

League Peaks

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No. 617

League Flood Relief Fund Joins In Brad Paisley Challenge

Though country music performer, and West Virginia native, Brad Paisley lives and works in Nashville, his home state is never far from his mind. This was the case when June 23 flooding decimated many southern West Virginia communities. Paisley announced on June 28 that he has started a *GoFundMe* account for the flood victims which has since raised over \$600,000 to date. The West Virginia League Designated Fund governed locally, but administered by the National Credit Union Foundation, took him up on the offer and donated \$35,000 to the effort, \$10,000 of which came from the Virginia League's Credit Unions Care Foundation.

Following the donation, the country superstar thanked the League on his Twitter page which has 3.8 million followers.

"Before Paisley's public announcement, we had been in contact with Senator Manchin's staff who have been working in the flooded



Brad Paisley @BradPaisley

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Thank you @wvcul for the 35k donation! Mountaineer pride.



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areas and are aware that immediate needs are being met by a generous outpouring of support. They emphasized that a sustained effort will be needed in the coming weeks," stated League President Ken Watts. "The Senator's staff suggested we reach out to Brad's team since they have successfully raised and distributed flood relief funds in the past," Watts added.

Paisley made the announcement live via Facebook by performing "Country Roads" acoustically and then issuing a challenge to his fans and friends to join him in contributing. He made an initial donation of \$100,000 with a goal of raising \$1 million. In turn, the WV League Designated Fund sent \$35,000 to the West Virginia based Paisley Foundation—all of which will be spent on people needing various assistance in the hard hit areas.

Watts noted that thus far, the League is aware of one STAR USA FCU employee, Scott Schoolcraft, who lost his home and most possessions in the flooding. "We made a direct donation to Scott and to ease some of their burden during this stressful time, while distributing additional funds to the Paisley Foundation" Watts stated.



Glen Dale, WV native Brad Paisley is no stranger to Billboard hits and delivering flood relief. (photo courtesy of Brad Paisley)

To date, 10 West Virginia counties have been declared federal disaster areas by the federal government making them eligible for FEMA assistance.

"Brad's team was appreciative of the donation, and are working with a sense of urgency—as are we, to get funds out to flood victims in a timely manner," Watts explained.

Fund Still Accepting Donations

Earlier in the week the West Virginia League reached out to its member credit unions, explaining that credit unions and others wishing to contribute to the disaster relief fund can do so in one of two ways:

Contribute in one of two ways

Complete an ACH authorization form to make the payment electronically; or mail a check to the League (411 Cedar Grove Rd., Parkersburg, WV, 26104) made payable to the National Credit Union Foundation and in the memo line write "WV Designated Fund – flood relief."

"We are extremely grateful for the quick response thus far by credit unions wanting to pitch-in and help," Watts stated.

Two from West Virginia Among 47 CU Professionals Earning CUDE Designation in Wisconsin

CU Next Scholarships Promote History and Philosophy to New Generation

Forty-seven credit union professionals, including two West Virginia credit union representatives recently became certified Credit Union Development Educators (CUDEs) after being guided by dedicated program facilitators and mentors through the intensive Credit Union Development Education (DE) Training from the National Credit Union Foundation (NCUF). The DE training was held May 18-25, 2016 at the Lowell Center on the

“DE has changed my life for the better!” Rachel Graham

University of Wisconsin campus in Madison, Wisconsin.

Both Rachael Graham, Bayer Heritage FCU, and Crystal Rocchio, Long Reach FCU were recipients of League Designated Fund full tuition scholarships as part of the *CU Next* project for young credit union professionals in West Virginia. A total of six scholarships have been awarded to young professionals since the program was established by the League in 2013.

“DE has changed my life for the better!” stated Bayer’s Rachael Graham upon returning from the training. “After the longest, shortest week of my life, I was so excited to bring home my experiences to make a difference within my credit union! DE was an indescribable experience, and it rates within the top five of my life. I would recommend ANYONE who wants to be involved in this credit union movement to attend,” she added.

“This experience has been incredible in so many ways. I am exploding with ideas and information that I want to share with so many people, both in the industry and the community!” stated an enthused Rocchio. “It was awesome to share the same passion for credit unions with so many others that want to make a difference. I have been in the credit union industry for 12 1/2 years and this training is by far the best training I have received. I highly recommend the training to all staff members, board of directors and affiliates,” Rocchio emphasized.

Team Projects and Curriculum

DE Training provides critical lessons in cooperative principles, credit union philosophy and international development issues while incorporating challenges credit unions face today. Dur-

ing 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.



CUDE’s Crystal Rocchio and Rachel Graham

“We congratulate both Rachel and Crystal upon earning their CUDE designation,” stated League President Ken Watts. “Both have a real passion for credit unions and the cooperative principles that make them unique.” Watts explained that the scholarships to DE training ties-in with the League’s mission to promote the credit union system history and philosophy to a new generation of future credit union leaders.

“This experience has been incredible in so many ways.” Crystal Rocchio

The mission of the Credit Union Development Education (DE) program is to promote credit unions’ social responsibility 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.”

Congressman McKinley visits League office, co-sponsors legislation

West Virginia First District Congressman David McKinley was in Parkersburg on June 6 and made a visit to the League office to discuss current legislative issues affecting credit unions.

“Since this group was unable to meet with him at the GAC in February because of scheduling conflicts, the Congressman suggested we meet at the



Meeting with Congressman McKinley; and aide Libby Reasbeck were: Doug Reeder, WV Central CU; Mike Tucker, WV Central CU; Doug Hershman, Mountain Heritage FCU; Joe Thorpe, One Community FCU; Keith Rake, One Community FCU; and League staff, Ken Watts and Rich Schaffer

League office, which is often times seems less rushed than a Washington visit,” said League President Ken Watts. “We had a very productive visit which lasted over an hour and presented the opportunity for everyone to share ideas and concerns.”

McKinley listened intently as credit union representatives shared their concerns on data security breaches at major retailers which have affected their credit and debit card programs. Presently, if a card is breached, it is up to the financial institution to issue a new card and absorb the associated costs. The Congressman was in agreement that H.R. 2205—The Data Security Act of 2015 which was introduced last year in Congress, would be a positive step in making sure retailers secured their data and accepted more responsibility in securing sensitive member data.

“The Congressman made a direct phone call to his legislative director during the meeting and requested that his name be put on the bill as a co-sponsor,” Watts explained. “We are very appreciative of the Congressman for listening to our concerns and co-sponsoring this legislation.”

Other issues discussed included easing regulatory burden, reinforcing the need for the credit union tax status, and the forthcoming NCUA Field of Membership proposal.

CUNA’s In Depth Study Reveals High Cost of Regulations

It is no surprise among credit unions that burdensome regulations have a dramatic impact on their cost of operations, which in turn affects how and what services are delivered to their members. Consider that since 2008, credit unions of all sizes have faced 190 new regulations. And now, a newly released comprehensive study measuring the cost of those regulations, backed up with hard numbers reinforces this fact.

CUNA revealed that regulatory burden cost credit unions \$7.2 billion in 2014, conducted by Cornerstone Advisors at the request of CUNA. In West Virginia, the financial impact was \$29 million, or an average of \$322,000 per credit union.

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CUNA Chief Policy Officer Bill Hampel revealed that CUNA began working on the regulatory burden study 18 months ago. As the study was preparing to launch, several legislators commented in congressional hearings that banking regulators seemed to lack sufficient information on the costs associated with the regulations applied to financial institutions.

Regulatory relief has been a top priority of CUNA and Leagues, and a main discussion topic in recent years during visits with Congressional lawmakers and their staff.

Continued on P. 8

MILITARY LENDING ACT: BASIC TRAINING

Compliance Date Set For October 3, 2016

By: Jennifer Torbeck

The Department of Defense (DOD) issued a final rule in July 2015 to greatly expand the scope of its regulation that implements the Military Lending Act, which mandates certain disclosures and places restrictions on contract terms for covered credit. Previously, the Military Lending Act applied only to three narrow types of credit: (1) payday loans with terms of 91 days or fewer and in amounts of \$2,000 or less; (2) vehicle title loans with terms of 181 days or fewer; and (3) tax refund anticipation loans.

Consumer Credit Covered by the Rule

The scope of the regulation has been expanded to cover essentially all consumer credit, with four important exceptions: residential mortgages, purchase money credit secured by a motor vehicle, purchase money credit secured by personal property, and credit exempt from Regulation Z. Examples of the types of credit actually covered by the regulation now include unsecured loans, vehicle refinance loans, unsecured lines of credit, overdraft lines of credit, debt consolidation loans and private student loans.

Borrowers Covered by the Rule

Not all consumers are covered by the Military Lending Act. Covered borrowers include military members serving on active duty at the time credit is extended, and dependents of military members who are serving on active duty at the time credit is extended. "Dependents" generally include the military member's spouse, children, and certain people who are dependent on the member for over 50% of their support and who reside in the military member's household.

How will you know whether a member is covered by the Act? The DOD's final rule provides safe harbor status to credit unions who review the information in a consumer report on the applicant obtained from a nationwide consumer reporting agency, or information obtained from DOD's online MLA database. The credit union must also make a record of the information obtained in order to ensure safe harbor status.

Disclosure and Contract Requirements

The DOD's July 2015 final rule requires credit unions to provide covered borrowers with a statement regarding the Military Annual Percentage Rate (MAPR), and certain oral disclosures. The rule also imposes a 36% limit on the MAPR for covered transactions. The MAPR is calculated in the same way the traditional APR is calculated under Regulation Z, but additional charges are included when calculating the MAPR. For this reason, the APR and MAPR for a given transaction may

not be the same. For closed-end loans, the MAPR must be calculated at the time the extension of credit is made. For open-end credit, the MAPR must be calculated each billing cycle to ensure the 36% cap is not exceeded.

The following terms may not be included in an MLA-covered loan contract: a prepayment penalty, mandatory arbitration, waivers of consumer protection laws, mandatory military allotments to repay the extension of credit, and broad security interests in all of the member's shares. The regulation allows creditors to take an interest only in the member's shares that are deposited after the extension of credit is made, and deposited into an account opened in connection with the consumer credit transaction.

Mandatory Compliance Dates

Compliance with the July 2015 final rule is required on **October 3, 2016**, with the exception of credit card accounts, for which compliance is required on October 3, 2017. The final rule does not apply to credit extended before these dates.

Now that we have received our marching orders from the DOD, we can move toward compliance with the new requirements. CUNA Mutual Group has prepared resources to help you comply, including recorded webinars and frequently asked questions and answers regarding the rule, which may be found at: www.cunamutual.com/MLA. In addition, the LOANLINER® consumer lending document portfolio has been expanded to include documents that comply with the Military Lending Act.

*Jennifer Torbeck is a Compliance Consultant at **CUNA Mutual Group**. She can be reached at jen.torbeck@cunamutual.com or at 800.356.2644, Ext. 665.5760.*

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Share the Love comes to West Virginia for 2nd Year

LOVE MY CREDIT UNION® CAMPAIGN PAYS IT FORWARD

CU Solutions Group®, a national credit union service organization, and the Credit Union National Association (CUNA) announce the launch of their second annual *Love My Credit Union*® Campaign. The campaign is a video submission contest that awards a total of \$122,500 to charities nationwide, to be donated on behalf of the winners. The official contest will run from October 1 to December 16, 2016, and monthly winners will be determined by public votes. Credit unions may begin uploading their videos now to LoveMyCUCampaign.org.

“With our long term business partnership with CU Solutions Group, we are enthused that League member credit unions may participate in *Share the Love* again this year,” commented Rich Schaffer, WVCUL Senior Vice President.

The campaign’s purpose is to highlight local community involvement by the credit union industry across the country. This year, credit union

support organizations have been invited to participate in the campaign as well. In 2015 with the inaugural

campaign, CU Solutions Group and CUNA saw participation from 132 credit unions across 35 states and more than 426,000 public votes cast. In total, \$105,000 was donated to local charities on behalf of nine winning credit unions.

In order to share more love, this year, there will be more donations to charity and more ways to win — up to 50 \$1,000 state-level donations, eight \$5,000 donations, and one grand prize winning credit union and CU support organization will each receive a \$15,000 donation. The campaign will also award five randomly selected campaign voters with a \$500 gift card, plus a \$500 donation for the charity of their choice.

“This campaign was created to demonstrate how credit unions and their support organizations make a difference through community outreach each and every day,” said Dave Adams, CEO of CU Solutions Group. “Last year’s inaugural campaign was able to help several well-deserving charities, and with this year’s effort, we’re excited to make an even bigger impact.”

Entries for this year’s program can be uploaded starting July 1 to LoveMyCUCampaign.org. A video summary of last year’s program may also be viewed on the website.



West Virginia Designated Fund Receives \$10,800 from Fundraising Efforts

There isn’t anything that brings out the competitive spirit in people like a live auction for a good cause. This was the case when nearly 200 credit union officials and staff gathered during the League’s 80th Annual Meeting in Charleston to bid on items ranging from a choice handbag and jewelry, to a tent with camping supplies.

The live auction, which was led by auctioneer Jon Sims, ended up with 42 pledged items from across the state, was created to benefit the WV Designated Fund of the National Credit Union Foundation, a 501 C-3 tax exempt organization. The fund provides local credit union representatives with scholarships to League and CUNA sponsored schools and conferences including the CUNA GAC and Credit Union Development Educators’ Conference.

“The basket auction was a huge success, thanks to the tremendous support of those donating a basket and to those bidding on them,” stated League President Ken Watts. “The total raised for this event was \$5,730.

The *Credit Union Culinary Collections* cookbook project was also finalized during the annual meeting and Watts expressed pleasure with the results of the cookbook sales which totaled \$4,181. When adding in golf tournament proceeds with the auction and cookbook, the total raised was \$10,800.

Watts offered a special thanks to Leslie Newland who coordinated all phases of the cookbook, and auction activities.



Family recipes from West Virginia’s Credit Unions

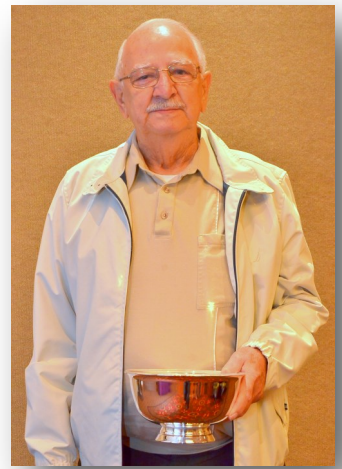


Net proceeds benefit
WV Credit Union Designated Fund of
The National Credit Union Foundation

80th League Annual Meeting Award Recipients



CUNA CPD Certificate recipients: Debra Poe, Kemba Charleston FCU; Lula Dustin, Kemba Charleston FCU; Calvin Holden, Kemba Charleston FCU; Jessica McComas, Long Reach EFCU. Second row: Glenn Acker, Kemba Charleston FCU; Natisha Swiger, CWV Tel FCU; Earl Canterbury, Kemba Charleston FCU; Leisa Rinard, Long Reach EFCU



Cecil Elder, Willow Island FCU received the William Bryan Hawkins Award, the League's annual highest honor for volunteer officials.



Credit Union Development Educator (CUDE) scholarship recipients Crystal Rocchio, Long Reach EFCU and Rachael Graham, Bayer Heritage FCU



Scott Winwood accepts Dora Maxwell Award on behalf of First Choice America Community FCU.



CUNA Management School scholarship recipients Matt Turner, Tri-Ag FCU and Steven Reed, Long Reach EFCU



League Scholarship recipient Sandy Yocum, Strip Steel Community FCU



Chapter Leadership Award recipients Mike Tucker, Parkersburg Chapter, Charlie Blankenship, So. WV Chapter, and Ron Bragg, Harrison Co. Chapter

80th League Annual Meeting Snapshots



Former American P.O.W. Jessica Lynch poses with author and speaker John Tippits before her Saturday morning keynote presentation.



Friday banquet entertainment sponsor VolCorp CU meets NBC's The Voice contestant Cody Wickline, a Raleigh Co. native son who performed on Friday evening.



The League Board held its re-organizational meeting following the Saturday business meeting, electing Lynne Teets as Chairman, Ed Cosner, 2nd Vice Chairman, Joetta Heck, Secretary, and Mike Tucker as Treasurer.



League President Ken Watts shares a lighter moment with panelist John McKechnie on Friday afternoon.

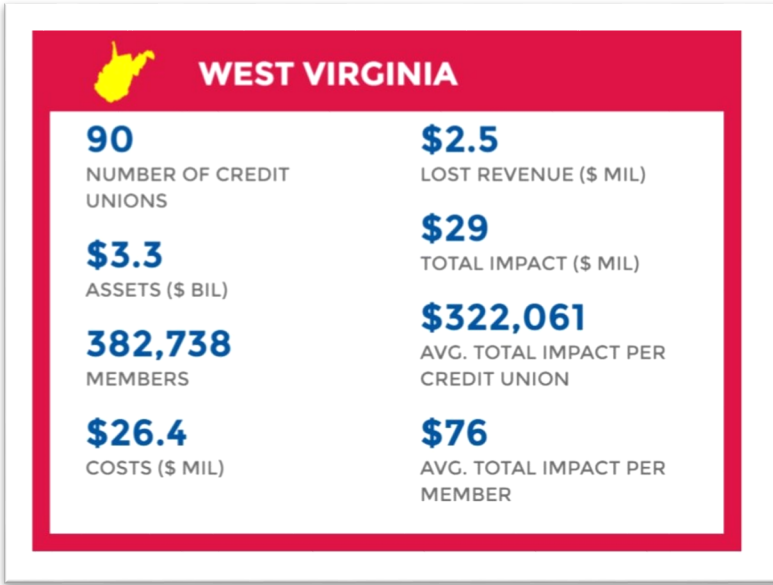


League Chairman, Lynne Teets opens the 80th Annual business meeting at the Charleston Embassy Suites.



Auctioneer Jonn Sims, (left) helped the WV Designated Fund raise \$5,730 during the Friday basket auction as Jeremy Rodda helps out with distribution.

Reg. Burden Study—continued from Page 3



“The idea was to develop accurate measures of the financial impact of regulations on credit unions,” Hampel said. “We’re not saying that credit unions should not be regulated. But we do think that policymakers, when they impose those rules on credit unions, should have a better understanding about how much it costs.”

The study consisted of a thorough analysis into one small, one medium and one large credit union, categorized by asset size, followed by rigorous data collection and analysis from an additional 53 credit unions.

The report found that regulatory burden on credit unions caused \$6.1 billion in regulatory costs, and an additional \$1.1 billion in lost revenue. The \$6.1 billion alone represents 17% of operating expenses of the entire credit union system, or approximately \$1 out of every \$6 spent.

CUNA has developed a summary document for policymakers and their staff and a state-by-state breakdown. Credit unions can also gauge their regulatory costs by looking at the burden for different asset sizes that can be applied to any credit union by visiting the regulatory burden website.

“We are going to bring this up over the next few years at every opportunity when policymakers are considering issued related to changing regulations or increasing regulations or decreasing regulations. So in addition to the reported benefits of regulations, we will be able to point out to them the costs,” Hampel stated.

Source: Credit Union National Association

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.