

THE POWERS NOT DELEGATED
TO THE UNITED STATES BY
THE CONSTITUTION, NOR

PROHIBITED BY IT TO THE STATES,
ARE RESERVED TO THE STATES
RESPECTIVELY, OR TO THE PEOPLE.

—Tenth Amendment, United States Constitution

2008
YEAR IN REVIEW

NASCUS

NASCUS

Our mission is to enhance state credit union supervision and advocate for a safe and sound credit union system.

National Association of State Credit Union Supervisors (NASCUS)

NASCUS, a professional state regulators association, is the primary resource and voice of the 47 state governmental agencies that charter, regulate and examine the nation's state-chartered credit unions. (Delaware, South Dakota and Wyoming have no laws permitting state-chartered credit unions.)

State credit union regulators formed NASCUS in 1965 to ensure the safety and soundness of state-chartered credit unions. Today, it also represents the interests of state agencies before Congress and advances state agency and examiner education programs through its educational foundation, the National Institute for State Credit Union Examination (NISCUE).

NASCUS recognizes the interdependence of state regulatory agencies and the state-chartered credit unions they supervise. To facilitate the open exchange of critical information that leads to good governance and ultimately benefits credit union members, NASCUS formed the Credit Union Advisory Council.

NASCUS Credit Union Advisory Council

As advisors to NASCUS, the Credit Union Advisory Council is comprised of the CEOs of many of the nation's state-chartered credit unions. The Advisory Council also includes NASCUS' Dual Chartering Benefactor members, which are state credit union leagues, federal credit unions, law firms dedicated to credit unions, national credit union trade groups, credit union share insurers and other supporters of the dual chartering system.



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MESSAGE FROM NASCUS

NASCUS remains committed to defending states' rights, enhancing the state charter and preserving dual chartering

The 10th Amendment is the foundation for our work at NASCUS. Each day, the organization strives to maintain the state sovereignty and balance of power between the states and federal government intended by the United States Constitution. State credit union regulators formed NASCUS in 1965 to develop a forum for ideas and best practices and to provide a national advocate for state-chartered credit unions. More than 40 years later, we have built on NASCUS' founding principles and evolved into a nationally recognized organization focusing on states' rights and the importance of credit union dual chartering.

This year brought many challenges for the state credit union system from the systemic perspective but also due to widespread economic troubles and a housing industry in crisis. NASCUS' forum for interaction between regulators and the regulated proved valuable in tackling emerging issues and helping state-chartered credit unions continue to operate in a safe and sound manner while aiding their members in need.

As the only organization focused exclusively on preserving dual chartering, this year NASCUS continued to address unrelated business income tax (UBIT), federal proposals to consolidate the state and federal systems and efforts to preempt state authority. NASCUS also presented a comprehensive data collection report to Congress reflecting the diversity of the state system and demonstrating that state-chartered credit unions are serving their members. We continue to urge Congress to protect state autonomy, approve regulatory relief measures and act on capital reform.

We are honored to continue NASCUS' important work to preserve dual chartering, protect state autonomy and strengthen the state credit union system.

Sincerely,



NASCUS Chairman George Reynolds
Senior Deputy Commissioner, Georgia
Department of Banking and Finance



Credit Union Advisory Council
Chairman Mendell Thompson
President/CEO, America's Christian
Credit Union, Glendora, California



Mary Martha Fortney
NASCUS President and CEO

NASCUS LEADERSHIP



Top: NASCUS Chairman George Reynolds (GA) addresses the 2007 NASCUS State System Summit audience.

Center: NASCUS Board members, left to right, Suzanne Cowan (WI), Chairman George Reynolds (GA) and Linda Jekel (WA) gather following the 2007 Annual Meeting.

Bottom: Credit Union Advisory Council Chairman Mendell Thompson, America's Christian Credit Union, CA, discusses state credit union challenges at the 2007 NASCUS State System Summit. (Photos by Jim Payette)

National Association of State Credit Union Supervisors Board of Directors 2007–2008

George Reynolds, Chairman

Senior Deputy Commissioner, Georgia
Department of Banking and Finance

Tom Candon, Chairman-elect

Deputy Commissioner, Vermont
Department of Banking, Insurance,
Securities and Health Care Administration

Harold E. Feeny, Secretary/Treasurer

Commissioner, Texas Credit
Union Department

Linda Jekel, Past Chairman

Director of Credit Unions, Washington
Department of Financial Institutions

Suzanne Cowan

Director, Wisconsin Office of Credit Unions

James E. Forney

Director, Iowa Department of Commerce

Jerrie J. Lattimore

Administrator, North Carolina Commerce
Department, Credit Union Division

Roger Little

Deputy Commissioner, Michigan Office of
Financial and Insurance Services

Orla Beth Peck

Supervisor of Credit Unions, Utah
Department of Financial Institutions

NASCUS Credit Union Executive Council 2007–2008

Mendell Thompson, Chairman

America's Christian Credit Union,
Glendora, California

J. Parker Cann, Chairman-elect

Columbia Credit Union,
Vancouver, Washington

Catherine Tierney, Secretary

Community First Credit Union,
Appleton, Wisconsin

Loren Rush, Past Chairman

Universal 1 Credit Union, Dayton, Ohio

Jim Blaine

State Employees' Credit Union,
Raleigh, North Carolina

Linda Childs

Knoxville Post Office Credit Union,
Knoxville, Tennessee

Bob Fouch

Corporate Central Credit Union,
Hales Corner, Wisconsin

Mary McDonald

USA Credit Union, Troy, Michigan

Debbie Peters

INCOL Credit Union, Old Forge,
Pennsylvania

Gary Peterson

Financial Plus Credit Union,
West Des Moines, Iowa

Richard Rice

Teachers Credit Union,
South Bend, Indiana

Rick Schmidtke

Harborstone Credit Union,
Tacoma, Washington

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RESERVING DUAL CHARTERING

At NASCUS, our number one priority is to preserve and strengthen the credit union dual chartering system

Each year as NASCUS tackles new challenges, we remain focused on representing the best interests of state credit union regulators, the state charter and the dual chartering system. Preserving dual chartering is a part of everything we do at NASCUS. This year in particular, preserving dual chartering was at the center of several issues for NASCUS.

Unrelated Business Income Tax (UBIT)

After more than 10 years of no developments, 2007 and 2008 have been exceptionally busy on the UBIT front. As a member of the UBIT Steering Committee, NASCUS has long challenged the Internal Revenue Service's (IRS) application of UBIT on state-chartered credit unions. The IRS released nearly 30 Technical Advice Memoranda (TAMs) on UBIT in late 2006 and early 2007. This development put the UBIT Steering Committee's efforts to challenge UBIT in high gear, and subsequently two lawsuits by state-chartered credit unions were filed against the IRS on UBIT as of June 2008.

"The products and services that the IRS considers taxable are integral to serving our members as a part of our mission as a credit union," said Catherine Tierney, president and CEO of Community First Credit Union, WI, the first credit union to sue the IRS over UBIT. "It was important for our credit union to step forward and challenge the IRS and to protect the state charter's ability to continue serving its members financial needs."

NASCUS believes the IRS must understand that credit unions offer certain products and services to their members in an effort to promote thrift and savings, as a part of the credit union's purpose. NASCUS continues to disagree with the IRS' interpretation of what is related to a credit union's business and supports litigation and other continued efforts to challenge UBIT.



NASCUS President and CEO Mary Martha Fortney, right, joins Larry Blanchard of CUNA Mutual and other UBIT Steering Committee members for a panel discussion on unrelated business income tax (UBIT) at the 2008 Credit Union National Association Governmental Affairs Conference in Washington, D.C., March 2008. (Photo by Ben Anderson)



NASCUS Board member Roger Little (MI) stressed the importance of preserving dual chartering to attendees of the 2008 Credit Union National Association Governmental Affairs Conference in Washington, D.C., March 2008. (Photo by Ben Anderson)

U.S. Treasury's Blueprint for Regulatory Modernization

On March 31, 2008, the U.S. Treasury released a proposal to reorganize the United States regulatory system titled a *Blueprint for a Modernized Financial Regulatory Structure*. The proposal calls for sweeping changes to the current regulatory system and could have broad ramifications to the nation's supervisory structure affecting state regulatory agencies, state-chartered credit unions, the National Credit Union Administration (NCUA) and the dual chartering system.

NASCUS communicated its serious concerns with the proposal's elimination of dual chartering and the preemption of state regulatory authority. "It is the role of state governments to determine proper regulation of its state-chartered institutions including credit unions," NASCUS President and

CEO Mary Martha Fortney told Treasury. "The dual chartering system is threatened by the preemption of state laws and the push for uniformity."

NASCUS emphasized to Treasury that the credit union dual chartering system has benefited the nation and the states for nearly 100 years. The dual chartering concept is based on the important foundation of competition and choice between state and federal charters. Disruption of the current structure would have various negative impacts. It would diminish state and federal regulator cooperation, tip the balance of power between states and the federal government and minimize the economic benefit and enhanced consumer protections available to states' citizens through state-chartered institutions.

The Treasury's proposal challenges the foundation that dual chartering has built in this nation for choice in financial services. NASCUS has charged its state regulators and state-chartered credit unions with a mission to join us in continuing to fight federal regulatory consolidation and threats to dual chartering.

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DVOCATING BEFORE CONGRESS

NASCUS is committed to our role as state regulators' and state-chartered credit unions' advocate in the United States Congress

This year, NASCUS was particularly busy with Congressional affairs testifying in support of capital reform and regulatory relief as well as reporting to Congress on the state credit union system.

Reporting to Congress on the State System

By request of the U.S. House Ways and Means Committee, state regulators collected data on the state credit union system from a representative sample of the nation's state-chartered credit unions.

Through a nationwide collaborative effort by state regulators, NASCUS was able to report to Congress on its four areas of inquiry: membership, executive compensation, unrelated business income tax (UBIT) and Credit Union Service Organizations (CUSOs). Working with a statistician, NASCUS analyzed more than 28 million account records. NASCUS confirmed that these records represented accounts held by more than 14 million members of state-chartered credit unions.

The data was reported to Congress in the December 2007 *NASCUS Survey of the State Credit Union System*, the first comprehensive report of the state credit union system. Among the findings illustrated in the *NASCUS Survey*:

- State-chartered credit unions serve their members in a manner consistent with their history as financial cooperatives serving groups based on occupation, association or community, by charging lower loan rates and providing higher return on savings;
- The income of state-chartered credit union members is representative of the U.S. population;



Right: NASCUS Chairman George Reynolds (GA), left, testifies before the House Financial Services Committee on March 6, 2008. He encouraged the Committee to consider capital modernization for credit unions and other regulatory relief measures. On the right, Tom Dorety, CUNA's Chairman, also testified at the hearing. (Photo by Ben Anderson)

- State-chartered credit unions provide a wide variety of needed financial services to the membership they are chartered to serve; and
- Although no state statute, law or regulation specifies that state credit unions shall serve individuals of low and modest means, state-chartered credit unions do reach out and provide financial services to all income groups within their fields of membership, both through pricing and community outreach efforts.

Testifying for Regulatory Relief

NASCUS provides a voice for state regulators and state-chartered credit unions on Capitol Hill. Over the years, NASCUS state regulators have testified on behalf of the state credit union system advocating for regulatory relief, capital reform and enhancements to the state charter.

At a hearing of the House Financial Services Committee on credit union regulatory relief legislation in March 2008, NASCUS Chairman George Reynolds (GA) emphasized that capital modernization is a critical element of regulatory relief for credit unions. NASCUS continues to promote risk-based capital and access to alternative capital for credit unions. “Today, insured depository institutions, with the exception of credit unions utilize risk-based capital to build and monitor capital levels,” said Reynolds at the March hearing. “NASCUS has long supported risk-based capital standards—we believe it is a sound and logical approach to capital reform for credit unions.”

Right: Left to right: NASCUS President and CEO Mary Martha Fortney, Michael Scanlon (former NASCUS staff), Doug Deurr (former NASCUS president and CEO), Gary Oakland (BECU, WA) and Michelle Kla-Williams (former NASCUS staff) join the credit union community on the steps of the U.S. Capitol in support of H.R. 1151 in 1998.

Looking Back 10 Years

1998 Passage of H.R. 1151

The Credit Union Membership Access Act, CUMAA, H.R. 1151, was signed into law 10 years ago in 1998. H.R. 1151 codified federal field of membership provisions thereby overturning the Supreme Court’s decision that occupationally-based credit unions with multiple fields of membership were not permissible under the Federal Credit Union Act.

As the challenge to the National Credit Union Administration’s (NCUA) regulatory authority worked its way through the court system, NASCUS understood the potential impact of an adverse ruling to the dual chartering system. The circumstances threatened to weaken the federal system and for NASCUS, that was an unacceptable consequence to the dual chartering system. Therefore, NASCUS’ leadership agreed in 1997 to file an *amicus curiae* brief in support of the NCUA.

NASCUS staff was on the front steps of U.S. Capitol when the credit union system rallied in a powerful demonstration of unity and determination for the passage of H.R. 1151. Ten years later, NASCUS continues to promote dual chartering and the preservation of the state and federal charter.



STRENGTHENING COOPERATION

The state regulatory and credit union systems are strengthened by continued positive collaboration between state and federal regulators

NASCUS serves as the liaison between state and federal agencies including the National Credit Union Administration (NCUA) on emerging regulatory and compliance issues. NASCUS also facilitates opportunities for state regulators to dialogue and to meet with NCUA and other federal agencies throughout the year on policy issues affecting federally insured, state-chartered credit unions (FISCUs). NASCUS and the NCUA collaborated on several important projects this year, most notably the updating and signing of a revised NASCUS/NCUA Document of Cooperation.

Document of Cooperation

The immediate past chairmen of the NCUA and NASCUS, JoAnn Johnson and Linda Jekel (WA), respectively, signed an updated NASCUS/NCUA Document of Cooperation on July 24, 2007. The Document symbolizes federal and state regulators continued commitment to cooperatively ensure the safety and soundness of FISCUs.

The Document of Cooperation is the formal agreement between NASCUS, on behalf of state regulatory agencies, and NCUA, as federal regulator and administrator of the National Credit Union Share Insurance Fund. NCUA and NASCUS collaborated on revisions to the Document of Cooperation, last signed in 1998. The document illustrates the alliance federal and state regulators share in working to provide solid credit union examination and supervision programs. “This agreement demonstrates the value of a cooperative relationship to the health of federally insured, state-chartered credit unions and to the insurance fund,” said Jekel.

Left: New state credit union commissioners joined NASCUS in Washington, D.C. for meetings with federal regulators and legislators. NCUA Immediate Past Chairman JoAnn Johnson, second from left, met with George Burns (NV), Sarah Bloom Raskin (MD) and NASCUS President and CEO Mary Martha Fortney during a NASCUS New Commissioners’ Orientation, October 2007.

Right: In July 2007, NASCUS and NCUA signed a revised and updated NASCUS/NCUA Document of Cooperation. NCUA Immediate Past Chairman JoAnn Johnson (left) signed on behalf of NCUA and Linda Jekel (WA), right, NASCUS’ Immediate Past Chairman, signed for NASCUS and state regulators. (Photos by Kate Hartig, NASCUS)

Interagency Dialogue Throughout the Year

NASCUS, state regulators and the NCUA stay in constant communication throughout the year on examination and supervision issues. NASCUS and NCUA meet on the national level twice a year, first at the NASCUS/NCUA National Regulators Meeting and during the NASCUS State System Summit for the Interagency Dialogue. NASCUS continues to value the opportunities for regulator-to-regulator discussion on national policy issues to ensure the safety and soundness of the credit union system. NASCUS also works closely with the NCUA on proposed rules and regulations affecting state credit unions. NASCUS keeps an open line of communication between NCUA Board members and state regulators to advance discussion on important issues for state-chartered credit unions.



PROMOTING EXCELLENCE

NASCUS' Accreditation Program continues to serve as model for regulatory excellence

The strength and effectiveness of the state regulatory system are consistently demonstrated by the continued growth and widespread recognition of the NASCUS Accreditation Program. NASCUS' 28 accredited states supervise nearly 85 percent of state credit union assets. At least three states are at various stages of preparing for first-time accreditation by NASCUS.

Registry of Accredited States*

Michigan	Vermont
Indiana	Massachusetts
Idaho	Texas
Connecticut	Iowa
Missouri	New Mexico
North Carolina	Arizona
Kentucky	Georgia
Louisiana	Colorado
Utah	Alabama
Tennessee	California
Kansas	Washington
	North Dakota
	Pennsylvania
	Wisconsin
	Ohio
	Virginia
	Florida

Re-accreditation and Annual Reviews

NASCUS Accreditation is valid for five years. Every five years, the state agency and NASCUS prepare a full scope review to evaluate the agency's continued adherence to accreditation standards.

This past year, a review team visited the Virginia Bureau of Financial Institutions (BFI) and recommended that it be re-accredited for an additional five years, subject to the annual review that is required of all accredited states. NASCUS congratulates the Virginia BFI on its five-year re-accreditation and its commitment to regulatory excellence.

Required for accredited states, the annual reviews are designed to enable the NASCUS Performance Standards Committee to evaluate their continued commitment to the standards set forth in the accreditation program. Accredited states must continue to show that they maintain the quality level of agency operations required by the NASCUS Accreditation Program. In addition to Virginia's re-accreditation, annual reviews of NASCUS' accredited states were conducted. The 2007–2008 annual review of accredited agencies concluded that they all continue to meet accreditation standards and that their accredited status should be continued.



*In order of first accreditation

State regulators from accredited states were recognized for their continued adherence to accreditation standards at the 2007 State System Summit. Left to right, NASCUS President and CEO Mary Martha Fortney, Chris Myklebust (CO), Randy Duncan (KY), Jerrie J. Lattimore (NC), Linda Jekel (WA) and NASCUS Chairman George Reynolds (GA). (Photo by Jim Payette)



A DVANCING EDUCATION

Providing training options on the latest trends in examination and supervision are a mainstay of NASCUS' commitment to safety and soundness

The NASCUS Education Department provides professional educational programs to the examiners and staff of state regulatory agencies and to NASCUS Credit Union Advisory Council member credit unions.

NASCUS understands that a well-trained credit union examination force is essential to a successful state credit union system. To regulate effectively, states need access to a reliable source of cost efficient, quality training. They also need training that meets each individual state's unique educational needs. Credit union staff also benefit from the unique opportunity to attend training with state regulators to gain a valuable perspective on what examiners are concerned about most in credit unions today.

Since last summer, NASCUS was pleased to hold many on-site schools as well as monthly webinars and online offerings. We also held our second annual State System Summit, August 9–11, 2007 in Fort Lauderdale, Florida. The 2008 State System Summit is August 21–23 in Seattle, Washington and 2009's event will be held in Boston, Massachusetts, August 20–22, 2009.

Education Initiatives

In this challenging economic environment where credit union operations and the regulatory process continue to grow in complexity, the need for quality training is critical to the continued safety and soundness of the state credit union system.

In response to both need and demand, NASCUS continued and expanded its targeted training in information technology (IT) and member business lending (MBL) among other topics. NASCUS also initiated a directors' education initiative. Regulators and credit union executives continue to express a need for ongoing and timely education for credit

On the left, Frank Peters, INCOL Credit Union, PA, talks with NASCUS' Education Manager Ryan Taylor and Jenny Champagne, NASCUS' VP of Education and Regulatory Development, at the NASCUS Examination and Red Flags School, May, 2008 in Columbus, Ohio. (Photo by Kate Hartig, NASCUS)



union directors. NASCUS has begun a series of one-day Directors Colleges to help meet board training needs.

NASCUS Certified Examiners Program

The NASCUS Certified Examiners Program for state examiners provides professional recognition of superior standards to state credit union examiners and encourages further development through required continuing education hours.

Participation in the Certified Examiners Program is open to all state credit union examiners who take NASCUS and National Credit Union Administration training and/or NASCUS sanctioned training. Participation in the program is voluntary. Currently, there are three designations for state examiners: the Certified Associate State Credit Union Examiner (CASCUE), the Certified State Credit Union Examiner (CSCUE) and the Certified State Credit Union Examination Supervisor (CSCUES).

Role of State Programs Coordinator

The NASCUS State Programs Coordinator (SPC) works with the NCUA to ensure that state examiners receive quality train-

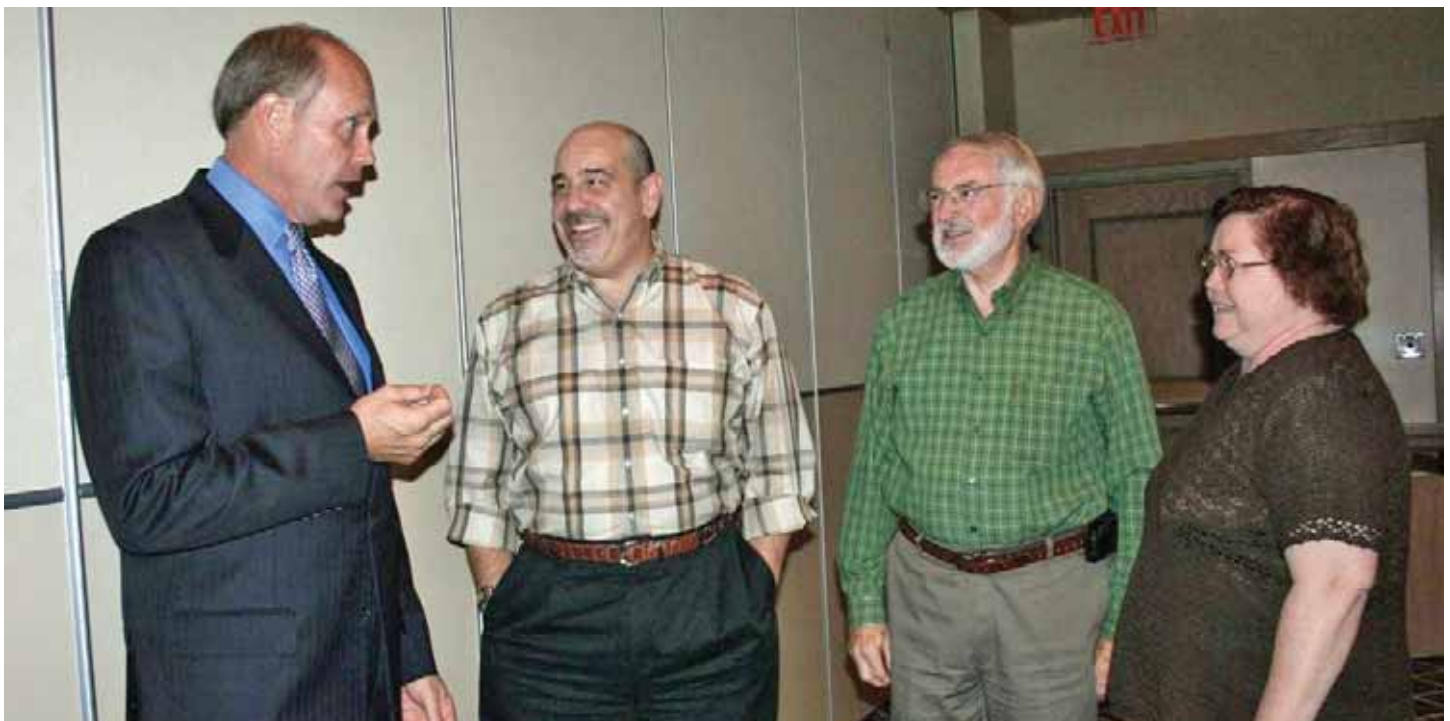


Steve Pemberton (VA), left, and Jim Devine, commercial lending consultant and trainer, discuss member business lending (MBL) at a NASCUS' onsite MBL School in San Diego, California in January, 2008. (Photo by Ryan Taylor, NASCUS)

ing. The SPC's office is located at NCUA's headquarters in Alexandria, Virginia. The SPC works closely with the NCUA Training Department to provide state examiners with training throughout their careers.

The SPC serves as the central resource at NCUA for state credit union supervisors and examiners. In addition, the SPC manages logistics for the state examiners attending NCUA training. The SPC is also the liaison for NASCUS representatives on NCUA Committees.

Richard Hager, left, of American Appraisal speaks to attendees of the Senior Management Symposium. Standing next to Hager left to right: Robert Baxter (TX), John Smith (KS) and Debbie Peters, INCOL Credit Union, PA. (Photo by Barbara Pogue, NASCUS)



SPOTLIGHT ON THE 2007 SUMMIT

The state credit union community, including state and federal regulators, credit union executives and dual charting supporters, gathered in Fort Lauderdale, Florida, August 9–11, 2007 for the NASCUS' Annual State System Summit. The Summit is the only national opportunity where regulators and credit unions work together to promote a strong and innovative state credit union system.



Clockwise from top: Left to right: Bruce Tunell and Sue Meyer (AZ) catch up with Rose Conner (NC) before a general session. NCUA Board member Gigi Hyland speaks to the Summit audience. Defense Credit Union Council President Roland “Arty” Arteaga provides an overview of the Talent Amendment to Credit Union Advisory Council members. Bruce Jolly, partner of Venable in Washington, D.C. talks credit union conversions and mergers. NASCUS regulators, left to right, Greg Gonzales (TN), John Allison (MI), John Ducrest (LA) and Tim Karsky (ND) participate in the Summit.



Clockwise from top: Attendees participate in the opening general session of the Summit. Lori Solberg, American Share Insurance's Vice President of Sales and Marketing, talks with Gary Janacek, Scott and White Employees Credit Union, TX. Dr. Jim Likens, president and dean of Western CUNA Management School, covers challenges to credit union balance sheets. Summit attendees left to right Bill Berg, Florida Credit Union League, Linda Charity, Robert Hayes and Sharon Whiddon (Florida Office of Financial Regulation) take a look at exhibitors' products and Silent Auction items. NASCUS President and CEO Mary Martha Fortney, left, presents a gift of appreciation to Immediate Past Chairman Linda Jekel (WA) for her work as NASCUS Chairman. Summit attendees listen closely during a general session. (All photos by Jim Payette)

Thank You NISCUE Donors

The National Institute of State Credit Union Examination (NISCUE) funds training programs designed specifically for state credit union examiners. These programs are offered throughout the year at locations across the country and via the Internet to ensure that training is available when examiners in all states need it most.

The NASCUS Education Committee thanks all those who contributed to making the past year's educational programs successful. We want to specifically thank the NASCUS Credit Union Advisory Council members who helped fund the programs for state examiners through donations to NISCUE.

ADM Credit Union, IL
Akron Firefighters Credit Union, OH
Akron Municipal Employees' Credit Union, OH
Alabama Credit Union, AL
Alabama Telco Credit Union, AL
Amarillo Postal Employees Credit Union, TX
America's Christian Credit Union, CA
Ameritas Employees Credit Union, NE
Anheuser-Busch Employees Credit Union, MO
Appliance Credit Union, TN
Aqua Glass Employees Credit Union, TN
Arizona State Credit Union, AZ
Auto Body Credit Union, MI
Basil Community Credit Union, PA
Baxter Credit Union, IL
Beacon Community Credit Union, KY
Bear Paw Credit Union, MT
BECU, WA
Bellco Credit Union, CO
Benton County Schools Credit Union, OR
Blue Flame Credit Union, NC
BNSF Credit Union, TX
Boulder Dam Credit Union, NV
BSE Credit Union, OH
Cedar Falls Community Credit Union, IA
Central Credit Union of Illinois, IL
Chicago Central and Commerce Credit Union, IA
Chippewa County Credit Union, MI
Christian Financial Credit Union, MI
Cincinnati Postal Employees Credit Union, OH
City Employees Credit Union, TN
City of Painesville Employees Credit Union, OH
Community First Credit Union, WI
Community Stars Credit Union, OH
CONE Credit Union, WI
CO-Op Services Credit Union, MI
Corpus Christi Postal Employees
Credit Union, TX
Credit Union West, AZ
D.H.S. Credit Union, TN
D.O.T. Credit Union, TN
Dyersburg Credit Union, TN
East Central Credit Union, OK
East Central Mississippi Credit Union, MS
Envision Credit Union, FL
First Credit Union of Scranton, PA
First South Credit Union, TN
First Tech Credit Union, OR
Florida Central Credit Union, FL
Flowers Employees Credit League Credit
Union, GA
Fort McClellan Credit Union, AL
Forum Credit Union, IN
Fox Communities Credit Union, WI
Franklin County Teachers Credit Union, PA
Gorman-Rupp Associates Credit Union, OH
Government Employees Credit Union, TX
Great Lakes Credit Union, IL
Great Lakes Members Credit Union, MI
Greater Cincinnati Credit Union, Inc., OH
Hanesbrands Credit Union, NC
INCOL Credit Union, PA
Jeffco Credit Union, CO
Jefferson County Employees Credit Union, AL
Kemba Credit Union, OH
Kimberly Clark Credit Union, TN
Knoxville Post Office Credit Union, TN
Kokomo Post Office Credit Union, IN
Los Alamos Schools Credit Union, NM
Louisiana Central Credit Union, LA
Louisiana Corporate Credit Union, LA
Marion and Polk Schools Credit Union, OR
Marion Community Credit Union, OH
Matagorda County Teachers Credit Union, TX
McAlester Credit Union, OK
MCT Credit Union, TX
Medical Community Credit Union, KS
Memorial Hermann Credit Union, TX
Metro Medical Credit Union, TX
Midwest Regional Credit Union, KS
Monroe County Community Credit Union, MI
Montgomery County Credit Union, OH
Motorola Employees Credit Union, IL
Mutual Savings Credit Union, GA
Nashville Post Office Credit Union, TN
New Century Credit Union, KS
New Horizons Credit Union, MS
Norbel Credit Union, CO
Northland Credit Union, WA
Oelwein-Cresco Credit Union, IA
Old Dominion Credit Union, VA
Pacific Service Credit Union, CA
Patelco Credit Union, CA
PBC Credit Union, FL
Pegasus Credit Union, TX
Piedmont Aviation Credit Union, NC
Pinnacle Credit Union, GA
Pluswood Credit Union, WI
PSE Credit Union, OH
Quincy Postal Employees Credit Union, IL
Richmond Fire Department Credit Union, VA
River Cities Credit Union, LA
Savannah Postal Credit Union, GA
School Employees Credit Union of
Washington, WA
Scott and White Employees Credit Union, TX
Seattle Metropolitan Credit Union, WA
Social Security Credit Union, AL
Sooper Credit Union, CO
Southern Star Credit Union, TX
State Employees' Credit Union, NC
Taleris Credit Union, OH
Tangipahoa Parish Teachers Credit Union, LA
Team One Credit Union, MI
TEC/TWC Credit Union, TX
The Ohio Educational Credit Union, OH
Total Community Credit Union, MI
TruWest Credit Union, AZ
Tucson Old Pueblo Credit Union, AZ
United Heritage Credit Union, TX
Unitus Community Credit Union, OR
Universal 1 Credit Union, OH
University of VA Community Credit Union, VA
Valley State Employees Credit Union, MI
Virginia Credit Union, VA
Walpole Municipal Employees Credit Union, MA
Welcome Credit Union, NC
Westconsin Credit Union, WI
Whitefish Credit Union, MT
Willis Credit Union, TN

ENHANCING MEMBERSHIP

NASCUS maintains its focus on providing resources and networking opportunities for Credit Union Advisory Council members



Credit Union Advisory Council Activities

As advisors to NASCUS, the Credit Union Advisory Council is focused on preserving the dual chartering system and representing the interests of state-chartered credit unions.

NASCUS continues to encourage state-chartered credit unions to join their peers in the Credit Union Advisory Council's important work to strengthen the state charter. The Credit Union Advisory Council dues restructuring facilitated membership for many credit unions, especially small credit unions, who for as little as \$50 can join the Advisory Council. Credit unions under \$10 million in assets can join at no cost. Since the dues restructuring, more than 150 new members have joined the Advisory Council.

NASCUS welcomes the following new members who joined NASCUS since July 2007. We also greatly appreciate the ongoing support of longstanding Credit Union Advisory Council members.

ABBCO Community Credit Union,
Doris Adams, IL

Arcade Credit Union, Charlene Costa, NC

Asheville Postal Credit Union,
Marlene Clinard, NC

Birmingham Police Credit Union,
LaVelle Noblitt, AL

Burgess and Niple Employees Credit Union,
Neil Rinehart, OH

California Center Credit Union,
RaAnn Wood, CA

Chatham Employees Credit Association
Credit Union, Saborah Robinson, NC

Community of Healthcare Employees
Credit Union, Jenna Kaczmarek, PA

Corporate One Federal Credit Union,
Lee Butke, OH

Crayola LLC Employees Credit Union,
Rosemarie Rampulla, PA

Credit Union of Georgia, Mark Outler, GA

East Bay Postal Credit Union,
Cynthia La Croix, CA

Elizabeth City Coast Guard Employees
Credit Union, Bonnie Spear, NC

EW #401 Credit Union, Valerie Jensen, NV

Fayette County School Employees Credit
Union, Claudia Tiberi, PA

Federated Family Credit Union,
Dawn Swaningson, WI

Financial Benefits Credit Union,
John Schaffner, CA

Fire Fighters Credit Union,
Frances Reed, OK

Focus One Community Credit Union,
Christine Owens, CA

Gorman Rupp & Associates Credit Union
Inc., Jeff Green, OH

Greater Kinston Credit Union,
Jennifer Howard, NC

Hickory Printing Group Savings Plan
Credit Union, Tom Morgan, NC

Longview Consolidated Credit Union,
Wanda Striegler, TX

Lockheed Georgia Employees' Credit
Union, Ed Collins, GA

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Top: Mark Spenny, Citizens First Equity Credit Union, IL, and NASCUS Credit Union Advisory Council Chairman Mendell Thompson, America's Christian CU, CA, meet at the CU Advisory Council meeting in Chicago, June 2008. (Photo by Barbara Pogue, NASCUS)

Center: David Mooney, Alliant CU, IL, catches up with NASCUS President and CEO Mary Martha Fortney at the Illinois Credit Union Advisory Council meeting in Chicago, June 2008.

Bottom: Jack Braswell, Jr., North Carolina State Liaison, Members Credit Union, NC, accepts an award of appreciation for his work as a State Liaison from Kate Hartig, NASCUS' Director of Communications and Public Affairs. (Photo by Jim Payette)

New Members

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Mead Employees' Credit Union,
Darlyne Dodson, GA

Morton Salt Credit Union,
Pamela Blubaugh, OH

My Postal Credit Union,
Marcia Marino, MI

North State Telco Credit Union,
Patti Weber, NC

Oconee Credit Union, Julianne Sinski, GA

Pacific Northwest Credit Union,
Karin Pelan, WA

Printing Industries Credit Union,
Rick Dockery, CA

Processors-Industrial Community
Credit Union, Terri Simon, IL

Richmond County Health Department
Employees Credit Union,
Janette Daniel, GA

Scientific Research Partners Credit Union,
Carol Oyerly, MO

Sea Island Credit Union, Billy Gibson, GA

St. Joseph Hospital Employees Credit
Union, Lucy Descoteau, NH

Sunrise Credit Union, William Becker, CO

Tazewell County Government Employees
Credit Union, Jody McFarlin, IL

Toledo Postal Employees Credit Union
Inc., Matthew Studer, OH

Valley Educators Credit Union,
Laura Schell, CO

Vantage West Credit Union,
Robert Ramirez, AZ

Veterans Administration Credit Union,
Kelly Harrington, WI

Workmen's Circle Credit Union,
Chris Miltiades, GA

Membership Outreach

For years, NASCUS has traveled region-by-region to meet with credit union communities nationwide. This year, Credit Union Advisory Council leadership and NASCUS management met with credit union executives in California, Arizona, Illinois and Wisconsin. NASCUS values the open dialogue with its members on the most pressing issues facing state-chartered credit unions.

The credit union community, Advisory Council leadership and credit union leagues have partnered with NASCUS to host and promote the outreach meetings. "Understanding the issues affecting our constituency on the state and regional basis helps NASCUS better represent them on the national level in Washington, D.C.," said NASCUS President and CEO Mary Martha Fortney.

New this year, NASCUS held quarterly conference calls with Credit Union Advisory Council members to provide updates on national legislative and regulatory issues. NASCUS is committed to being the state credit union community's best source of information and opportunities for interaction among state-chartered credit unions. NASCUS will continue both the in-person outreach meetings and quarterly conference calls next year.

State Liaisons

The NASCUS State Liaisons play an important role in NASCUS' advocacy and membership projects in the credit union community. They assist in our communications efforts and promote the benefits of NASCUS membership from the perspective of a respected colleague. State liaisons have initiated successful membership drives in their states and promoted membership in their travels and conversations with colleagues. We appreciate their time and willingness to share the NASCUS message in the credit union community.

NASCUS State Liaisons:

Charlotte Ayers, Georgia's
Own Credit Union, GA

Ed Bigby, Norbel Credit
Union, CO

Jason Boesch, Oklahoma
RE&T Employees Credit
Union, OK

Jack Braswell, Jr., Members
Credit Union, NC

Ray Cromer, Jr., Envision
Credit Union, FL

Carol Irby, Riverland Credit
Union, LA

Andrew Jaeger, Credit Union
of New Jersey, NJ

Rich Kounkel, First
Nebraska Educators Credit
Union, NE

Ervin Mund, Vue
Community Credit
Union, ND

Dave Osborn, Anheuser-
Busch Employees Credit
Union, MO

Daniel Penn, Marion and
Polk Schools Credit
Union, OR

Debbie Peters, INCOL
Credit Union, PA

Gary Peterson, Financial Plus
Credit Union, IA

Brian Prunty, Covantage
Credit Union, WI

David Savoie, Louisiana
Corporate Credit
Union, LA

Rick Schmidtke,
Harborstone Credit
Union, WA

Jack Sheets, Elkhart County
Farm Bureau Credit
Union, IN

Carl Sorgatz, Hawthorne
Credit Union, IL

Gary Soukenik, Seven
Seventeen Credit
Union, OH

Mendell Thompson,
America's Christian Credit
Union, CA

William Varn, SPC
Cooperative Credit
Union, SC

Albert Vukasin, Bear Paw
Credit Union, MT

Jane Watkins, Virginia Credit
Union, VA

Thomas Zamberlan, Our
Credit Union, MI

SPECIAL RECOGNITION

Pierre Jay Award

The Pierre Jay Award was created by NASCUS to recognize individuals whose contributions have benefited the state credit union system in a significant way. Recipients of the award best demonstrate outstanding service, leadership and commitment to NASCUS and the dual chartering system.

NASCUS first presented the Pierre Jay Award in 1997. It is named after the first Commissioner of Banks in Massachusetts, Pierre Jay, who was appointed to the position in April 1906.

The Pierre Jay Award recognizes the commitment of Pierre Jay, whose perseverance and service profoundly shaped credit union history.

The 2008 Pierre Jay Award will be presented during NASCUS' State System Summit, August 21–23, 2008 in Seattle, Washington.

NASCUS honored the following recipients with the Pierre Jay Award for outstanding service: Mike Fitzgerald, 1997; Gary Oakland, 1998; Gavin Gee, 1999; Gary Mielock, 2000; Richard Murakami, 2001; James Forney, 2002; Jim Blaine, 2004; Ella Robinson, 2005; George Latham, 2006; and Harold Feeney, 2007.

Harold Feeney (TX) accepts the 2007 Pierre Jay Award in August 2007 at the State System Summit in Fort Lauderdale, Florida.



NASCUS Dual Chartering Benefactors

As a part of the NASCUS Credit Union Advisory Council, NASCUS' Dual Chartering Benefactors participate in NASCUS as advocates for the preservation of the dual chartering system. NASCUS sincerely appreciates the following supporters:

Founders Circle

Alabama Credit
Union League
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Birmingham, AL

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Dennis Adams
Dublin, OH

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Credit Union Leagues
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Colorado Credit
Union Association
John Dill
Arvada, CO

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CUNA Mutual Group
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Florida Credit Union League
Guy Hood
Tallahassee, FL

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Patrick Jury
Des Moines, IA

Kansas Credit
Union Association
Marla Marsh
Wichita, KS

Maryland and the District of
Columbia Credit Union
Association
Mike Beall
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Union Association
Rosie Holub
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Tracie Kenyon
Helena, MT

North Carolina Credit
Union League
John Radebaugh
Greensboro, NC

Oklahoma Credit
Union League
DJ Morrow Ingram
Tulsa, OK

Tennessee Credit
Union League
Tom Gaines
Chattanooga, TN

Wisconsin Credit
Union League
Brett Thompson
Pewaukee, WI

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NASCUS STANDING COMMITTEES

NASCUS' advocacy efforts are strengthened by the expertise and guidance of our volunteer committee members

NASCUS has several standing committees that help determine NASCUS policy decisions on legislative and regulatory affairs, as well as help maintain the fiscal responsibility of the organization. Credit Union Advisory Council members serve in an advisory capacity on some of NASCUS' Standing Committees. NASCUS thanks its members for volunteering their time and lending their expertise to NASCUS Committees.

Audit Committee

The Audit Committee performs oversight review of all NASCUS financial activity.

Regulator Members:

Ginger Larson, Wisconsin Dept. of Financial Institutions, Office of Credit Unions, *Chairman*

Roger Little, Michigan Office of Financial and Insurance Regulation

Howard Pitkin, Connecticut Dept. of Banking

Credit Union Council Advisors:

Craig Esrael, First South Credit Union, TN
Catherine Tierney, Community First Credit Union, WI

Education Committee

The Education Committee is responsible for designing, promoting and providing educational programs and training for NASCUS members. The Committee also oversees the preparation and coordination of the NASCUS State System Summit.

Regulator Members:

Mike Delimont, Washington Division of Credit Unions, *Chairman*

Sandra Branson, Missouri Division of Credit Unions

Kim Brilowski, Wisconsin Dept. of Financial Institutions, Office of Credit Unions

John Fields, Louisiana Office of Financial Institutions

John Kolhoff, Michigan Office of Financial and Insurance Regulation

Sue Ann Meyer, Arizona Dept. of Financial Institutions

Steve Pemberton, Virginia Bureau of Financial Institutions

Vickie Young, Tennessee Dept. of Financial Institutions

Credit Union Council Advisors:

Patty Idol, Mountain Credit Union, NC, *Chairman*

Linda Childs, Knoxville Post Office Credit Union, TN

Craig Esrael, First South Credit Union, TN

John Lattanzi, Credit Union One, Inc., OH

Ervin Mund, Vue Community Credit Union, ND

Debbie Peters, INCOL Credit Union, PA

Gary Peterson, Financial Plus Credit Union, IA

Gerry Singleton, CUNA Mutual Group, WI

Catherine Tierney, Community First Credit Union, WI

Vance Vargo, Family First Credit Union, MI

Linda Williams, Akron Firefighters Credit Union, OH

Legislative and Regulatory Affairs Committee

The Legislative and Regulatory Affairs Committee works to advance legislative and regulatory issues that preserve the viability of the dual chartering system. The Committee strengthens state credit union regulatory agencies by communicating and working cooperatively, whenever practicable, with the credit union community and federal and state legislative and governmental bodies. The Committee has four subcommittees: Capital Modernization, Federal Affairs, State Affairs and Technology.

Regulator Members:

John P. Smith, Kansas Dept. of Credit Unions, *Chairman*

Suzanne Cowan, Wisconsin Dept. of Financial Institutions, Office of Credit Unions

Jim Forney, Iowa Dept. of Commerce

Mary Hughes, Idaho Dept. of Finance

Linda Jekel, Washington Division of Credit Unions

Tim Karsky, North Dakota Dept. of Financial Institutions

Lloyd LaFountain III, Maine Bureau of Financial Institutions

Deb Lein, Connecticut Dept. of Banking

Roger Little, Michigan Office of Financial and Insurance Regulation

Mary Ellen O'Neill, Connecticut Dept. of Banking

Janet Powell, Oregon Division of Finance and Corp. Securities, Dept. of Consumer and Business Services

Bruce Tunell, Arizona Dept. of Financial Institutions

William Verant, New Mexico Financial Institutions Division

Trevor Williams, Tennessee Dept. of Financial Institutions

Credit Union Council Advisors:

Gary Peterson, Financial Plus Credit Union, IA, *Chairman*

Charles Bruen, First Entertainment Credit Union, CA, *Vice-Chairman*

Dennis Adams, American Share Insurance, OH

Ed Bigby, Norbel Credit Union, CO

Patricia Bodnar, Arizona Credit Union League

Jason Boesch, Oklahoma RE&T Employees Credit Union, OK

Parker Cann, Columbia Credit Union, WA

Jack Fallis, Global Credit Union, WA

Mike Gomez, Fiscal Credit Union, CA

Teresa Halleck, The Golden 1 Credit Union, CA

Jim Jordan, Schools Financial Credit Union, CA

John Lattanzi, Credit Union One, Inc., OH

Sheri Ledbetter, WesCorp, CA

C. Michael Litzau, Sooper Credit Union, CO

David Mooney, Alliant Credit Union, IL

Gary Oakland, BECU, WA

Andrew Price, Florida Credit Union League

Lori Rush, Universal 1 Credit Union, OH

Daryl Sawyer, Greater Cincinnati Credit Union, Inc., OH

Bill Schirmer, Lake Michigan Credit Union, MI

Mark Starr, Florida Credit Union, FL

Brett Thompson, Wisconsin Credit Union League

Catherine Tierney, Community First Credit Union, WI

Vance Vargo, Family First Credit Union, MI

Terry West, VyStar Credit Union, FL

Mark Willer, Royal Credit Union, WI

Linda Williams, Akron Firefighters Credit Union, OH

Capital Modernization Subcommittee

Regulator Members:

Jerrie J. Lattimore, North Carolina Commerce Dept., Credit Union Division, *Chairman*

Linda Jekel, Washington Division of Credit Unions

Roger Little, Michigan Office of Financial and Insurance Regulation

John P. Smith, Kansas Dept. of Credit Unions

Credit Union Council Advisors:

Charles Bruen, First Entertainment Credit Union, CA, *Chairman*

Jim Blaine, State Employees' Credit Union, NC

Patricia Bodnar, Arizona Credit Union League

Kathy Elser, BECU Credit Union, WA

Ray Gustini, Nixon Peabody LLP, DC

Jon Hehli, Royal Credit Union, WI

François Henriquez, US Central Credit Union, KS

Jim Jordan, Schools Financial Credit Union, CA

Gary Peterson, Financial Plus Credit Union, IA

Bill Schirmer, Lake Michigan Credit Union, MI

Mark Willer, Royal Credit Union, WI

Federal Affairs Subcommittee

Regulator Members:

Suzanne Cowan, Wisconsin Dept. of Financial Institutions, Office of Credit Unions, *Chairman*

Roger Little, Michigan Office of Financial and Insurance Regulation

Mary Ellen O'Neill, Connecticut Dept. of Banking

Vickie Young, Tennessee Dept. of Financial Institutions

Credit Union Council Advisors:

Gary Oakland, BECU, WA, *Chairman*

Sheri Ledbetter, WesCorp, CA

Bill Schirmer, Lake Michigan Credit Union, MI

Rick Schmidtke, Harborstone Credit Union, WA

State Affairs Subcommittee

Regulator Members:

Mary Ellen O'Neill, Connecticut Dept. of Banking, *Chairman*

Suzanne Cowan, Wisconsin Dept. of Financial Institutions, Office of Credit Unions

Lloyd LaFountain III, Maine Bureau of Financial Institutions

Credit Union Council Advisors:

Patricia Bodnar, Arizona Credit Union League, *Chairman*

Parker Cann, Columbia Credit Union, WA

Mary McDonald, USA Credit Union, MI

Daryl Sawyer, Greater Cincinnati Credit Union, Inc., OH

Linda Williams, Akron Firefighters Credit Union, OH

Technology Subcommittee

John Kolhoff, Michigan Office of Financial and Insurance Regulation, *Chairman*

Charles Carey, Vermont Dept. of Banking, Insurance, Securities and Health Care Administration

Guy Jordan, Pennsylvania Dept. of Banking

Doug Lacy-Roberts, Washington Division of Credit Unions

Werner Paul, Virginia Bureau of Financial Institutions

Carrie Tyrone, Mississippi Dept. of Banking and Consumer Finance

Performance Standards Committee

The Performance Standards Committee is a standing committee responsible for administering the accreditation program. It is the duty of the Committee to determine which applicant credit union supervisory agencies meet and maintain the standards for accreditation. This Committee is regulators only.

Orla Beth Peck, Utah Dept. of Financial Institutions, *Chairman*

Jerrie J. Lattimore, North Carolina Commerce Dept., Credit Union Division, *Vice-Chairman*

Harold Feeney, Texas Credit Union Department

Gavin Gee, Idaho Department of Finance

Ginger Larson, Wisconsin Dept. of Financial Institutions, Office of Credit Unions

Roger Little, Michigan Office of Financial and Insurance Regulation

Mark Powell, Indiana Dept. of Financial Institutions

NASCUS Management

NASCUS daily operations are administered by a president and CEO and management team located in Arlington, Virginia.

Mary Martha Fortney
President and CEO

Jennifer Champagne
Vice President, Regulatory Development and Education

Tammy Gentilini
State Programs Coordinator

Kate Hartig
Director, Communications and Public Affairs

O'Neal Isom, Jr.
Director, Administrative Services

Brian Knight
Senior Vice President, Regulatory Affairs

Barbara Pogue
Senior Vice President,
Corporate Affairs and Accreditation

Ryan Taylor
Manager, Education

Sandra Troutman
Senior Vice President,
Government Relations

Isaida Woo
Vice President, Board and
Member Relations

The logo for the National Association of State Credit Union Supervisors (NASCUS). The word "NASCUS" is written in a bold, white, serif font. The letters are outlined with a thin white border, and there are horizontal lines above and below the text. The logo is set against a background of grey stone blocks with dark mortar lines.

**NATIONAL ASSOCIATION OF STATE CREDIT
UNION SUPERVISORS (NASCUS)**

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