

MEETING OF THE BOARD OF CREDIT UNION ADVISORS

October 19, 2011

1:00 pm

Utah Department of Financial Institutions
324 South State Street, Suite 201
Salt Lake City Utah

Minutes

BOARD MEMBERS PRESENT:

Sandra Garcia and Dean Hirabayashi

DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF PRESENT:

Ed Leary, Paul Allred, Orla Beth Peck, Merisa Lanford, Dean Merrill, and Sonja Long

OTHERS PRESENT:

Dennis Hymas, Utah Power Credit Union

1. Call meeting to order – Sandra Garcia

2. Minutes

Not a full quorum to vote on the minutes. That will have to be done at the next meeting.

3. Introduction of new board member –

Dean Hirabayashi is one of our new board members. He is the president of National JACL credit union. He gave a quick overview of his background.

Commissioner Leary also asked Merisa Lanford, our new Administrative Secretary, to introduce herself.

4. Troubled Debt Restructuring – Dean Merrill

Dean gave out two handouts on TDR. He went through his handouts. The first handout Dean prepared originally for some examiner training that he did on this subject.

5. Credit Union Issues – Orla Beth Peck

Orla Beth shared the plaque that the League gave her at the NASCUS State System Summit. She will be serving as the Chairman for two years.

- Corporate Update – Suncorp did meet its recapitalization goals, so it will continue to operate. Westcorp Bridge did not meet its goal so it will be sold off.
- NCUA is looking through its rules and regulations at ways it can provide some regulatory relief for credit unions. If you have any suggestions for them, Orla Beth would be happy to pass those on to NCUA. Sandra asked if they can have some time to think about that. The regulators do have a regular conference call with NCUA so things can be discussed with them.
- There was recently a large credit union reported in the Credit Union Times that disclosed their CAMEL rating. Orla Beth wanted to bring it up to let you know that a particular state chose to do that. In Utah we consider the CAMEL rating to be part of the examination and we do not disclose it to the public. We have a statement in the report that lets you know that it is confidential. We have no intentions of following suit in disclosing those.

Commissioner Leary asked if he could have a minute. He said as the Legislature gets ready to look at the next legislative session has asked all departments to fill out a survey involving all boards and commissions that relate to or function under the auspices of the departments. In our case, we have three boards that serve under chapters; #1 – The Board of Financial Institutions, #2 – The Board of Credit Union Advisors, and #3 – The Board of Bank Advisors. The survey is targeting toward the tremendous number of boards and commissions. He thinks that they are looking to streamline those. He made the assumption that you want this board to continue. He also told them that this board richly fulfills its charge to advise the Commissioner and Department in regulating credit unions.

Dean Hirabayashi said that a couple of credit unions had asked him to ask why when it is a smaller credit union being examined they send more examiners than the credit union has staff, and why do they stay for two weeks when one should be sufficient.

Orla Beth explained that some of our credit unions are growing and they are becoming more complex than they were before. Or perhaps they are starting to have some issues and it takes more time to address problems. And there are some credit unions that are a bit further from our offices and so it only give us three days in the credit union in a week. NCUA has also been joining us on every exam this year. Orla Beth hopes that we are finishing that phase. There was a brief discussion on this. Commissioner Leary wanted everyone to know that we do all that we can to minimize our disruption of your lives with the examination process. He also brought up the examination survey that is sent out with every exam report, please fill it out and if there is something specific please mention it or call Orla Beth so that it can be addressed.

Orla Beth thanked Dean for bringing this up, this is part of the reason for this board.

Orla Beth said that along the lines of Dean Merrill's presentation on TDR's if there is anything else that you want to hear about, please let us know as we can make those arrangements.

6. Date of upcoming meeting – January 24, 2012 at 1:00 pm