

Assessing the Approaching 2014 Midterm Elections

As midterm elections begin to heat up, it is worth taking a moment to look at how the coming changes will impact the Senate Committee on Banking, Housing and Urban Affairs.

Several committee members are up for re-election on Nov. 4, including Democrats Mark Warner (Va.) and Jeff Merkley (Ore.). Others, including Republicans Tom Coburn (Okla.) and Mike Johanns (Neb.), have announced their intent to retire at the end of the year. The Committee chairman, Sen. Tim Johnson (D-S.D.), will also retire this year, and his departure has raised questions about who will assume the chairmanship



after the elections and how that person might shape the legislative agenda for financial institutions in 2015 and beyond.

Of course, who will assume the chairmanship depends on a variety of factors, including decisions made by the senators in line for the job, and whether Democrats are able to maintain control of the Senate.

The chairmanship of a senate committee is determined by seniority. When Johnson retires, Sen. Jack Reed (R.I.) is next in line to assume the chairmanship; however, Reed is also next in line to chair the Senate Armed Services Commit-

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Upcoming NASCUS Directors' Colleges to be Held in Utah, Colo., Tenn., and Calif.

NASCUS Directors' Colleges have provided training to nearly 3,000 state credit union board members since 2008, allowing credit union directors, along with senior credit union staff, to hear firsthand about regulators' expectations of directors. The colleges also provide a venue for networking and sharing board experiences. Though the content of colleges is geared toward directors, anyone, including credit union management, is welcome to attend these important one-day educational events. All NASCUS' director colleges and schools have been approved for CPE credits.



Jeanne Couchois, vice president of Compliance and Risk Management for the North Carolina Credit Union League, leads a discussion about risk-based capital at the NASCUS North Carolina Directors' College, held May 20 at the State Employees' Credit Union in Charlotte, N.C.

bers, and \$215 for non-members. You can register for one of the already scheduled events below, or email isaida@nascus.org to learn about creating your own event.

- July 15, 2014, Salt Lake City, Utah
- July 22, 2014, Denver, Colo.
- August 11, 2014, Knoxville, Tenn.
- August 19, 2014, Glendale, Calif.

NASCUS Directors' Colleges feature such sessions as Critical Compliance Issues, Basics of the Bank Secrecy Act, and Current Exam Issues for Directors. Registration is \$199 per person for NASCUS mem-

No Slowdown as Second Quarter Draws to Close

By *Mary Martha Fortney*,
NASCUS President and CEO

So much has happened since the last issue of *StateLine* was published



Mary Martha Fortney

We have seen a positive resolution on crucial unrelated business income tax (UBIT) issues.

NCUA's final stress testing rule requiring federally-insured credit unions with assets of \$10 billion or more to develop and maintain capital plans

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NASCUS SUMMIT 2014

NASHVILLE, TN
SEPTEMBER 10-12, 2014

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President's Message

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and providing for NCUA annual stress testing of those credit unions has been published.

Tax attorney Mark McWatters, the assistant dean for graduate programs and an adjunct professor at the Southern Methodist University Dedman School of Law, was confirmed by the Senate to serve on the three-person NCUA Board. He replaces Republican Michael Fryzel, whose term officially expired Aug. 2, 2013. Fryzel has been serving on the NCUA Board since July 2008.

Also of note is the passage by the House of several pieces of legislation providing regulatory relief for small community financial institutions: the Capital Access for Small Community Financial Institutions Act of 2013 (H.R. 3584), which would allow state-chartered, privately insured credit unions to join the Federal Home Loan Bank system; the Credit Union Share Fund Insurance Parity Act (H.R. 3468), which would provide the National Credit Union Share Insurance Fund coverage for trust accounts; and the CFPB Rural Designation Petition and Correction Act (H.R. 2672), which focuses primarily on ensuring that community financial institutions can continue to be able to provide credit to consumers and small businesses, especially in rural and underserved areas.

NASCUS has filed a comment letter on the NCUA's proposed Risk-Based Capital Rule, addressing the need for the NCUA to include supplemental capital for non-low income consumer credit unions within its proposed risk-based regulatory framework.

We've also celebrated the California Department of Business Oversight's NASCUS reaccreditation and Massachusetts Division of Banks' first joint accreditation by NASCUS, the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), as well as the reaccreditation of the Alabama Credit Union Administration (ACUA), the Michigan Department of Insurance and Financial Services Office of Credit Unions (DIFS OCU) and the Washington Department of Financial Institutions (DFI) Division of Credit Unions.

In June, we announced the appointment of two individuals to the NASCUS Credit Union Advisory Council and to the NASCUS Board. Kim Santos, director of

NASCUS Files Comments on NCUA Proposed Risk-Based Capital Rule

Coming on the heels of the numerous rules from the Consumer Financial Protection Bureau and final rules from the NCUA on derivatives and stress testing, as well as proposed rules from the NCUA on federal fields of membership and home-based credit unions, is the NCUA's Risk-Based Capital Rule.

Proposed in January, this rule impacts all credit unions.

NASCUS, as an association of regulators with credit unions as advisors, often challenges NCUA on the appropriate scope of its authority as the federal insurer of state credit unions. NASCUS, in its May 28 comment letter, pushes back on NCUA's authority to issue 1,250% risk-weights and Individual Minimum Capital Requirements for state-chartered credit unions without consultation and consent from the state regulator as provided in the proposed risk-based capital rule.

NASCUS recognizes that designing a risk-based system is a complicated undertaking and that it has been a contentious issue. NASCUS is not alone in its belief that the proposed rule is too broad. NASCUS' comment letter addresses the need for the NCUA to include supplemental capital for non-low income consumer credit unions within its proposed risk-based regulatory framework.

the Office of Credit Unions (OCU) at the Wisconsin Department of Financial Institutions, was appointed to the NASCUS Board of Directors. Santos, who has been with the OCU for more than 20 years, has been active within NASCUS for a number of years, having served on many of the Association's committees and task forces.

Richard F. Stipa, chief executive officer of the Trevoze, Pa.-headquartered TruMark Financial Credit Union, was appointed to the NASCUS Credit Union Advisory Council, and will represent District 1, which includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Maryland, West Virginia, Kentucky, Rhode Island, Vermont, Ohio, Indiana and Michigan.

In addition to all of these exciting happenings, we are also rounding out the program of our State System Summit, which

"NCUA's contention that it lacks the authority to include supplemental capital for the risk-based capital ratio is an unnecessarily narrow reading of the (Federal Credit Union Act)," writes NASCUS.

NASCUS believes that more consultation with state regulators would resolve many of the issues that the NCUA's proposed Risk-Based Capital Rule brings. Such dialogue could be especially helpful where the individual minimum capital requirement is concerned. Regulators are successful when they promulgate rules that are nimble enough to address problem credit unions without encumbering the entire industry.

NASCUS' comments focus on ensuring that the rule is right-sized for the credit union system, reflects the reasoned judgment of the actual risks, maintains predictable standards that support credit union growth and innovation, and cements the current statutory commitment by NCUA to consult and coordinate with state regulators.

By engaging with federal regulators to ease regulatory burden and protect the unique benefits of the state charter, NASCUS works diligently to serve state-chartered credit unions and regulators.

is scheduled for Sept. 10-12 at the Omni Hotel in Nashville, Tenn. Cyber security, interest rate risk and patent trolls are just a few of the topics that will be discussed during this year's Summit. Confirmed speakers for the Summit include Greg Gonzales, commissioner of the Tennessee Department of Financial Institutions Credit Union Division, Tennessee Credit Union League President and CEO Fred Robinson, and NCUA Chair Debbie Matz, to name a few. We hope you will register for this exciting opportunity to take part in educational workshops, insightful discussions and networking events geared specifically for CEOs, state regulators and industry leaders!

It's been a busy few months and things show no sign of slowing down. We look forward to your continued support as we work to advance the state credit union system!



NASCUS Presents for International Credit Union Regulators' Network and Defense Credit Union Council

Presentation for World Conference of Credit Unions Set for Late July

NASCUS has been dedicated to defending and advancing a strong state credit union system since it was established in 1965, but the organization is also well known worldwide for promoting the safety and soundness of state-chartered credit unions.

This year, NASCUS has given presentations around the globe, including for the International Credit Union Regulators' Network (ICURN) Annual Conference and for the Defense Credit Union Council (DCUC), with plans to present at the World Credit Union (WOCCU) Conference in late July.

The topics covered at the ICURN Annual Conference and at the DCUC Overseas Meeting, and those that will be covered at the WOCCU Conference later this month, range from the NASCUS Accreditation Program to regulatory burden.



NASCUS President and CEO Mary Martha Fortney discussed changes to the National Credit Union Share Insurance Fund, risk-based pricing and the FDIC at the April 30 Defense Credit Union Council meeting.



The NASCUS Board of Directors and Credit Union Advisory Council met June 18 and 19 in Alexandria, Va. Pictured here are NASCUS Board Chairman Mike Wettrich and NASCUS Credit Union Advisory Council Chairman Cathie Tierney.

NASCUS Board of Directors, Credit Union Advisory Council Meet in Alexandria

The NASCUS Board of Directors and Credit Union Advisory Council held meetings June 18 and 19 in Alexandria, Va., to discuss, among other things, the NASCUS Summit, scheduled for Sept. 10-12 at the Omni Hotel in Nashville, Tenn., and NASCUS public policies, and to share a regulatory update.

The regulatory update included NASCUS' Risk-Based Capital comment letter, which was filed May 28 with the NCUA. The development of a risk-based capital rule advocacy plan to improve any final NCUA rulemaking was discussed during the regulatory update. Advocacy would likely focus on one or two of the most problematic aspects of the proposed rule, such as the absence of coordination with state regulators, and the risk-weighting system and asset-size threshold.

Another topic of discussion was the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA), in which the NCUA has elected to participate. (NASCUS' Legislative & Regulatory Affairs Committee is working on a comment letter on EGRPRA, which will be submitted by the Sept. 2 deadline.)

NASCUS staff also discussed NCUA development of guidance on the key issues of Bank-Owned Life Insurance and split-dollar, interest rate risk and cyber security.

The next joint teleconference of the NASCUS Board and Advisory Council will be on July 22 at 1 p.m. Eastern Time.

NASCUS Board Meeting and NCUA/NASCUS State Regulators' Conference Held in Pittsburgh

More than 120 state and federal regulators, NCUA Board members and NASCUS management participated in this year's NCUA/NASCUS Regulators' Conference, which was held in Pittsburgh, Pa., March 11-12. Some of the highlights

of this year's meetings included discussions on interest rate risk, cyber security, consumer compliance, bank-owned life insurance and split-dollar plans.

A meeting of the NASCUS Board March 10, a day prior to the start of the conference, brought together NASCUS state regulators and NASCUS Board members to discuss a wide range of issues, including NASCUS' public policies, membership, and special projects, including the Nationwide Mortgage Licensing System (NMLS). Joint examination issues and several NCUA rulemakings were also among the topics discussed.

Another topic of discussion was the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA), in which the NCUA has elected to participate. (NASCUS' Legislative & Regulatory Affairs Committee is working on a comment letter on EGRPRA, which will be submitted by the Sept. 2 deadline.)



Interest rate risk, cyber security, consumer compliance, bank-owned life insurance and split-dollar plans were discussed in Pittsburgh, Pa., March 11-12, at the NCUA/NASCUS State Regulators' Conference.



NASCUS SUMMIT 2014

NASHVILLE, TN

SEPTEMBER 10–12, 2014



Omni Hotel
Nashville, Tenn.

REGISTER ONLINE ►

NASCUS State System Summit Program Being Rounded out

There are many famous landmarks in Nashville, Tenn.; the famed Ryman Auditorium, where, since 1892, a number of artists, including Jon Bon Jovi and Johnny Cash, have performed, the Grand Ole Opry, the Country Music Hall of Fame and the Musicians Hall of Fame and Museum are just a few.

Early-Bird Rate Available Until July 31

We're looking forward to this year's NASCUS State System Summit, scheduled for Sept. 10-12, at the Omni Hotel in Nashville, Tenn. If you haven't yet registered for NASCUS' 2014 State System Summit, don't wait! Reserve your space now to take advantage of the early-bird registration rate — just \$999 until July 31! After July 31, registration increases to \$1,095. Or, take advantage of NASCUS' state agency rate, and pay just \$1,495 for up to three people!

An exciting program has been planned, allowing for plenty of time for networking and sightseeing. During the sessions, speakers and participants will address such critical issues as cyber security, in-

terest rate risk, CUSOs, litigation against credit unions, and patent trolls. Speakers include NCUA Chairman Debbie Matz, World Council of Credit Unions President and CEO Brian Branch, Guy Messick, of Messick & Lauer PC., and National Association of Credit Union Service Organizations general counsel, and Frank Drake, a partner with the law firm of Smith Debnam Narron Drake Saintsing & Myers LLP, to name a few.

Be sure to register today for this opportunity to take part in cutting-edge educational workshops, insightful discussions, and networking events geared specifically toward CEOs, state regulators and industry leaders! For more information or to register, visit www.nascus.org.

NASCUS' Education Foundation, National Institute of State Credit Union Examination (NISCUE), through the generosity of credit unions, offers scholarships to examiners for schools and for the NASCUS State System Summit. If you are interested in being considered for a scholarship, please contact NASCUS Director of Administrative Services and Board Relations Doug McGuckin, at doug@nascus.org.



Tuesday, September 9

6:00 p.m. President's Happy Hour (for all attendees)

Wednesday, September 10

8:00 a.m. – 5 p.m. Registration and Information Desk Open
 7:45 – 8:30 a.m. Regulators' Annual Meeting Breakfast
 8:45 a.m. Opening Ceremonies and Welcome Remarks
 • Mary Martha Fortney, NASCUS President and CEO
 • Greg Gonzales, Commissioner, Tennessee Department of Financial Institutions
 • Fred Robinson, President and CEO, Tennessee Credit Union League
 9:00 a.m. – Noon General Session
 • Debbie Matz, NCUA Chairman
 • Brian Branch, World Council of Credit Unions President and CEO
 • Mary Martha Fortney, NASCUS President and CEO
 12:15 p.m. – 1:15 p.m. Credit Union Advisory Council Annual Meeting Luncheon
 12:15 p.m. – 1:15 p.m. Regulators Networking Luncheon
 • John Ryan, Conference of State Bank Supervisors President and CEO
 1:30 p.m. – 3:00 p.m. Educational Breakouts
 3:15 p.m. – 4:45 p.m. Educational Breakouts
 6:00 p.m. Chairmen's Dinner

Thursday, September 11

8:00 a.m. – 1:00 p.m. Registration and Information Desk Open
 8:00 a.m. – Noon Interagency Dialogue for State and Federal Regulators (Regulators Only)
 9:30 a.m. – 11:45 a.m. Credit Union Council Issues Briefing
 • Litigation Against Credit Unions – Frank Drake, Partner, Smith Debnam Narron Drake Saintsing & Myers, LLP
 Noon – 1 p.m. Networking Luncheon (for all attendees)
 1:15 p.m. – 4:00 p.m. General Session
 • Mark McWatters, NCUA Board Member (invited)
 • Credit Union Service Organizations (trends, views) – Guy Messick, Attorney, Messick & Lauer, P.C., and NACUSO General Counsel
 • Interest Rate Risk Panel (ALM First, C. Myers & NCUA)
 5:00 p.m. – 6:30 p.m. President's Reception (for all attendees)

Friday, September 12

8:30 a.m. – Noon General Session
 • Rick Metsger, NCUA Board Member
 • Fraud and Security Issues – Detective Mark Solomon, Connecticut Financial Crimes Task Force
 • Cyber Security
 Noon Conference Concludes

Registration Fee Summary:	Before July 31, 2014	After July 31, 2014
NASCUS Members*	\$999	\$1,095
Non-Members	\$1,095	\$1,195
Spouses/Guest Program**	\$300	\$350

**NASCUS' Spouse/Guest Program includes:

- Breakfast with attendees on Sept. 10-12
- NASCUS Chairmen's Dinner on Sept. 10
- Networking Luncheon on Sept. 11
- President's Reception on Sept. 11

Cancellation Policy

A cancellation received in writing by 5 p.m. Eastern Time on or three weeks prior to the event will be refunded, minus a \$75 processing fee. No refunds will be issued thereafter; substitutions of participants will be allowed. To change or cancel your registration, email offices@nascus.org. In the event that NASCUS cancels the event, all payments will be refunded.

*A special state agency rate is available for state regulators. Contact Isaida Woo at isaida@nascus.org for details.



Wisconsin Regulator Welcomed to NASCUS Board; Pennsylvania Credit Union Executive Named to NASCUS CU Advisory Council

Kim Santos, director of the Office of Credit Unions (OCU) at the Wisconsin Department of Financial Institutions, and Richard F. Stipa, chief executive officer of the Trevoze, Pa.-headquartered TruMark Financial Credit Union, have been appointed to the NASCUS Board and to the NASCUS Credit Union Advisory Council, respectively.



Kim Santos



Rick Stipa

Santos has been with the OCU for more than 20 years. Prior to being

named the OCU's director, she served as their deputy director. She has been active within NASCUS for a number of years, having served on many of the Association's committee's and task forces.

Stipa, who is a director of the Pennsylvania Credit Union Association and a director of the Pennsylvania Credit Union Foundation, will represent District 1, which includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Maryland, West Virginia, Kentucky, Rhode Island, Vermont, Ohio, Indiana and Michigan, was appointed to the Council by NASCUS Council Chairman Cathie Tierney, president and CEO of Community First Credit Union in Appleton, Wis.

Midterm Elections

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tee and is expected to opt for that post over the top spot on the Banking Committee. The current chair of the Armed Services Committee, Sen. Carl Levin (Mich.), will also retire at the end of this year.

If Reed passes on the chairmanship, it would fall to the third-ranked Democrat on the Committee—Sen. Charles Schumer of New York. Schumer's office has been tight-lipped regarding the senator's plans, although it's believed that he would be more interested in focusing on national leadership opportunities than in chairing the Senate Committee on Banking, Housing and Urban Affairs, as doing so would put him in the politically difficult position of balancing demands from his home state constituency with overriding anti-Wall Street pressures in Washington. If he declines the chairmanship, the job will fall to fifth-in-line Sen. Sherrod Brown from Ohio. (The fourth most senior Democrat on the committee, Robert Menendez (N.J.), already heads the Foreign Relations Committee.)

Brown has indicated publicly that he would accept the chairmanship if given the opportunity. As one of the most liberal members of the Senate, Brown supported "too big to fail" initiatives, including legislation to place size and leverage limits on large banks and restore the Glass-Steagall Act. He also criticized the Department of Justice for failing to prosecute and imprison bank executives who may have committed financial crimes in the prelude and aftermath of the financial crisis. As such, large financial institutions are very concerned as to what his tenure as chair of the Banking Committee may bring.

Most credit unions may fare better under Brown's chairmanship than their larger Wall Street counterparts, however, since the senator has supported efforts to reduce regulatory burden and support lending in small community financial institutions. The senator is also familiar with credit union issues, as there are approximately 150 state-chartered credit unions in the state of Ohio. NASCUS has worked with Brown's office on his bill to provide access to Federal Home Loan Bank membership for privately-insured credit unions (S. 1806), and the senator also cosponsored a bill that would amend the Federal Credit Union Act to allow the NCUA Board to approve member-business lending up to 27.5% of the credit union's total assets (S. 968).

See MIDTERM ELECTIONS Page 7

Positive Resolution on Crucial UBIT Issues Announced by NASCUS

It was a turning point when Community First Credit Union, of Appleton, Wis., prevailed in a 2009 jury trial against the Internal Revenue Service on unrelated business income tax (UBIT) issues, and a federal court in Colorado ruled in favor of Bellco Credit Union, of Greenwood Village, Colo., on UBIT issues in federal court.

The UBIT Steering Committee, of which NASCUS is a member, had worked closely with both credit unions in support of the litigation. On April 9, after nearly 15 years of work on the issue by NASCUS and its coalition partners, it was announced that the IRS had issued a memorandum clearing nearly all credit union products at

stake in the litigation from being subject to UBIT, opening the door for credit unions to receive refunds of past payments.

In addition to NASCUS, the UBIT Steering Committee includes the Credit Union National Association, CUNA Mutual Group, and the American Association of Credit Union Leagues.

While the IRS memo represents a significant step forward for the state system, more work remains to be done with respect to several outstanding UBIT issues. NASCUS will continue its work with its coalition partners until there is a fully satisfactory resolution on all UBIT issues.

McWatters to Serve on NCUA Board

Tax attorney Mark McWatters, the assistant dean for graduate programs and an adjunct professor at the Southern Methodist University Dedman School of Law, was confirmed June 19 by the Senate to serve on the three-person NCUA Board.

McWatters was a member of the Troubled Asset Relief Program (TARP) Congressional Oversight Panel in Washington from 2009 to 2011, and former counsel to Rep. Jeb Hensarling (R-Texas), now chairman of the House Financial Services Committee. He replaces Republican Michael Fryzel, whose

term officially expired Aug. 2, 2013.

"Having served on the TARP Congressional Oversight Panel and advocating to ease the regulatory burden on financial institutions, Mr. McWatters has an understanding of policy, regulation, and the complicated nuances of balancing public policy," said NASCUS President and CEO Mary Martha Fortney. "He will be an excellent addition to the NCUA Board."



Mark McWatters

NASCUS Upcoming Educational Events

Email isaida@nascus.org with your questions

Register online for all events at www.nascus.org.

NASCUS Board of Directors' Colleges

July 15, 2014, Salt Lake City, Utah
July 22, 2014, Denver, Colo.
August 11, 2014, Knoxville, Tenn.
August 19, 2014, Glendale, Calif.
September 12, 2014, Nashville, Tenn.
September 22, 2014, Austin, Texas
October 2014, Kentucky
November 6, 2014, Georgia
December 2014, Florida

NASCUS is pleased to announce upcoming Directors' Colleges in Salt Lake City, Utah; Denver, Colo.; Knoxville, Tenn.; Glendale, Calif.; Nashville, Tenn.; Austin, Texas; Kentucky; Georgia and Florida.

Our Directors' Colleges feature such sessions as cyber security, interest rate risk, and examination issues.

Registration is \$199 per person for NASCUS members, and \$215 for non-members. If you have any questions, email isaida@nascus.org.

NASCUS Webinars

August 14, 2014, Member Business Account Risks
September 11, 2014, Wire Transfer Fraud

Webinars over the next few months include "Member Business Account Risks" and "Wire Transfer Fraud." All webinars begin at 1 p.m. Eastern Time, and are \$129 for NASCUS members, and \$159 for non-members. Please email isaida@nascus.org with any questions you may have.

Michigan Industry Day and Michigan NASCUS/CUNA BSA School

October 7-9, 2014
Sheraton Ann Arbor Hotel
Ann Arbor, Mich.

In order to foster greater communication with regulated entities, NASCUS and the

Michigan Office of Financial and Insurance Regulation (OFIR) will hold a one-and-a-half-day conference at the Sheraton Ann Arbor Hotel, located at 3200 Boardwalk Street in Ann Arbor. The event will provide an opportunity for dialogue between the regulators and the regulated. The session is open to Michigan credit union directors and executive management, and will begin Oct. 7 at 10 a.m., and end Oct. 8 at noon. The fee for this one-day event is \$99 for NASCUS members and \$129 for non-members.

NEW THIS YEAR in Michigan, NASCUS, in partnership with CUNA, will be bringing a day-and-a-half BSA/AML school to Michigan following the Industry Day. This event will be open to state and federal examiners as well as credit union and industry staff. CUNA will be offering its BSA Compliance certification test as part of the school. The cost of registration for the BSA school is \$450 per person.

Hotel Information:

Sheraton Ann Arbor Hotel
3200 Boardwalk Street
Ann Arbor, MI 48104

NASCUS/CUNA BSA Conference

October 26-29, 2014
Caesars Palace
Las Vegas, Nev.

CUNA, in partnership with NASCUS, brings you the NASCUS/CUNA Bank Secrecy Act Conference. This conference is an opportunity for Bank Secrecy Act (BSA) compliance officers, state and federal examiners, industry experts and regulators to discuss BSA compliance issues. The annual conference covers all of the BSA statutory and regulatory training requirements that compliance professionals need in order to comprehend and comply with the complex federal BSA law.

NASCUS/CUNA Bank Secrecy Act Conference attendees will receive pertinent updates from the Financial Crimes Enforcement Network (FinCEN), the National Credit Union Administration (NCUA) and the Office of Foreign Assets Control (OFAC) agencies. State examiners and attorneys will also be given the opportunity to attend the loaded schedule of sessions and events, creating valuable networking opportunities and exclusive takeaways for credit union professionals. The cost for the conference is \$1,095 (\$1,295 after Aug. 26, 2014).

Hotel Information:

Caesars Palace
3570 Las Vegas Blvd. South
Las Vegas, NV 89109
Reservations: (866) 227-5944
Room Rates: \$199 per night*
Hotel Reservation Deadline: Oct. 6, 2014

*Room rates and availability cannot be guaranteed. Room reservations and fees are the responsibility of the registrant. To claim this room rate, call for reservations and reference "CUNA" or "Credit Union National Association."

NASCUS Summit 2014

Sept. 10-12, 2014
Omni Hotel
Nashville, Tenn.

NASCUS Archived Webinars

NASCUS offers previously recorded webinars to credit unions and regulators. Access to each recording costs \$199 for members and is offered on an on-demand basis, allowing NASCUS members the flexibility to access the presentations at times convenient to them. For more information, contact Isaida Woo at isaida@nascus.org.

Midterm Elections

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But the prospect of Brown's chairmanship may be attracting Wall Street funding for Republican challengers and hurting his Democratic colleagues who are facing tight races, including fellow Banking Committee member Sen. Kay Hagan, who is fighting to keep her seat in North Caroli-

na. Right now, Democrats control the Senate with 53 seats to Republicans' 45, but there are at least 12 competitive Senate races that threaten to tip that balance in the Republicans' favor. If Democrats were to lose control of the Senate, Sen. Richard Shelby (R-Ala.) is the likely replacement. His views are known, having already lead the Committee from 2003-2006, and a centrist Republican who will most likely

focus on implementing changes to the Dodd-Frank Act and the Consumer Financial Protection Bureau (CFPB).

Whether the Democrats retain control of the Senate or not, Sen. Johnson's retirement ensures major changes to policy priorities atop the Senate Banking, Housing and Urban Affairs Committee following the November elections.

California, Michigan, Alabama and Washington Earn NASCUS Reaccreditation

Massachusetts Division of Banks Receives First Joint Bank, Credit Union, and Mortgage Accreditation

NASCUS accreditation and reaccreditation are significant achievements, representing the effectiveness and sound supervision of the state credit union regulatory system. NASCUS accreditation is valid for a five-year period subject to annual review. The annual review process enables accredited agencies and the NASCUS Performance Standards Committee (PSC) to measure progress and improvement.

To earn accreditation, an agency's qualifications are evaluated by an Accreditation Review Team (ART), who completes a thorough examination of the agency's accreditation application and supporting documents, followed by three days of intense on-site scrutiny of agency programs and performance.

NASCUS recently approved the reaccreditation of the California Department of Business Oversight (DBO) and the Massachusetts Division of Banks (MDB).

The MDB received certificates of accreditation not only from NASCUS but from the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR). Massachusetts is the first state to achieve accreditation in all three programs as part of a joint pilot program among NASCUS, CSBS and AARMR. The pilot program aims to help states gain multiple accreditations at one time.

The MDB, which regulates state-chartered banks, credit unions, consumer fi-

nance companies, debt collectors, money service businesses, and mortgage loan originators, is led by David Cotney, who was appointed as Massachusetts Commissioner of Banks in November 2010. Massachusetts was first accredited by NASCUS in 1996. The Division's initial mortgage accreditation—the first awarded as part of the AARMR/CSBS Mortgage Accreditation Program—occurred in 2008. This is Massachusetts' fifth bank accreditation, with the first accreditation occurring in 1994.

The DBO, led by Commissioner Jan Lynn Owen and Deputy Commissioner of Credit Unions Erick Orellana, supervises 146 credit unions with combined assets of approximately \$79.3 billion. The DBO was formed on July 1, 2013, through the consolidation of the former Department of Financial Institutions and the former Department of Corporations.

In addition to the MDB and DBO, NASCUS recently approved the reaccreditation the Alabama Credit Union Administration (ACUA), the Michigan Department of Insurance and Financial Services Office of Credit Unions (DIFS OCU) and the Washington Department of Financial Institutions (DFI) Division of Credit Unions.

The Michigan DIFS OCU was the first state to earn NASCUS' accreditation in 1989.

Led by Director John Kolhoff, the agency supervises 187 credit unions with combined assets of approximately \$35 billion.

Alabama and Washington were the fourth and fifth regulatory agencies to be reaccredited by NASCUS this year, following the reaccreditation of California, Massachusetts and Michigan.

The ACUA, which is led by Sarah H. Moore, supervises 65 credit unions with combined assets of approximately \$10.7 billion, while the DFI, led by Scott Jarvis, supervises 62 credit unions with combined assets of approximately \$35.9 billion. NASCUS Board member and previous chair Linda Jekel is director of the DFI Division of Credit Unions.

"NASCUS reaccreditation is a significant achievement and represents the effectiveness and sound supervision of the state credit union regulatory system," said NASCUS President and CEO Mary Martha Fortney. "We offer congratulations to these agencies for their ongoing commitment to supervisory excellence."

If you have any questions, about NASCUS accreditation, please contact Accreditation Administrator Roger Little at roger@nascus.org. For more information, visit <http://nascus.org/nascus-accreditation.php>.

NASCUS Unveils "Around the States"



NASCUS has unveiled a new portion of the website: Around the States. The section, which includes an interactive map of the United States, features news stories from throughout the nation. To access Around the States online, visit www.nascus.org/around-the-states. To submit a news article for consideration, email NASCUS Director of Communications and Marketing Elizabeth Kirkland at elizabeth@nascus.org.

National Association of State Credit Union Supervisors

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