

# Best of Best of 2009

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## January 2009: **CHANGE**

### “By Another Road . . .” *By Chip Filson*

Financial institutions have been mistrusted by society since the time of Moses, but credit unions are unique in offering trust to those who participate. Now is a time for cooperative solutions and demonstrating our model to a distressed nation.

### Change You Can Believe in . . . and Initiate Yourself *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Credit unions have a model – based on cooperation – that works, and economic institutions are looking to us as a guide in a period of distressed institutions. We should promote our model, but we should also look to see where we ourselves can improve.

### *Data: 2008 Callahan Report Year in Review*

## February 2009:

## **THE FUTURE OF CORPORATES**

### “Shock and Awe” or a “Calling Out?” *By Chip Filson*

NCUA's corporate rescue action poses a stark question for credit unions: Will we pull together or pull apart? This is a tough test of our legacy, but we must face it in the cooperative spirit that has distinguished us for a hundred years.

### Receiving Recognition . . . and Making Sure We Do Something with It *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Recently, the media has discovered credit unions as exemplary institutions offering a model that can help the country out of its economic mess. We should seize this opportunity for emphasizing our message to the nation.

### Chartering the Corporate Role in the Future *By Bill Walby, CEO of CenCorp*

The corporate system was set up to serve credit unions. Despite being under unusual stress, the system's traditional functions should not be allowed to change.

### *Data: Ten Largest Credit Unions at Dec. 31, 2008*

## March 2009:

## **COUNTER CYCLICAL CAPABILITIES**

### Counter Cyclical Leadership: How to Operate Against the Tide and to Judge if your Operations are Effective *By Chip Filson*

If the credit union system works properly, it should be counter cyclical in a time of distress. Here are ways to operate counter cyclically and to see if you are being effective.

### A Big Opportunity Around the Bend *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Beyond today's headlines of economic woe, there is an obvious fact: 70 million baby boomers are going to retire and need fairly priced financial services. Seen that way, has the future for credit unions ever been brighter?

### Managing Well in Tough Times *By Tom Baldwin, EVP and CFO of Space Coast CU, Melbourne, Fla.*

Managing risk, finding new opportunities as others leave the market, and how a strong capital position is going to help weather the storm.

### Meeting Challenges in Indiana *By Amy Sink, Sr. VP and CFO of Teachers Credit Union, South Bend, Ind.*

Challenges and opportunities running the largest credit union in Indiana during troubled times.

### *Data: Credit Unions' Countercyclical Performance*

## April 2009:

## **THE REAWAKENING MOVEMENT**

### Credit Unions Rising — A Movement Re-Awakens *By Chip Filson*

In an economic crisis, credit unions benefit the nation by acting counter cyclically. Unfortunately, NCUA's strategy of quickly realizing corporate losses substitutes pro-cyclical for counter cyclical. A better approach is to work more cooperatively, a first step taken by our new effort called Credit Unions Rising.

### NCUSIF Rules from 1998 Hinder Recovery *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Rule changes to the NCUSIF in 1998 have eroded the flexibility of NCUA in dealing with the present crisis. We should re-examine those rules.

### How to Keep Your Insurance Fund Strong and Cost Effective *By Ed Callahan and Bucky Sebastian in 1984*

An interview with Ed Callahan and Bucky Sebastian at the time of the capitalization of the NCUSIF explaining the fund's mechanics and depositor responsibilities.

### Stimulus Mortgage Package *By Cathy Tierney, CEO of Community First CU, Appleton, Wis.*

A creative program to stimulate sluggish home buying in Wisconsin.

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May 2009:

## **INSPIRING AMERICA**

**A Cooperative Vision to Lead America** *By Chip Filson*

In these troubled times, America is thirsting for a new model, one serving people's interests, not tempting their weaknesses. Credit unions can offer that new model.

**Begin a Year-Long Quest at NCUA's 75th Anniversary Symposium** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

NCUA is hosting a symposium June 9-10 in celebration of the 75th anniversary of the FCUA. Make it the beginning of a year's discussion on how we can boost credit unions into the future.

**What I Learned at Wharton** *By Scott Patterson, Callahan & Associates*

Digital Federal Credit Union provides crucial student loans at Wharton.

*Data: Performance of the Top 100 Credit Unions at March 31, 2009*

June 2009:

## **CHANGE OF LEADERSHIP**

**The Opportunities Awaiting New NCUA Leadership** *By Chip Filson*

Distrust has grown up between credit unions and NCUA. New leadership at the Agency should demonstrate that it shares a long-term vision with credit unions, that it is a system asset which can truly differentiate cooperative capabilities.

**Amend H.R. 1151** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

H. R. 1151 allowed for multiple SEGs, but it also amended how credit unions reserved. Congress, however, did not envision these trying times, and the rules under which we reserve might slowly strangle us to death.

**Back To The Future: Learning From The Past To Create A Better Future** *By Diana Dykstra, CEO of San Francisco Fire CU, San Francisco, Calif.*

The credit union movement cannot waste political capital on infighting. Let's be sure the role of credit unions continues to be defined by us and not for us.

*Data: 1Q2009 Results*

July 2009:

## **TRANSFORMING THE CREDIT UNION SYSTEM**

**The Largest Credit Union Investment Ever: How Will It Be Made?** *By Chip Filson*

We are about to make a \$6 billion investment in the credit union system. Will it be merely for filling potholes in the corporates or can it be an investment to make a better credit union system for the 21st century?

**New Thinking about Affinities** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Because people change jobs and move, FOM-affinities have been changing. People now might be more loyal to a Harley-Davidson club or the Oprah Winfrey show than to a factory or parish. We should take note and probe how credit unions can discover, deal with, and aid new affinity groups.

**The System Dynamics Process for a Credit Union and the Credit Union System** *By Steve Hennigan, CFO of San Antonio FCU, San Antonio, Texas*

System Dynamics is a process of looking at interactions within a system in order to understand relationships and outcomes, the better to make the system operate efficiently. System Dynamics has been applied to CU Factory Built Lending and could offer insights to the whole credit union system.

*Data: Credit Union Auto Lending Performance*

August 2009:

## **THE CREDIT UNION ADVANTAGE: COLLABORATION**

**Enhancing Credit Unions' Key Success Factor** *By Chip Filson*

Cooperation and collaboration are still the keys to credit union success, and now more than ever they can shine a light on solutions for the broader country.

**Leading in a Me-First Society** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Credit unions are group-oriented cooperatives living amidst a self-oriented society, but also a society crying out for collective solutions. Let's in our own movement lift ourselves with sacrifice and cooperation, at the same time showing the country these are a prescription for its own ills.

**A Corporate's Approach to Collaboration** *By Jay Murray, CEO of Mid-Atlantic Corporate FCU, Middletown, Pa.*

Cooperation can trump advantages bankers enjoy. Corporates are already a form of cooperation; among other benefits, using the corporates to best advantage lowers costs of credit union members.

*Data: Top 100 Credit Union Performance at June 30, 2009*

September 2009:

## **CREDIT UNIONS AND HEALTH CARE REFORM**

**What is Credit Unions' Role in Health Care Reform?** *By Chip Filson*

Co-ops are being proposed for health care reform. For many reasons, credit

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unions should be vocal about how they can support health care co-ops and take leadership in reform.

## **Why We Should Be Involved In The Health Insurance Debate** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Credit unions should stand up for health care reform – to help their employees, their own organizations, their country, and their members.

## **The Case for Health Insurance Involvement** *By Kelly McDonough, CEO of First Alliance CU, Rochester, Minn.*

Rising health insurance costs batter credit union bottom lines. Credit union leaders should get involved for the sake of their credit unions, their members, and the nation to assure first, a logical debate, and second, a levelheaded outcome.

## **Data: Medical Bankruptcy Fact Sheet**

October 2009:

## **ON CONGRESSIONAL REFORMS**

### **“A Model For Others” — Credit Unions’ Stance On Congressional Financial Reform** *By Chip Filson*

Financial services legislation is debated in Congress. Credit unions should take this opportunity to show their great benefits in the past, leadership in the present, and potential for the future.

### **Support a New Consumer Protection Agency** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

If Congress wants to establish an agency protecting consumers from predatory financial services practices, credit unions should show their support. Mainly we’ve “been clean” and are likely to win new members.

### **The Overdraft Fee Controversy: Moving from Abuse to a New Paradigm of Responsibility and Technology** *By Randy Karnes, CEO, CU\*Answers*

Assumptions about over drafting have changed. Rather than fight old battles, credit unions should acquire the tools to help members know their balances in real time.

### **Be Wary of New Regulation, and Speak Up!** *By Brad Green, CEO of Listerhill CU, Sheffield, Ala.*

Legislation and regulation now being considered might be more harmful than helpful; witness our troubles with the CARD Act. We need to be deeply engaged in the political process of shaping new law so our members can lead better lives – not more constricted ones.

## **Data: Credit Unions Helping Members with Loan Modifications**

November 2009:

## **CHANGING BUREAUCRATIC CULTURE**

### **Changing the Culture of Washington – Is it Possible?** *By Chip Filson*

The Obama Administration has confirmed only one new financial services regulator, Debbie Matz. Could this be an effort to show how the administration wants to go with financial agencies? In any event, we have some suggestions for NCUA.

### **Too Important To Fail** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

If some giant corporations are “too big to fail,” credit unions are “too important to fail.” We are a lifeline for millions of ordinary Americans. We need to understand our system’s value and get all parts working in harmony.

### **Think Positive: We’re Ahead of Where Many Suppose** *By Mike Riley, Former Director Office of Examination and Insurance, NCUA.*

Credit unions have faced harder times, and with less capital. Let’s stop focusing on problems, but instead restore the cooperative spirit and create an environment in which credit unions can succeed.

## **Data: Top 100 Credit Union Performance at Sept. 30, 2009**

December 2009:

## **LESSONS FROM 2009**

### **Moving Past a Share Insurance Solution** *By Chip Filson*

Insurance funds like the FDIC were set up to pay off relatively small claims, not solve problems during systemic failure. NCUSIF in 1984 and the CLF were set up differently, with capital. The crisis now facing credit unions is best solved not with an “insurance” mindset but a capital one, keeping credit unions operating and growing.

### **Forbearance: The Lesson of the Year and the Spirit of the Season** *By Bucky Sebastian, CEO of GTE FCU, Tampa, Fla.*

Just as our credit union has been forbearing of its hard-pressed members, let government be forbearing of its credit unions. Members and credit unions alike, given time, will make new value.

### **Kill the King, or the King will Kill You! A Lesson from the Zero-Rate Environment** *By Jon Jeffreys, Callahan & Associates*

At the beginning of the financial crisis, cash was king. But now cash may be a burden. Here are strategies for dealing with deposits and cash.

## **Data: Third Quarter Key Trends and Lessons Learned**