

LEGISLATIVE & POLITICAL UPDATE



} *FIREFIGHTER
CREDIT UNIONS
ANNUAL SUMMIT*

October 4, 2010

San Antonio, Texas

Today's Agenda

- Banker Strategy

- 2009-2010 Legislation
 - What happened
 - What's next 2011/beyond

- Credit Union Power

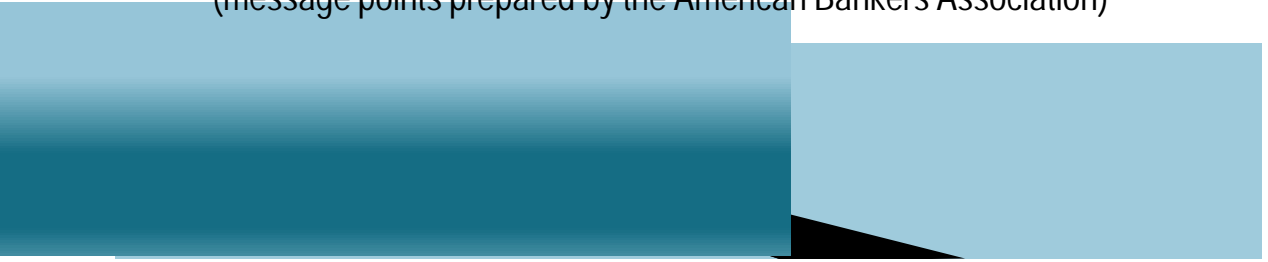
- 2010 November Elections



**Have the
banker's
changed their
tune through
the years?**



No! The Banker's Song Has Remained the Same for Decades!!!

- } 1958: "It is unfair to the public – as well as competing banks – for the government to continue to use taxpayers' money to subsidize credit unions, which have taken on a character far different from their original purpose." (from "Unfair Competition," prepared by the Bankers Committee to Eliminate Favoritism to Credit Unions)
 - } 1961: "Credit unions have gone far beyond their original concept and now pose a serious threat to the commercial banking system." (Carl Bahmeier, as quoted in American Banker)
 - } 1965: "The tax-free status of credit unions, and their resulting tremendous growth in the past 20 years is a matter of grave concern to all taxpaying financial institutions." (Max Denney, spokesman for American Independent Bankers Association)
 - } 1989: "Credit unions are the next crisis waiting to happen. Credit unions' tax exemption gives them an unfair advantage. Credit unions operate in a lax regulatory structure." (message points prepared by the American Bankers Association)
- 

How Banks view Credit Unions...



"It's not enough that we succeed. Cats must also fail."

BANKER STRATEGY IN A NUTSHELL

In their own words:



“Our national strategy has been one of the ***credit union ‘containment and conversion’***
In the long run, the objective is to force credit unions... to convert to a mutual bank charter.”



--Jeff Plagge, president/CEO of the first National Bank of Waverly, Iowa and co-chair, ABA Credit Union Coordinating Committee



Banker Strategy

--Edward Yingling
President & CEO
American Bankers Association

3 Phase Strategy for Credit Unions:

1. Educate - Members of Congress

(lobby)

2. Contain Credit Unions

(block expansion on Geography, Products and Services)

3. Convert Credit Unions

(act like a bank, convert with Bank Regulations and Taxes)





2010 Dragons Fought: Federal

- } Regulatory Restructuring
- } CRA
- } Cramdowns
- } Interchange
- } Overdraft
- } MBL
- } Corporates

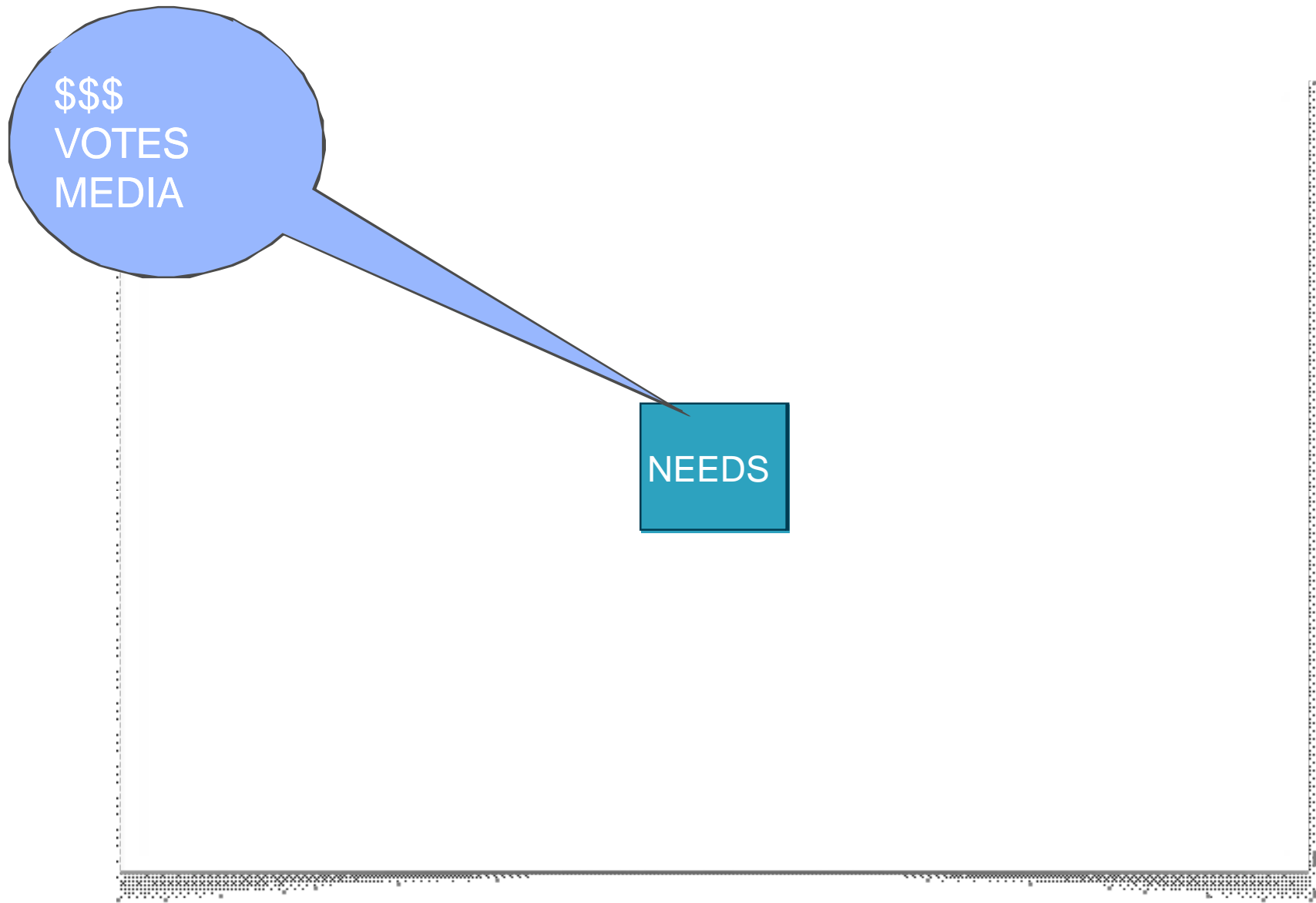


2010 Federal Issues Scorecard

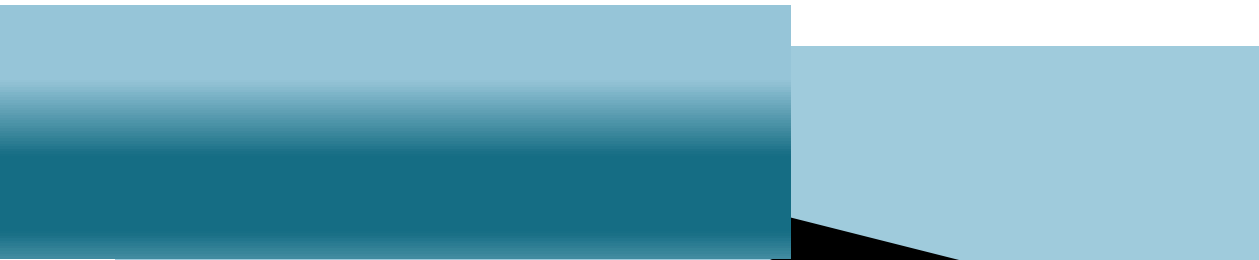
Losses	Undecided	Partial Win	Full Win
CARD Act	Member Business Loans	CFPB Exemption	CARD Act Fix
Interchange (partial)	Risk Based Capital	Overdraft Protection	Exempt in Expedited CARD Act Due Date
Student Loans	Alt. Capital		Corp.CU Stab. Fund Passage
Exec. Comp			Deposit Insurance
			Mortgage Cramdowns
			NCUA Separate regulator
			----- CRA

Consumer Financial Protection Bureau: Two Competing Narratives *(aka "Hope versus Fear")*





The anatomy of a lawmaker



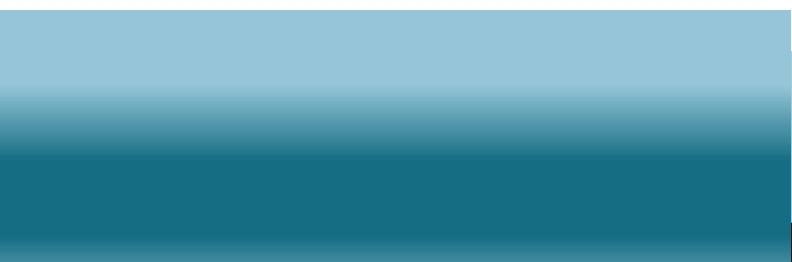
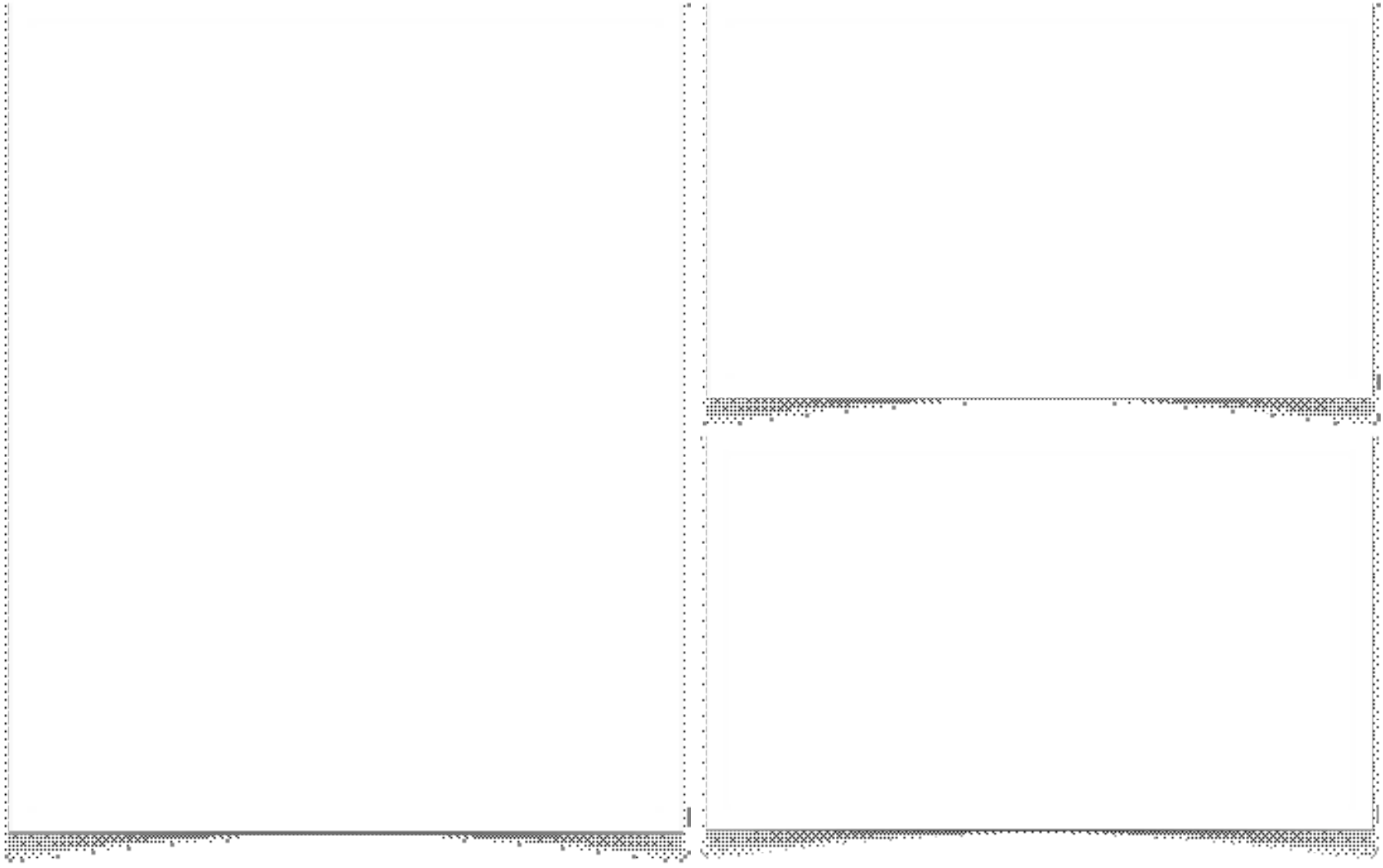
Credit Union Tools

Grassroots PAC/PD

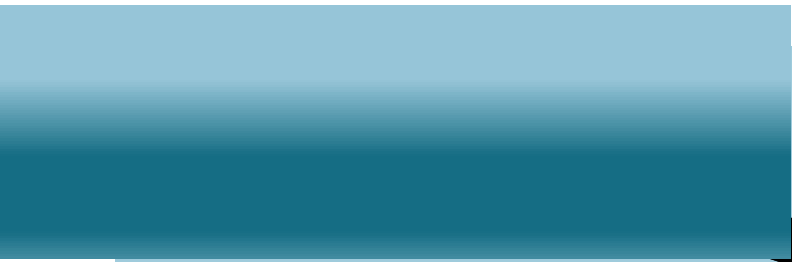
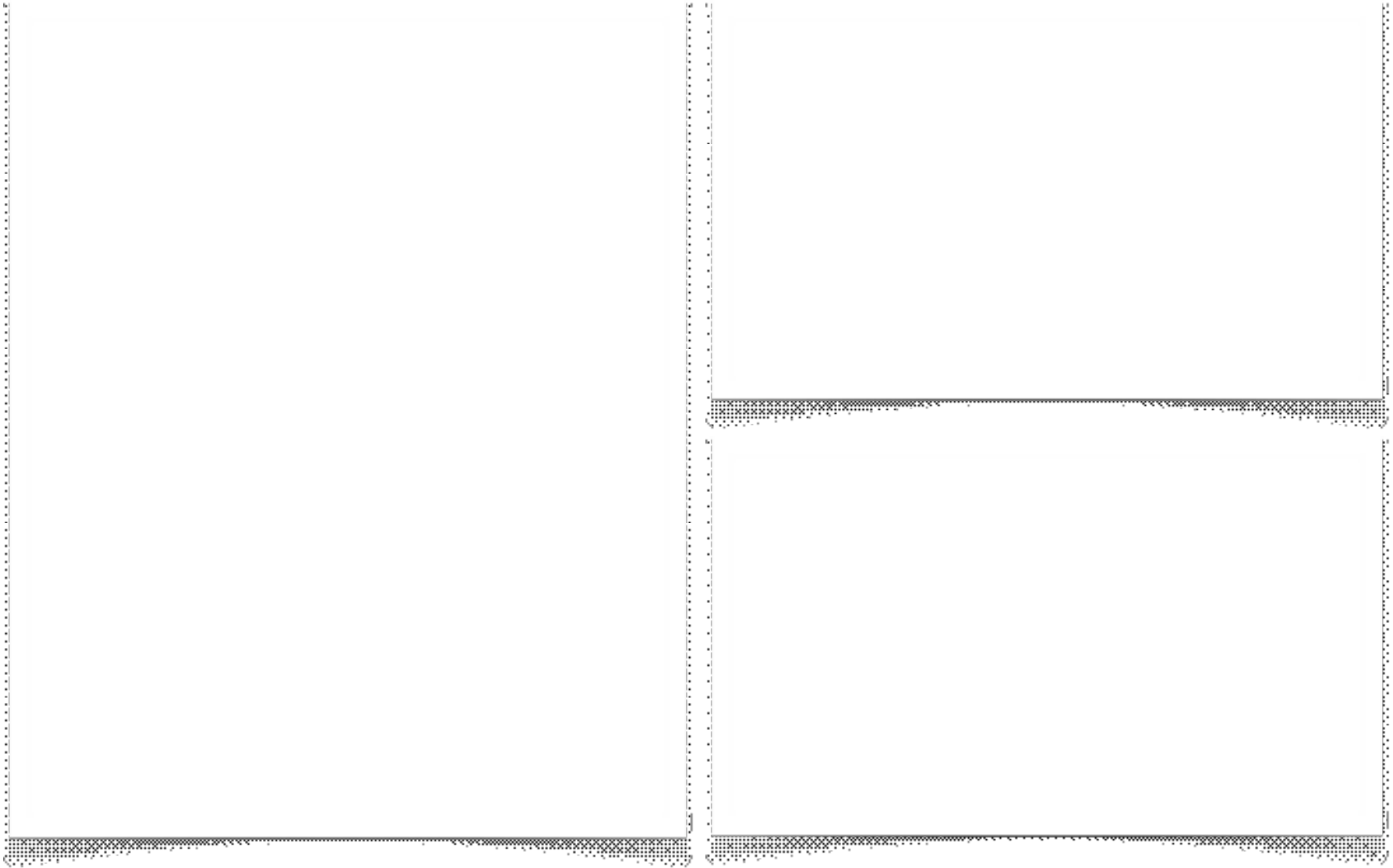
Key Contact

Research

Project Zip Code



MOST EFFECTIVE TACTICS



LESS EFFECTIVE TACTICS

Web Stickers

KEY: Convey
the fight
visually and
with a simple
headline

**Huge Retailers want to shift
their cost of doing business
to YOU.**



**Tell Congress
NO WAY!** [Click Here
For Info](#)

**Leave my
credit union
ALONE!**



**Overdraft Protection Can
Save You When You Need It...**

**So Why Does Congress
Want to Take It Away???**

**Click HERE
to learn more**

Giant Retailers would like to give
YOU one more expense to cover.
Theirs.

**Click here to
learn more!**



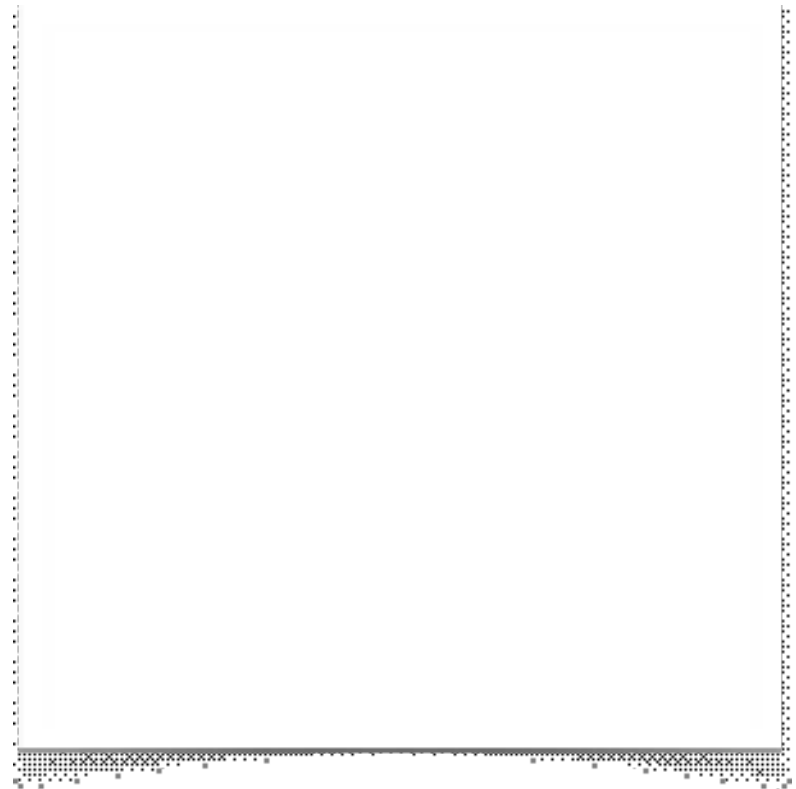
Credit Unions & the Media



Positioning CUs to lawmakers: are you politically bilingual?

- ▣ CUs To Republicans:
 - ▣ Free Market/Libertarian
 - ▣ Less Government Interference
 - ▣ Lower Taxes
 - ▣ Pro-Business, create jobs, economic force

- ▣ CUs to Democrats:
 - ▣ Use Government to help Working Families
 - ▣ Pro-Consumer, Women, Minorities
 - ▣ Better Alternative to Banks and Payday Lenders
 - ▣ Values: "People before profits"



Your message in 30 seconds

- “Here’s the problem...”
- “Here’s why it *matters, how it affects our (#) members...*”
- “Here’s a solution – we need your help...”

- More time?
 - Tell a story
 - Provide facts, data



The Political Environment

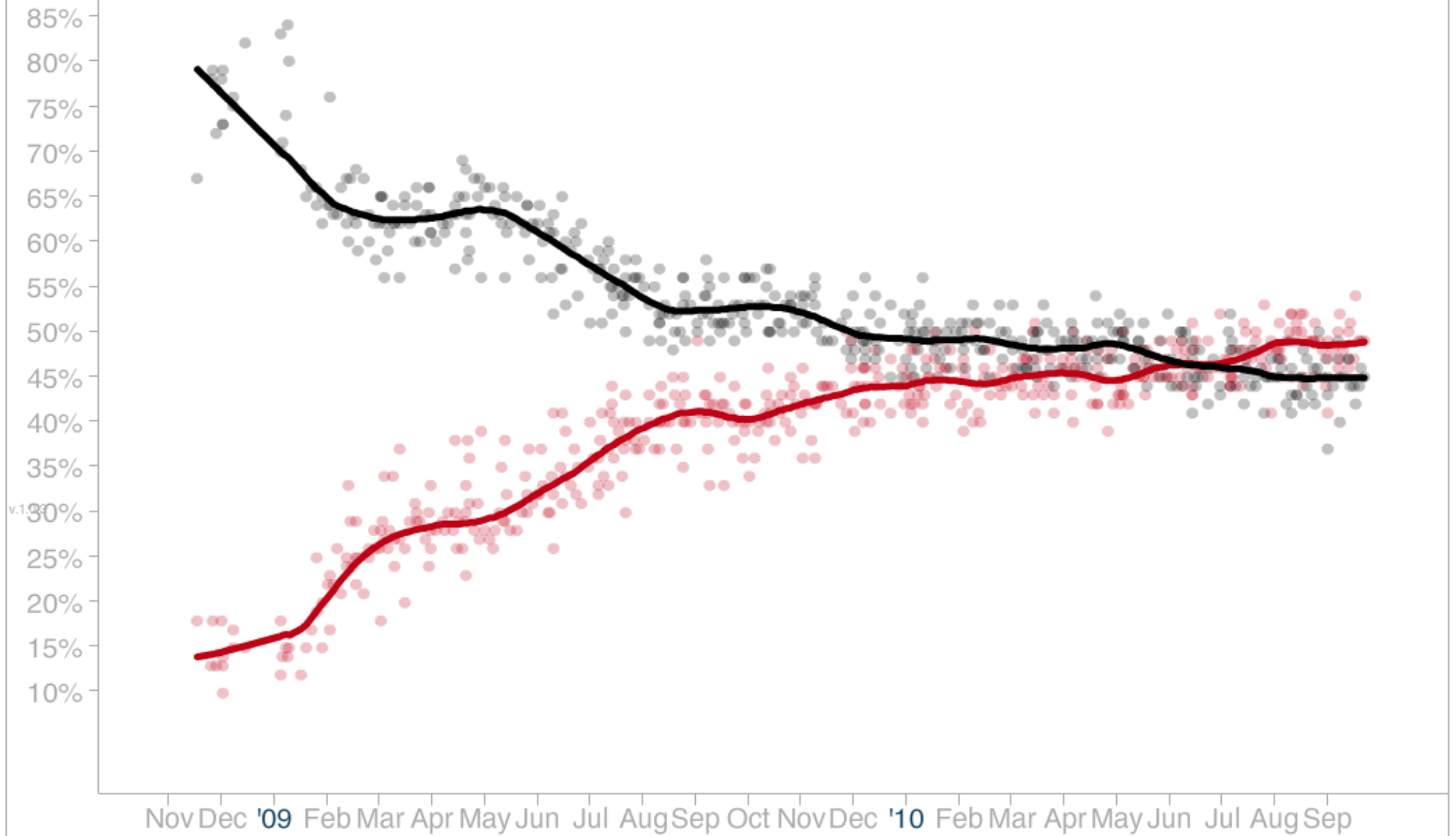


National Job Approval: Barack Obama (ALL ADULTS)



POLLSTER.COM

Disapprove 48.9%
Approve 44.9%

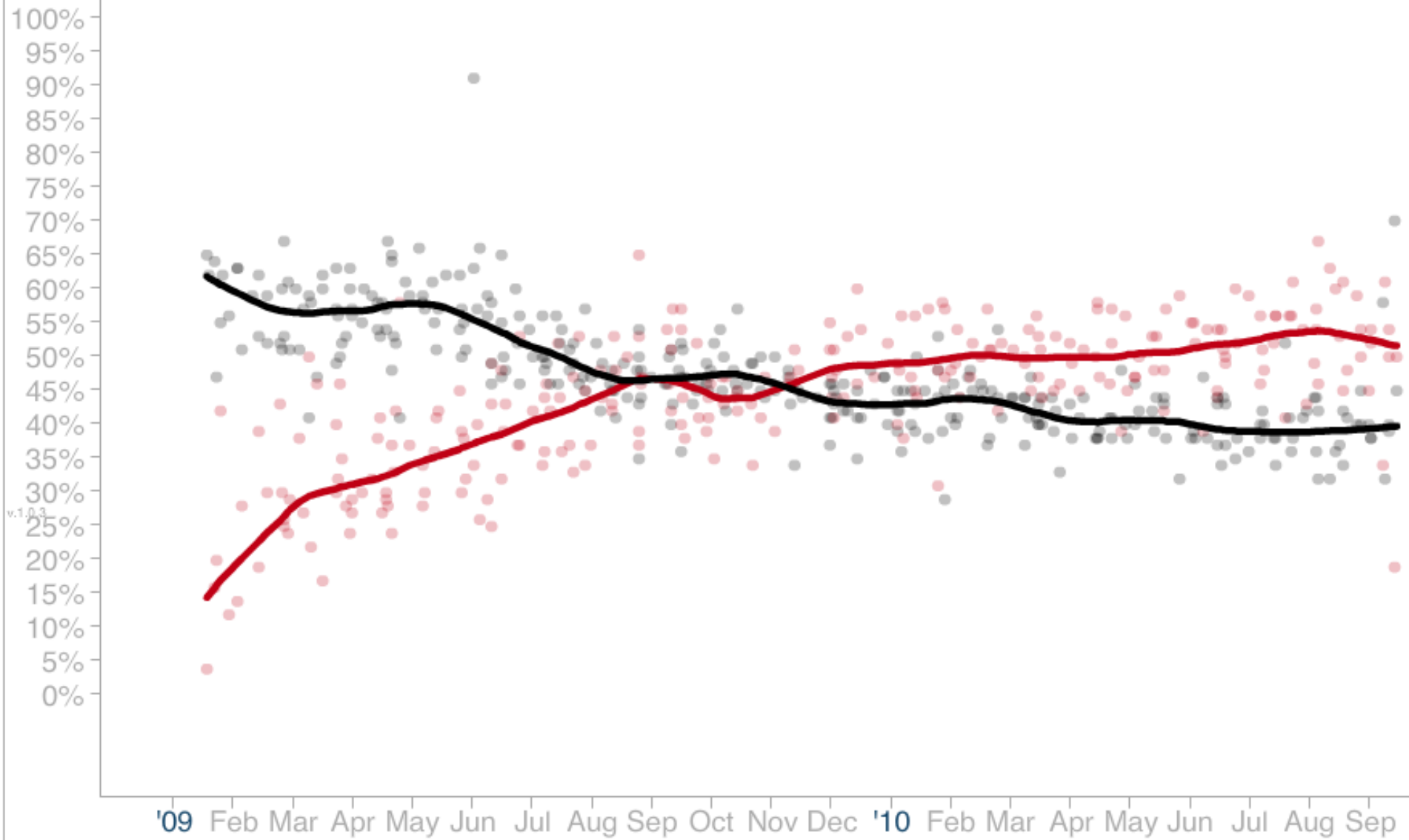


National Job Approval: Barack Obama (INDS ONLY)



POLLSTER.COM

Disapprove 51.6%
Approve 39.8%

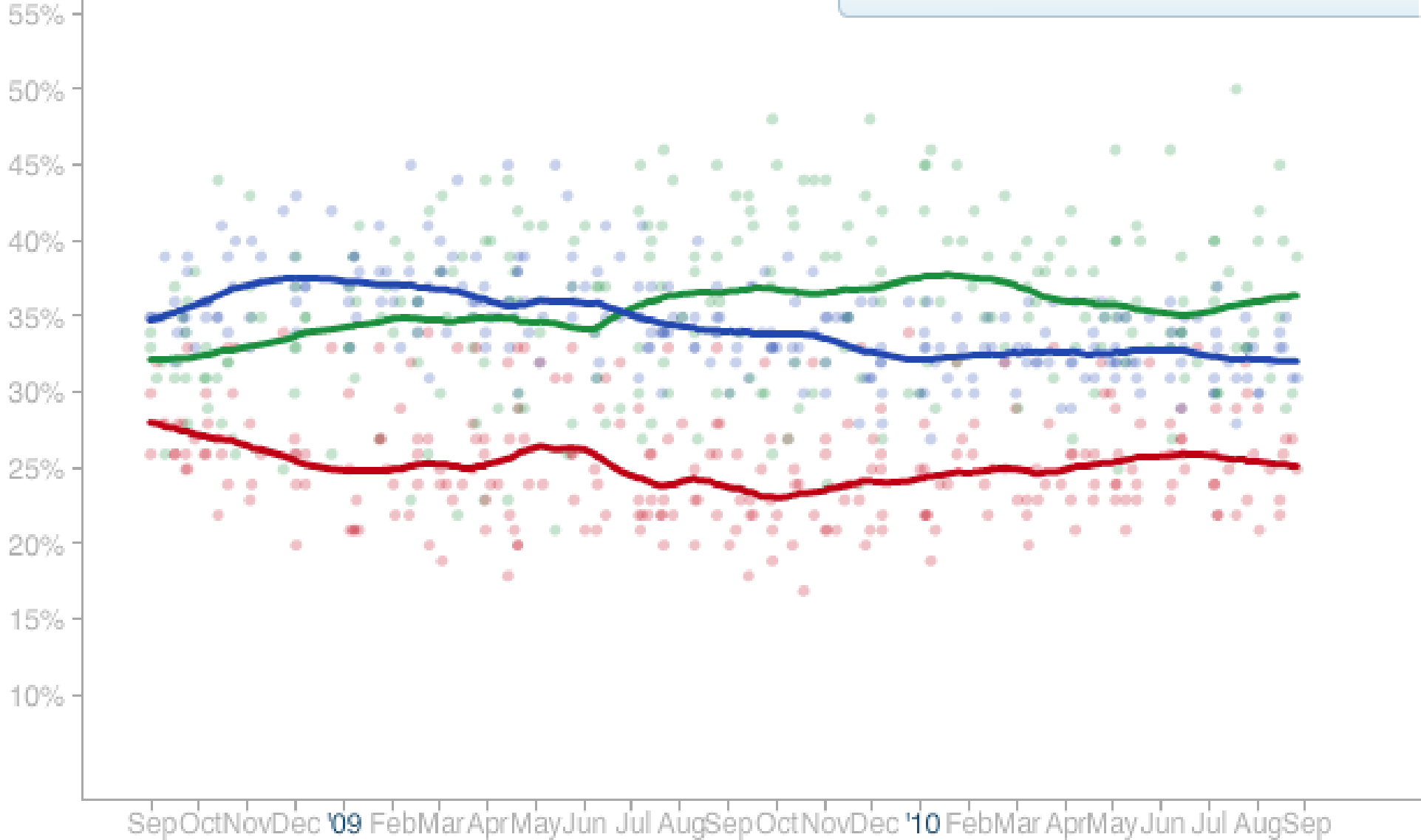


National Party ID (ALL ADULTS)



POLLSTER.COM

independent 36.4% Republican 25.2%
Democrat 32.1%

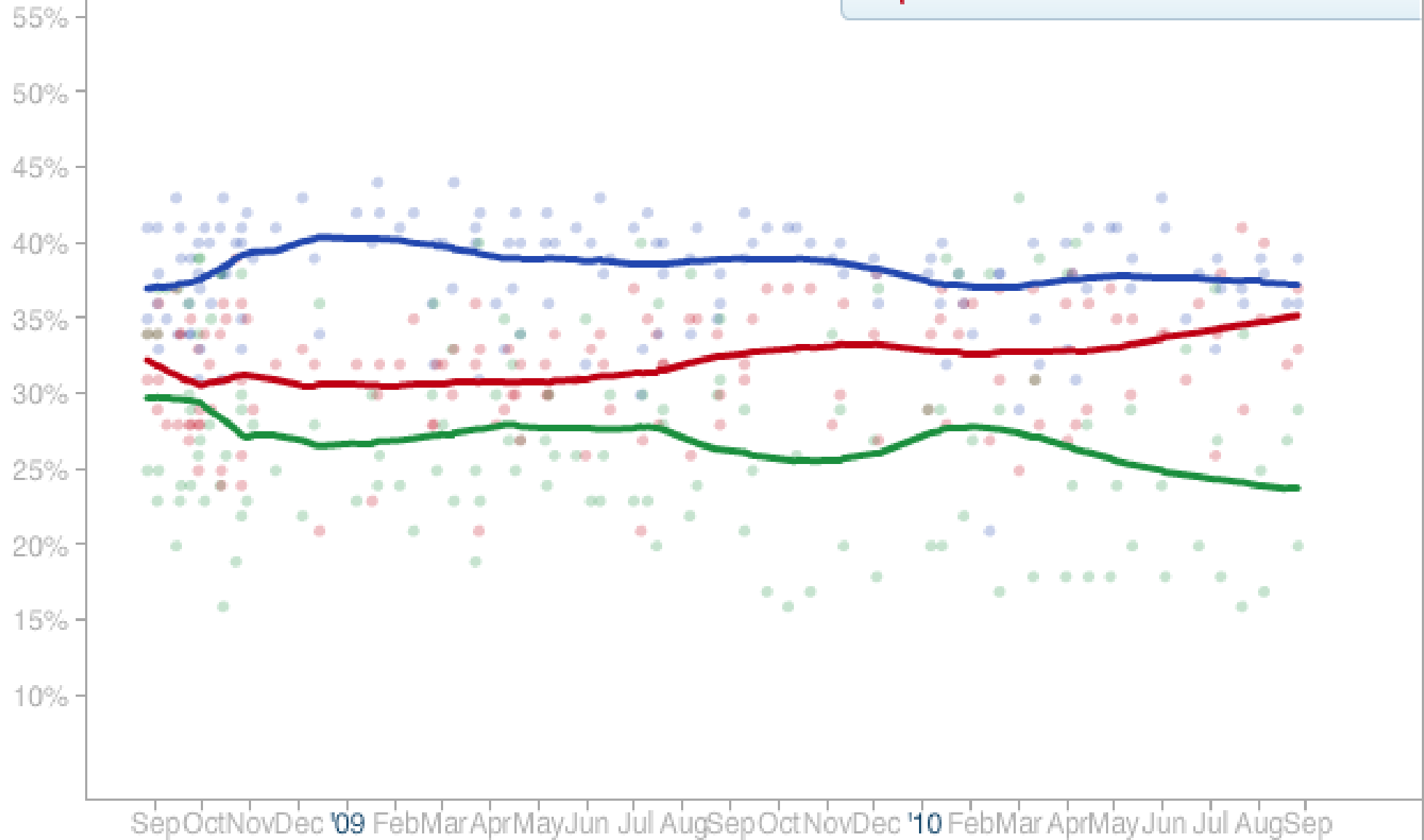


National Party ID (RV & LV ONLY)



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Democrat 37.3% Independent 23.8%
Republican 35.2%

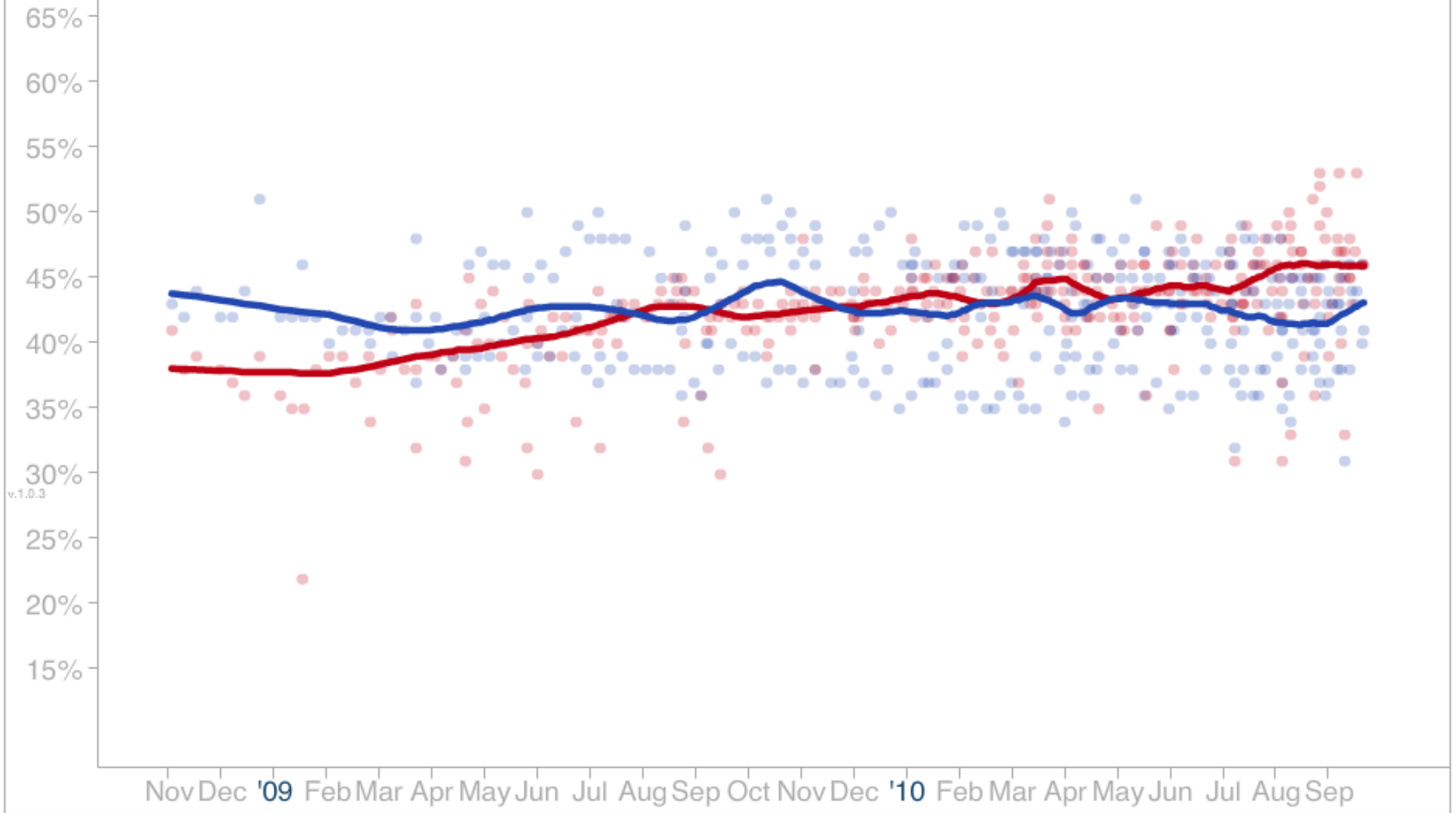


National Congressional Ballot



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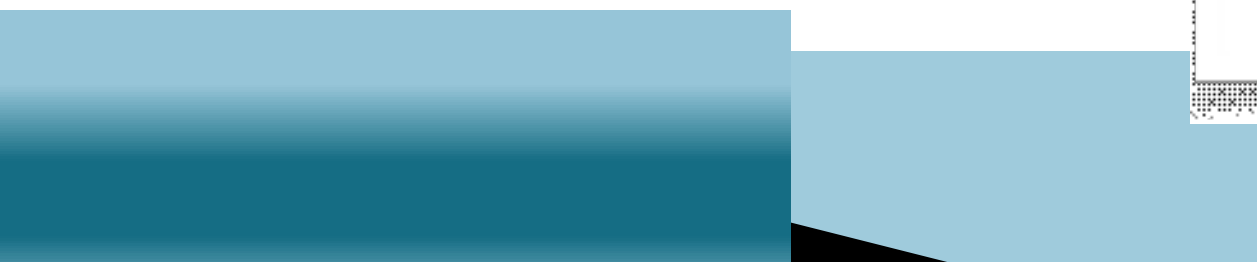
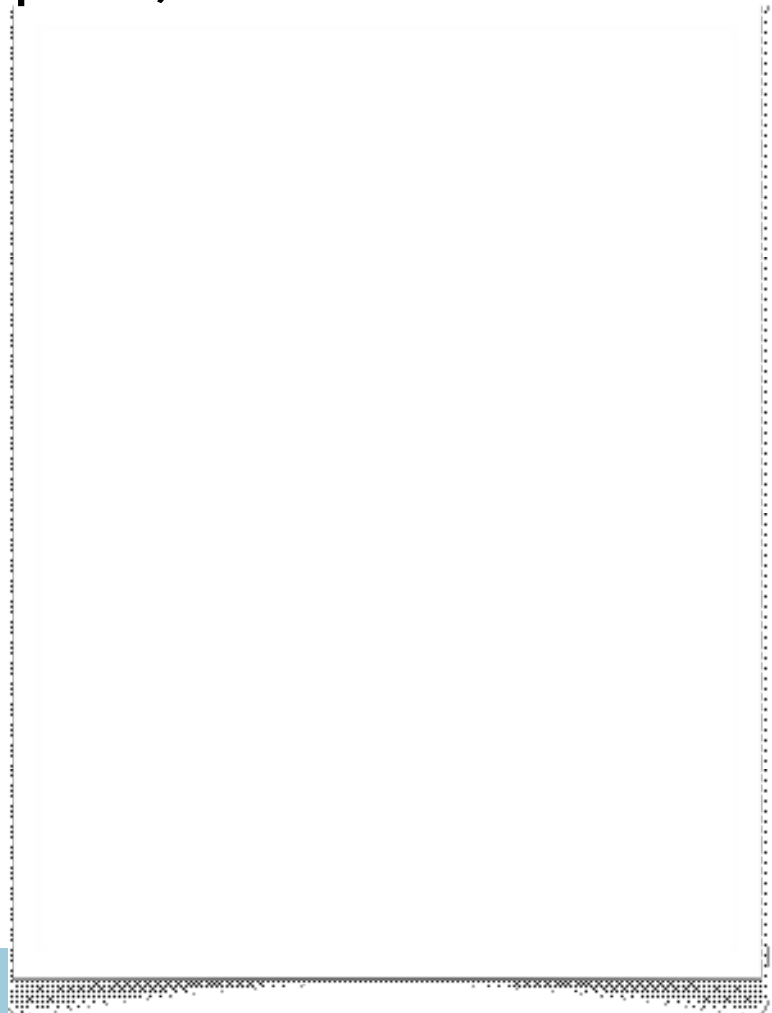
Republican 45.9%
Democrat 43.1%



v.1.0.3

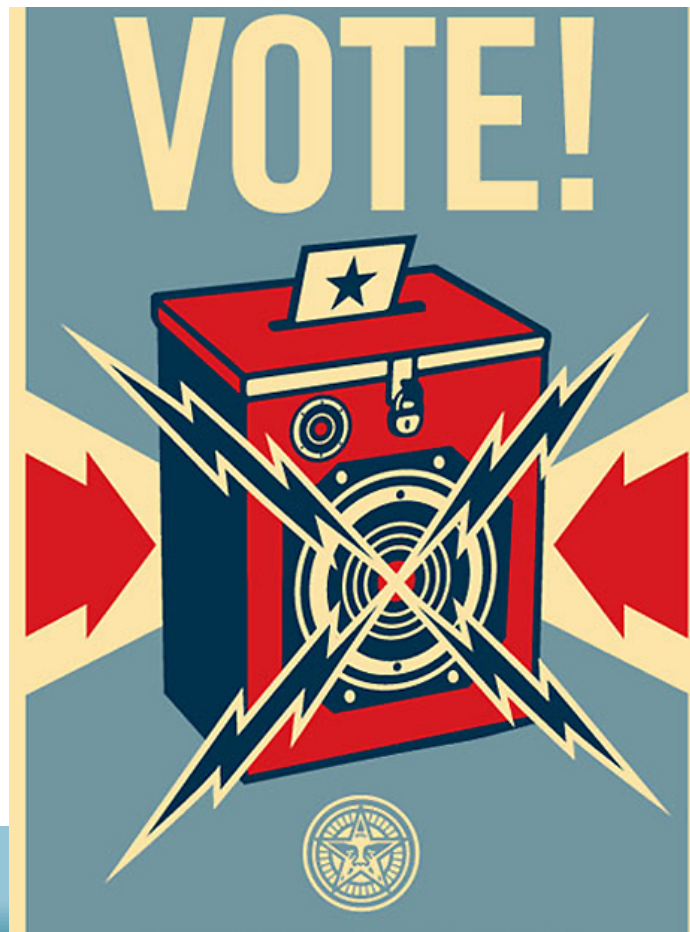
Congress 2011 by the Numbers

- Now: 255 D to 178 R (2 open)
- 79 Dem seats vulnerable
 - Only 7 GOP are
- } Magic number is 218
 - 40 seats net switch
- Senate: 59 to 41
 - 12 are "toss up" races;
 - 8 are D, 4 are R



November 2010 Elections:

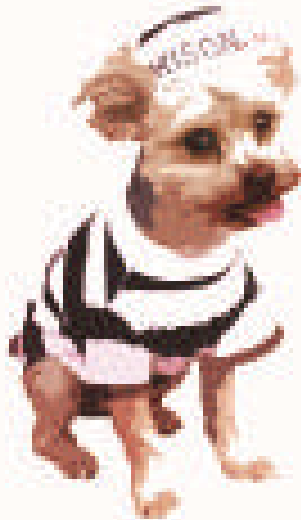
> It's all about WHO TURNS OUT! <



Questions?

The Compliance Hounds

Note to self:



Never bark at the ~~examiner...~~

Presenter

