

As the leading advocate for Pennsylvania's credit unions, here's a snapshot of key activities during the first half of 2013.

LEGISLATIVE ADVOCACY

Through a collaboration of credit unions and members, over 17,000 legislative contacts have been made through the *Don't Tax My Credit Union* initiative to help preserve our tax exempt status. PCUA staff and credit union leaders have been in constant contact with five key Congressional and Senate legislators who have jurisdiction over tax reform developments.

Monitored 67 bills in the Pennsylvania General Assembly that could impact Pennsylvania credit unions and/or their members. Notable achievements include: passage of *UCC, Article 9*, in relation to debtors on financial transactions; passage of *UCC, Article 4A*, to fill a gap created with respect to remittance transfer; adoption of small estate settlement amendments; and derailment of a credit interchange battle with retailers and other vested parties.

Working with CUNA, we continue to move forward credit union regulatory relief legislation (H.R. 2572), exam fairness legislation (H.R. 1553/S. 727), privacy notification legislation (H.R. 749/S. 639), and charter enhancements such as supplemental capital legislation (H.R. 719); member business lending legislation (H.R. 688/S. 968); and housing finance reform (S. 1217).

Thanks to your support, your Political Action Committees (PACs) raised \$64,000 in the first half of 2013, up 5% from this time last year. To date, the PACs contributed \$38,000 in a bipartisan manner to credit union-friendly candidates seeking state office, and \$26,000 to Pennsylvania Congressional and Senate candidates in a combined effort with CUNA.

REGULATORY ADVOCACY

Urged the Consumer Financial Protection Bureau to include credit unions among non-profit lenders exempt from Ability-to-Repay requirements. Advocated for greater flexibility in debt-to-income ratio and credit union compensation practices in relation to requirements for a Qualified Mortgage.

Advocated for a substantial overhaul of the NCUA fixed asset rule, including greater flexibility in connection with occupancy plans and more clarity in connection with the waiver process.

Opposed a proposal issued by the Financial Accounting Standards Board (FASB) that would increase the amounts that credit unions set aside to fund Allowance for Loan Losses accounts. Argued FASB's measure adds compliance expenses with no meaningful benefits to credit unions or members in terms of safety and soundness.

COMPLIANCE SERVICES

Compliance staff fielded 1,286 inquiries from members through our Compliance Hotline. In addition, online resources such as *InfoSight* and *CU PolicyPro* are available to our members 24/7.

A total of 113 staff and volunteers attended one of four regional Compliance Town Meetings in April. Attendees heard critical updates on the *Dodd-Frank Act*, as well as a refresher on POA and decedents account issues.

Compliance Cavalry helped 35 member credit unions take the stress out of compliance by contracting with our consulting service to address a wide range of compliance topics specific to the needs of individual credit unions.

A total of 630 staff and volunteers attended at least one of eight on-site training programs, focusing on topics such as *ACH*; *Bank Secrecy Act (BSA)*; *Business Deposit Accounts*; *Deposit Accounts*; *IRA Basics*; *National Credit Union Share Insurance Fund (NCUSIF)*; *Red Flags/Identity Theft*; and *Risk Management for Frontline Staff*.

COMMUNICATIONS & PUBLIC RELATIONS

Our cooperative advertising campaign *iBelong* continues to build awareness of credit unions in six of seven media markets, with the Philadelphia media market scheduled to begin later this year. Our consumer website *iBelong.org* was revised to reflect the new creative emphasizing loans, and received 8,200 visits year-to-date.

In conjunction with the Pennsylvania Cable Network (PCN), we conducted two televised financial literacy town hall meetings, with two more meetings scheduled for the second half of 2013.

PENNSYLVANIA CREDIT UNION FOUNDATION

As the Association's philanthropic arm, the Pennsylvania Credit Union Foundation raised \$124,550 in contributions during the first half of 2013.

During the same period, the Foundation awarded 18 unrestricted grants for \$81,309, including six financial literacy grants for \$49,000. It also monitored 45 grants and successfully completed five grants during this time.

The Foundation has also received an additional \$10,400 for the Foundation's Haiti Project during the year, bringing the total received to \$33,975. A team visit to Haiti is planned for the second half of 2013.

EDUCATION & PROFESSIONAL DEVELOPMENT

The Association and its partners develop and deliver relevant, cost-effective education and leadership development to credit union staff and volunteers. In the first six months, a total of 65 webinars and seven in-person events were offered.

The continued success of our movement depends on preparing today's young people to take on the leadership challenges of tomorrow. The Association's *Young Professionals Network* is a new statewide initiative to focus on this important demographic.

MEMBER SERVICES & STRATEGIC ALLIANCES

A total of 260 staff and volunteers have accessed Callahan & Associates' *CU Analyzer*, a user-friendly analytics program to help staff and volunteers benchmark financial performance. *CU Analyzer* was made available to all members at no charge earlier this year.

In June, we announced a strategic alliance with Digital Benefit Advisors, the nation's largest benefits firm focused on small and mid-sized employers. Digital's access to a broad variety of carriers, dynamic tools, and proprietary products will help our members effectively navigate the complexities of healthcare reform.

Provided members with CUNA's *Credit Union Environmental Scan* Strategic Planning Package. The package provides credit union leaders with a comprehensive suite of planning products.

Our service corporation, Pacul Services, Inc. provided products and services both directly and through strategic alliances, used by 429 credit unions in the first half of 2013.

Our affiliate, Pennsylvania Credit Union Service Centers (PaCUSC) provided shared branching capability to 62 Pennsylvania and Delaware credit unions, providing their members account access at more than 5,000 branch locations nationwide.