

Vice Chairman Hood honored with NCUA Gold Medal

NCUA Vice Chairman Rodney E. Hood was presented with an NCUA Gold Medal July 29, 2009, at agency headquarters in Alexandria during a farewell reception held in his honor. Chairman Michael E. Fryzel presented Vice Chairman Hood with the medal, congratulating him on the excellent job done during his tenure.

“Vice Chairman Rodney Hood’s legacy will be a strong one: his foresight and diligence on risk mitigation came at a time when much of the financial world was devoting its energies elsewhere; his commitment to credit union professional development, embodied in his ‘Blueprint 20/20’ initiative, was impressive. And in countless other ways he encouraged the

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July 29, 2009, Alexandria, Va.—Chairman Michael Fryzel, joined by Board Member Hyland, presents Vice Chairman Rodney Hood with an NCUA Gold Medal to honor his distinguished service at NCUA.

Board members address NAFCU conference

Fryzel: Continued involvement in corporate rulemaking essential

Chairman Michael E. Fryzel urged continued involvement in the corporate rulemaking process during his address to the National Association of Federal Credit Union’s 42nd Annual Conference and Exhibition July 22, 2009 at National Harbor, Maryland.

“The corporate rulemaking process will now take center stage as NCUA and the industry work toward a new and better corporate credit union network,” commented Chairman Fryzel. “Credit

union involvement in this process is essential; this is your corporate system, created, governed, and directed by you for over 30 years. You properly have a voice in what new, reformed corporate network emerges, and I strongly encourage you to stay involved.”

Chairman Fryzel also thanked NAFCU for the key role they played during the difficult period leading up to passage of the Corporate Stabilization Fund in May.

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Hyland: Collaboration is vital

Board Member Gigi Hyland addressed NAFCU’s 42nd Annual Conference July 23 and urged attendees to return to their cooperative roots through greater collaboration.

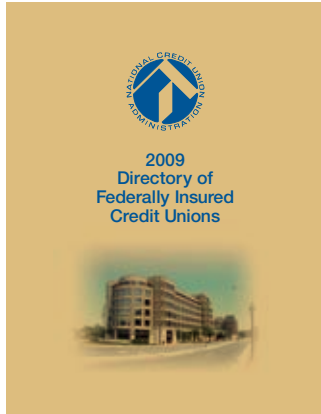
“Last month, I hosted a Symposium here in Washington, D.C. My main objectives for the Symposium were to celebrate credit unions’ unique business model, to honor the 75th anniversary of the Federal Credit Union Act, and, most importantly, to provide a forum for conversation about credit unions’ future sustainability,” noted Board Member

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NCUA's issues 2009 CU directory



NCUA issued its *2009 Directory of Federally Insured Credit Unions*, which contains a state-by-state alphabetical listing of all active federally insured credit unions as of January 1, 2009. The directory also lists all corporate credit unions, as well as some national statistics on credit unions and corporate credit unions.

The document is available to view or download at <http://www.ncua.gov/news/Express/xfiles/NCUADirectory-2009.pdf>. You must have Adobe Acrobat Reader 7.0 or later on your computer to view the directory. If you selected the hardcopy requested option in the Express system, you will receive a hardcopy. To order more, contact NCUA Publications at 703-518-6340. The directory costs \$15.

Interagency guidance on California registered warrants

NCUA issued *Letter to Credit Unions No. 09-CU-16* providing interagency guidance regarding California registered warrants. Credit union management should consider this guidance when assessing risks associated with accepting these warrants. California has a website to provide specific warrant information: www.sco.ca.gov/5935.html.

The letter, online at <http://www.ncua.gov/Resources/LettersCreditUnion.aspx>,

also provides guidance on how credit unions choosing to accept California warrants should record and document the transaction. Federal credit unions should not record a California warrant from a member as an investment but rather record it as a collection item, a deposit, or a loan, depending on whether the credit union has extended credit to a member and the disclosures or other documentation it has provided to members.

NCUA News

National Credit Union Administration

NCUA News is published by the National Credit Union Administration, the federal agency which supervises and insures most credit unions.

Michael E. Fryzel, *Chairman*
Rodney E. Hood, *Vice Chairman*
Christiane Gigi Hyland, *Board Member*

Information about NCUA and its services may be secured by contacting 703-518-6330.

Office of Public & Congressional Affairs
Cherie Umbel, *Editor*

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Fryzel

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“When the Corporate Stabilization Plan was devised and readied for presentation to Capitol Hill, NAFCU stepped forward, talked to the right lawmakers at the right time, and helped us get the job done. Your ideas and suggestions were sound, your approach positive, and the results you helped achieve are a testament to the skills that NAFCU brings to the table.”

July 22, 2009, National Harbor, Md.—Chairman Michael E. Fryzel with NAFCU President Fred Becker at the NAFCU Conference.



Former Board Member Burkhart passes away



Former NCUA Vice Chairman **Elizabeth Flores Burkhart**, 74, died July 23, 2009, in Winston-Salem, N.C. President Ronald Reagan nominated Elizabeth Burkhart

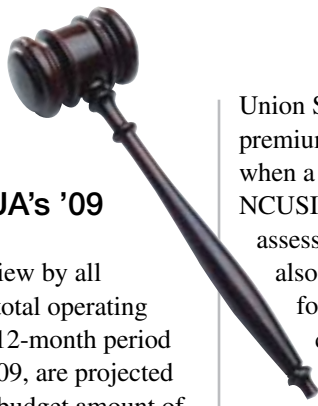
twice to the NCUA Board and she was among NCUA's longest serving board members. Initially completing the unexpired term of Lawrence Connell from July 1982 through April 1985, she was reappointed to a full six-year term ending April 10, 1991. Mrs. Burkhart did not complete that term, resigning August 17, 1990.

During her tenure as a board member and vice chairman, Burkhart was responsible for promoting credit union expansion, student credit unions and the NCUA Community Development Program. She was also NCUA's representative on the Board of the Neighborhood Reinvestment Corporation.

A Texas native, with a background in banking and education, Burkhart came to Washington in 1980 as deputy treasurer of the Reagan-Bush Committee, and she served as associate deputy administrator at the Veterans Administration prior to joining NCUA.

Elizabeth Flores Burkhart is survived by her husband, Jon, and many of her 12 brothers and sisters.

Board actions July 16, 2009



No change in NCUA's '09 budget amount

A mid-session budget review by all NCUA offices indicates total operating and capital costs for the 12-month period ending December 31, 2009, are projected to remain at the original budget amount of \$184,167,977.

While the total dollar amount does not change, increases, decreases, new requests, and revised estimates require \$93,000 to be transferred from operations to capital acquisitions to cover planned expenditures. The largest dollar increases result from adding seven positions in central office, which brings total NCUA staffing to 1023.05, and added expenses tied to travel and staff relocation.

Actual spending for the first six months of the year was \$80,734,000, resulting in an under-budget variance of 8.6 percent. However, spending is typically at least 7 percent higher during the second half of the year.

Should any funds remain unused at year-end, which is determined by Operating Fund cash in excess of a one month operating reserve, NCUA's policy is to return excess funds to federal credit unions through a reduction in the operating fee assessment the following year.

NCUA's budget revisions are included, in the table below.

NCUSIF calculation clarifications considered

The NCUA Board issued proposed rule changes to §741.4 and §701.6 to specify how to calculate a partial National Credit

Union Share Insurance Fund (NCUSIF) premium or capitalization assessment when a credit union enters or leaves NCUSIF insurance during a year when an assessment occurs. Proposed amendments also revise the penalty calculation for late payment of a premium or capitalization deposit and include a parallel change to §701.6 regarding late payment of the



operating fee. Issued with a 30 comment period, the rule preamble offers application examples of the proposed amendments.

Board extends 18 percent loan interest rate ceiling

The NCUA Board voted to extend to March 10, 2011, the current 18 percent interest rate ceiling on loans made by federal credit unions.

Without Board action, the maximum loan interest rate would have reverted to 15 percent September 10, 2009. Current economic conditions justify continuing the ceiling of 18 percent for loans under the criteria required by the Federal Credit Union Act. Reverting to a 15 percent ceiling would restrict certain types of credit and adversely affect the financial condition of some federal credit unions.

Updated reporting and record retention rules finalized

The NCUA Board amended reporting procedures and record retention requirements to conform regulatory provisions to the agency's new, web-based reporting system. The rule incorporates into regulation a statutory requirement



Board Member Hyland

on reporting changes in senior officials resulting from election or appointment, and it clarifies when credit unions must file NCUA reports online. The rule also provides alternative reporting methods for credit unions unable to submit online reports.

Revisions to reporting and retention rules Parts 741, 748 and 749 are effective September 1, 2009. NCUA's Office of Small Credit Union Initiatives and the Office of Examination and Insurance will offer training opportunities for credit unions and other affected parties to become familiar with the new online reporting system. (See related article on page 7)

Final electronic, overdraft and account balance disclosure rules issued

The NCUA Board issued final rule Part 707, amending its Truth in Savings Act (TISA) rule, concerning permissibility of electronic disclosures, staff interpretations, and overdraft fees and account balance disclosures.

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Operating Budget	Board Approved Budget	Reductions	Increases	Revised Budget Needs
Employee Pay & Benefits	\$130,167,806	\$(1,197,055)	\$1,489,605	\$130,460,356
Travel	20,677,769	(1,235,045)	379,648	19,822,372
Rent/Communications/Utilities	4,388,796	(288,977)	118,000	4,217,819
Administrative	11,284,954	(272,500)	1,895,453	12,907,907
Contracted Services	11,344,357	(2,069,349)	1,087,220	10,362,228
Total	\$177,863,682	\$(5,062,926)	\$4,969,926	\$177,770,682
Capital Budget	6,304,295		93,000	6,397,295
	\$184,167,977	\$(5,062,926)	\$5,062,926	\$184,167,977

Revised interagency flood insurance Q&A issued with proposed additions

The federal bank, thrift, credit union, and Farm Credit System regulatory agencies issued revised interagency questions and answers regarding flood insurance July 21 and requested public comment on several new ones.

The Interagency Q&A Regarding Flood Insurance (2009) supersedes the 1997 interagency Q&A and supplements other guidance or interpretations issued by the agencies and the Federal Emergency Management Agency (FEMA). The new 2009 flood insurance Q&A consists of 77 questions and answers, which were revised based in part on comments received during the public comment period.

The agencies are also seeking comment on five new questions and answers on determining insurable value in calculating the maximum limit of coverage available for the particular type of property and

the timing of force placement of required flood insurance by lenders. After receiving and considering public comment on the proposal, the agencies intend to incorporate them into the Interagency Questions and Answers Regarding Flood Insurance (2009).

The FDIC, Federal Reserve, NCUA, OCC, OTS, and Farm Credit Administration invite comment on the five proposed questions and answers and on other issues and concerns regarding compliance with the federal flood insurance statutes and regulations. Comments regarding determination of insurable value and force placement of required flood insurance are requested by September 21, 2009.

The Federal Register notice is available online at <http://www.ncua.gov/Resources/RegulationsOpinionsLaws/ProposedRegulations.aspx>.

Rules and guidelines promote accurate consumer reports

The federal financial regulatory agencies and the Federal Trade Commission published final rules and guidelines in July to promote the accuracy and integrity of information furnished to credit bureaus and other consumer reporting agencies, which is widely used to determine consumers' eligibility for credit, employment, insurance, and rental housing.

As required by the Fair and Accurate Credit Transactions Act, the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision are publishing these final rules and guidelines, with an effective date of July 1, 2010.

Under the rules, entities that furnish information about consumers to consumer reporting agencies generally must include a consumer's credit limit in the information

provided. The federal agencies are also publishing an Advance Notice of Proposed Rulemaking (ANPR) to identify possible additions to the information that furnishers must provide to consumer reporting agencies, such as the account opening date.

Also, under the rules, if a consumer believes his or her credit report includes inaccurate information, the consumer may submit a dispute directly to the entity that provided the information to the consumer reporting agency, and that entity must investigate the dispute. The rules do not change a consumer's ability to submit a dispute to a consumer reporting agency or a furnisher's duty to investigate a dispute referred by a reporting agency.

The final rules and guidelines, and ANPR are available online at <http://www.ncua.gov/Resources/RegulationsOpinionsLaws/FinalRegulations.aspx>.

Conversations
with
America

My
Government
Listens

Date: August 20, 2009

Who: Board Member Gigi Hyland

Event: NASCUS State System Summit

Location: Boston, MA

Contact: Jessica Vogel at jvogel@ncua.gov or 703-518-6318

Date: September 10, 2009

Who: Board Member Gigi Hyland

Event: 1st Carolina Financial Conference

Location: Charlotte, NC

Contact: Jessica Vogel at jvogel@ncua.gov or 703-518-6318

Date: September 15, 2009

Who: Board Member Gigi Hyland

Event: CUNA Board Meeting

Location: Estes Park, CO

Contact: Jessica Vogel at jvogel@ncua.gov or 703-518-6318

Date: September 21, 2009

Who: Board Member Gigi Hyland

Event: New Jersey Credit Union League 75th Annual Meeting and Convention

Location: Atlantic City, NJ

Contact: Jessica Vogel at jvogel@ncua.gov or 703-518-6318

Date: September 22, 2009

Who: Board Member Gigi Hyland

Event: NAFCU Congressional Caucus

Location: Washington, DC

Contact: Jessica Vogel at jvogel@ncua.gov or 703-518-6318

Comments sought on interagency funding and liquidity risk management guidance

The federal bank, thrift, and credit union regulatory agencies are seeking comment on the proposed *Interagency Guidance on Funding and Liquidity Risk Management*.

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration are issuing guidance to communicate consistent expectations on sound practices for the

management of funding and liquidity risks, and to strengthen liquidity risk-management practices.

Recent turmoil in the financial markets emphasizes the importance of good liquidity risk management for the safety and soundness of financial institutions. The proposed guidance emphasizes the importance of cash flow projections, diversified funding sources, stress testing, a cushion of liquid assets, and a formal, well-developed contingency funding plan

for measuring, monitoring and managing liquidity risk. The proposed guidance, when finalized, will apply to all domestic financial institutions, including banks, thrifts, and credit unions.

The agencies are requesting comments on all aspects of the proposed guidance, online at <http://www.ncua.gov/Resources/RegulationsOpinionsLaws/ProposedRegulations.aspx>.

FFIEC issues regulatory conversion statement

The Federal Financial Institutions Examination Council (FFIEC) issued a *Statement on Regulatory Conversions* to reaffirm that the supervisors are unified in their approach to regulatory conversions. Supervisors will only consider applications undertaken for legitimate reasons and will not entertain regulatory conversion applications that undermine the supervisory process. It is expected prospective supervisors will follow existing supervisors' work on examination and enforcement actions, including consumer protection and safety and soundness issues.

Consistent with the FFIEC's role of maintaining uniform supervisory principles and standards for all regulated entities, the Statement's purpose is to ensure that charter conversions or changes in an institution's regulatory agencies support current or prospective supervisory actions. Conversion requests submitted while serious or material enforcement actions are ending with the current chartering authority or primary federal regulator should not be entertained because such requests could delay or undermine supervisory actions. Also, for any institution with a rating of 3, 4, or 5,

or that has a serious or material corrective program in place or being contemplated, the prospective chartering authority will consult with the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration as appropriate.

The FFIEC expects that ratings assigned under uniform rating systems and outstanding corrective programs will remain in place following a charter conversion and /or supervisory agency change. The statement can be found at www.ffiec.gov.

Hyland

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Hyland. "Sustainability, collaboration and change were the resounding themes of the Symposium. It was my not-so-subtle way of issuing a wake-up call—a call to all who espouse or claim to espouse their belief in the system of cooperative finance we know as the credit union movement."

Noting that a day and a half spent discussing the future of credit unions is not enough, Board Member Hyland offered her "bucket list" of tools to enable credit unions to embrace the future:

- "Credit unions must strive to bring greater diversity to their leadership. Credit unions' management, board and staff should be as diverse as their membership. The cornerstone of credit union sustainability is having someone

to inherit the business model. If my generation or the ones behind me don't know or care about credit unions, the lifespan of this system will be markedly shorter.

- Being an elected director is a privilege, not a right. You need to find ways and make opportunities, and room, for other members to volunteer, so the board is as diverse as the credit union's members in skin color, gender and/or age.
- Educate, educate, educate. If members can't learn the basics of a checking account, a credit card account, etc., from credit unions, it's pretty likely they won't be empowered financially anywhere else.
- Collaborate. Pool resources cooperatively. Continue to enhance your value as credit unions to your members."

"Each of you in your own right has so much to be proud of," Board Member Hyland concluded with a call for action.

"You work very hard in your individual credit unions to be there for your members. But, you need to continue to strive towards the future. In these daunting times, take time to pause, look at your heritage and glean the nuggets you can use to reset the credit union movement so that it will be an even greater force for consumers and small businesses. A total return to the past is neither possible nor desirable; however, combining past wisdom with increased collaboration can help propel credit unions into a vibrant and sustainable future."

Board Member Hyland's speech is available online at <http://www.ncua.gov/GenInfo/Members/Hyland/Speeches.aspx>.

Hood

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Agency to think ahead, to innovate, and to always apply the best, most forward-looking approach to the challenges confronting us. The Vice Chairman's service was an essential part of NCUA's success in recent years, and his contributions will be missed," Chairman Fryzel said.

Hood donates 75 trees to commemorate NCUA

Vice Chairman Hood announced during the reception that he has donated 75 trees to honor NCUA's 75 year history of ensuring the nation's credit unions are safe and secure for their 90 million members.

"As we stand here at NCUA, the foundation of safety and soundness, it is vital that the regulator continues to foster growth and not stifle innovation in the credit union system," Vice Chairman Hood said. "Toward this end, we must plant seeds across America and the globe to empower credit unions to serve those who have been left behind, facilitate opportunities to improve financial literacy and give people from all walks of life a financial partner they can depend on.

"As we celebrate the 75th year of the Federal Credit Union Act and as I complete my term on the NCUA board, this morning I made a contribution to the Nature Conservancy so they can purchase 75 trees in recognition of the National Credit Union Administration," Hood said.

President George W. Bush appointed Rodney Hood to a seat on the NCUA Board November 15, 2005. Following his appointment, on November 30, 2005, he was named NCUA vice chairman. Prior to joining NCUA, Hood served in the Bush Administration at the United States Department of Agriculture (USDA) as associate administrator of the Rural Housing Service. In this position, he addressed the housing needs of rural America and helped administer a \$43 billion dollar mortgage portfolio.

Prior to public service, Hood served as marketing director and group sales manager for the North Carolina Mutual Life Insurance Company in Durham,



July 29, 2009, Alexandria, Va.—NCUA staff and visitors bid farewell and express their appreciation to Vice Chairman Rodney Hood for his years of dedicated service at his farewell reception.

N.C. Before joining N.C. Mutual, he was national director of Emerging Markets Group for Wells Fargo Home Mortgage. While at Wells Fargo, he also served on the board of the Wells Fargo Housing Foundation. Earlier in his career, Mr. Hood worked for Bank of America as a Community Reinvestment Act (CRA) officer and completed the management development program at G.E. Capital Corporation.

Originally from Charlotte, N.C., Rodney Hood holds a B.A. degree in business, speech, and political science from the University of North Carolina at Chapel Hill. Named a "Young Leader" in 2005 by the American Council on Germany, Hood was awarded a fellowship to join a transatlantic delegation in Germany to foster American-German relations. Recently, he was named one of the "40 Young Leaders Under the age of 40" by the Triangle Business Journal and he received the first ever "Dream Award" instituted by the Wells Fargo Housing Foundation to recognize distinguished individuals who exhibit an outstanding commitment to affordable housing.

While at NCUA, he served on the board of the Neighborhood Reinvestment Corporation (NeighborWorks), which was created by Congress to assist in revitalization of urban residential neighborhoods. Prior to his Senate confirmation, Hood served as a trustee of the North Carolina School of the Arts

in Winston-Salem, N.C.; on the Board of the City Tavern Club in Washington, D.C.; and on the Board of Visitors at the University of North Carolina at Chapel Hill. Most recently, Hood was appointed by the Federal Communication Commission (FCC) Chairman to serve as a member of the FCC's Advisory Committee on Diversity for Communications in the Digital Age. The Committee objective is to facilitate ownership opportunities for minority communities.

Rodney Hood's term on the NCUA Board expired April 10, 2009. He will continue to serve at NCUA until his successor is confirmed.

Visit the NCUA website
<http://www.ncua.gov>
to access the latest
information directly
from NCUA.

Board Actions

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NCUA is amending its TISA rule, effective January 1, 2010, to align it with the Federal Reserve Board's Regulation DD. The rule withdraws a provision and provides guidance on delivering electronic disclosures. The rule also requires all credit unions to disclose aggregate overdraft fees for each period and year-to-date on periodic statements, and it addresses balance disclosures credit unions provide to members through automated systems.



Chairman Fryzel

Corporate liquidity guarantee program revised

The NCUA Board approved revisions to the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) Agreement to refine and clarify the claim process and align agreements more closely to those currently used in financial markets.

The revisions will enhance corporate credit unions ability to maintain stable liquidity by enabling them to access funds through public offerings of senior unsecured debt obligations. The revisions also implement the Board's order to legally obligate the Temporary Corporate Credit Union Stabilization Fund (TCCUSF) for payments required by the TCCULGP.

Last October, the NCUA Board established the TCCULGP to provide a NCUSIF guarantee for newly issued senior unsecured debt obligations of federally insured corporate credit unions (CCUs). In May 2009, NCUA extended the terms and conditions of the TCCULGP and revised the fees charged to CCUs participating in the program, and in June 2009 the NCUA

Board legally obligated the TCCUSF for any liability arising from the TCCULGP.

The revisions to the TCCULGP agreement identify TCCUSF rather than NCUSIF as the source of funds for the TCCULGP guarantee and implement the Board's June 18 order to legally obligate TCCUSF for any liability under TCCULGP.

Additional revisions to TCCULGP agreements address the needs of CCUs considering raising funds through public offerings to large investors. To instill confidence and heighten marketability, curtail cost and eliminate any perceived delay in timely repayment of principal and interest, proposed changes more closely align the language of the TCCULGP agreement to that of the FDIC Debt Guarantee Master Agreement, a familiar document to market investors.

The new TCCULGP agreement, which includes Proof of Claim and Assignment forms that may be used upon default, will be available on the Corporate Stabilization page of the NCUA website, <http://www.ncua.gov/Resources/CorporateStabilization/index.aspx>.

NCUSIF and stabilization fund status report



During June 2009, liabilities and expenses of corporate stabilization initiatives were transferred from the National Credit Union Share Insurance Fund (NCUSIF) to the newly created Temporary Corporate Credit Union Stabilization Fund (TCCUSF). At June 30, 2009, the NCUSIF reserve balance was \$451.1 million for natural person credit unions and the TCCUSF reserve balance was \$4.98 billion for corporate credit unions.

NCUSIF year-to-date revenue and expense included investment income of \$97.4 million, premium income of \$700 million, total expenses of \$280.8 million, and insurance loss expense of \$226.4 million. Through June 30, NCUSIF net income was \$532.7 million.

Based on an estimated insured share base of \$702.1 billion, the NCUSIF equity ratio was 1.30 percent on June 30, 2009.



Vice Chairman Hood

Nine federally insured credit unions failed through June—three were involuntary liquidations and six were assisted mergers—at a cost of \$53.3 million.

There were 309 problem code credit unions on June 30, 2009, with shares representing 4.1 percent of total insured shares—55 percent held less than \$10 million in total shares and 2.3 percent held more than \$1 billion in total shares.

NCUA will consider a premium assessment at the September Board meeting.

Board votes are unanimous unless otherwise indicated

NCUA Website provides new online reporting

Accessed online within “Data and Services”—<http://www.ncua.gov/DataServices/IndexCUQuery.aspx>—the new “Credit Union Data” page provides information about online data reporting, beginning with the September 2009 reporting cycle.

Within “5300 Applications and Utilities,”—<http://www.ncua.gov/DataServices/Data/5300/5300FutureCycles.aspx> links to “Credit Union Online,” the login page to the new September 2009 call report forms, online instructions, FAQ, schema, etc. Webpages will be updated as additional information becomes available.



NCUA HISTORY AND FUTURE

Orchard is first federal credit union regulator

Claude Orchard, hand-picked by Roy Bergengren, was offered and quickly accepted the position of director of NCUA's predecessor agency soon after President Roosevelt signed the Federal Credit Union Act in late June 1934.

Bergengren considered Orchard an enthusiastic credit union supporter and organizer. While working at Armour and Company, in Omaha, Nebraska, he had organized over 70 credit unions between 1929 and 1934.

Orchard became director of the Credit Union Division within the Farm Credit Administration, August 20, 1934, and he "quickly established the philosophy and procedures for the new agency," according to Moody and Fite's *The Credit Union Movement*.

Major credit union associations formed

Credit Union National Association

Less than two months after the Federal Credit Union Act was signed, the credit union movement experienced another

landmark event. From August 7-11, 1934, 52 of the movement's pioneers, including Edward Filene and Roy Bergengren, gathered at Estes Park, Colorado, to draft a Constitution and By-laws for a national association to represent credit unions on legislative matters and perform services such as bonding, auditing and providing supplies. On August 10, 1934, the Estes Park delegates signed the Constitution and Bylaws, establishing the Credit Union National Association, replacing the former Credit Union National Extension Bureau.

Before the year ended, the Constitution was submitted to existing state credit union leagues and to state-wide meetings in 34 other states, leading to the organization of 31 more leagues. Thirty-three states ratified the Constitution and the leagues elected directors to the first national board.

National Association of Federal Credit Unions

In 1966, 50 credit union leaders met in Los Angeles to explore the possibility of a national trade association in Washington, D.C., with one specific and overriding task: directly shape the laws and regulations under which federal credit unions operate. Out of that meeting, the National

Association of Federal Credit Unions (NAFCU) was formed in April 1967.

NAFCU's primary purpose is to provide its federal credit union members "with strong representation before Congress and the federal regulatory agencies that impact the operations of federal credit unions."

National Association of State Credit Union Supervisors

State credit union regulators formed the National Association of State Credit Union Supervisors (NASCUS) in 1965 to develop a forum for ideas and best practices and to provide a national advocate for state-chartered credit unions. NASCUS serves as the liaison between state and federal agencies, including NCUA, on emerging regulatory and compliance issues. NASCUS also facilitates opportunities for state regulators to discuss and meet with NCUA and other federal agencies about policy issues affecting federally insured, state-chartered credit unions.

NASCUS is the sole organization dedicated to defending and promoting the dual chartering system and the autonomy of state credit union regulatory agencies.