of the State Legislature of the State of West Virginia, other State Leagues and to affiliated agencies of the credit union movement.

POSTMASTER: Please send address change to WV Credit Union League, 411 Cedar Grove Road, Parkersburg, WV 26104.

Subscription rate is \$1.00 per year.

OFFICERS

- Lynne Teets.....Chairman
- Ed Cosner.....2nd Vice Chairman
- Joetta Heck.....Secretary
- Mike Tucker.....Treasurer
- Ron Bragg.....Director
- Harry DeVilling.....Director
- Dave Van Middlesworth.....Director
- Larry Slayton.....Director
- Tom Walker.....Director

STAFF

West Virginia Credit Union League

- Kenneth Watts.....President
- Leslie Newland.....Administrative Assistant
- Keith Rhodes.....Director of Education & Training
- Danita Hiley.....Senior Field Consultant

West Virginia League Services Corporation

- Rich Schaffer.....Senior Vice President
- Mindy Tant.....Administrative Secretary
- Bill Yoho.....Senior Auditor
- Jeremy Rodda.....Auditor