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**Remarks before
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14th Annual Conference**

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Good morning and thank you for that warm introduction. This is the third time I have had the pleasure to address the African-American Credit Union Coalition. The first time was in Las Vegas, last year in New Orleans and now in Charleston. It is always exciting to be with a group such as yours that is dedicated and committed to providing the best financial services possible to your members. I wish you all the success for your meeting this week and commend you for your hard work throughout the year.

I have worked with credit unions in various capacities my entire adult life. I have seen what they are capable of doing. I have seen what the combination of hard work and cooperation can achieve, which is why I have always been a credit union advocate.

I note that your theme for this conference here in the Low Country is Reaching Higher Heights. I admire your spirit. Your potential is limitless. Despite tremendous progress over the last 80 years and especially the last 30 years, there is huge room for credit unions to grow and vast amounts of good works they can do.

I believe every family in America should have, and can have, a credit union account. What household would not benefit from credit union services? I continue to urge all credit unions to set that as something to aim for.

And then one account can become five, and five accounts can lead to mortgages, auto loans, small business loans, all serving to help those families keep more of their hard-earned money than they could by using alternative financial services. I believe the United States can become a credit union nation.

That is why I am so hopeful about your organization and what you can do. All across this country there are urban neighborhoods and rural communities of African Americans who can benefit tremendously from the services and products of credit unions. The good work that you can do and the positive impact you can have is immense.

You don't need me to tell you about the challenges families and individuals across the country are facing in their neighborhoods and communities. In some urban neighborhoods there are schools that have a difficult time getting the funding to teach children, do not have enough good jobs, face debilitating crime, suffer the tragedy of drug addiction, and have a large portion of their population lacking the financial assets on which to build a better life. Rural areas have their own unique challenges. Some are the same as those in urban areas, some different. Schools often

lag behind national standards. Persons do not have ready access to good financial service institutions. Transportation and health care facilities are marginal.

Financial literacy is low and the means of improving it are slim. The financial resources of some families can be so low that all income goes to monthly bills rather than a portion set aside to build savings.

That is why what you do is so important. We might be in the Low Country today, but we can see how high we can go. Never think that a small beginning leads to small results. In fact, a small beginning can lead anywhere; it all depends on your vision, your capacity for work and putting forth the time needed. Credit unions are a prime example of small beginnings made large and important.

Credit unions began small. In many instances with a coffee can and just a handful of persons around a lunch table, putting up five, ten or twenty dollars. Credit unions now hold nearly one trillion dollars in deposits and are close to overtaking savings and loans by becoming the second largest sector of financial institutions in the United States.

This is an astonishing achievement. But, of course, achievement and work are in American blood; rooted deep within our DNA.

As I understand it, your council sprang from a conversation at a GAC conference. Small beginnings but unlimited potential. Tens of millions of persons and families in urban neighborhoods and rural communities need financial education. They need to know how to use credit wisely, how to get the best student loans, how to save regularly, and how to establish and contribute to retirement funds, or to medical savings accounts. They need to know how to borrow wisely and to get the best rates. They need to know how to find the best mortgages and build assets in their homes rather than rent or stumble into an unfavorable mortgage. No one can help them achieve those goals better than credit union people. No financial institution can help them better than credit unions.

Credit unions have a purpose: To improve the financial wellbeing of persons who join. They were not created to make a profit; they were not put into neighborhoods to send money to the corporate office. They are there to serve and to improve. That is why people in neighborhoods and communities need you. You are not a hand-out; you are not a charity. You are a guide and a help to a better and more secure future.

An old credit union saying was: Not for charity, not for profit, but for service. Those words have never had as much meaning as they do today. You are needed more now than ever before. In cities or in rural counties, you need to partner with schools to offer financial literacy courses. In rural areas, you need to work to have families and individuals interact with you over the Internet.

There is a tremendous amount of work to do, but that challenge should energize you all the more. Keep track of your progress, and don't be shy about broadcasting your successes. The more the media knows about your achievements, the more they will get the word out to families who need

you. These will turn into yet more successes. You will find yourselves in an upward spiral. Teach others. I believe that leagues and other credit union organizations are going to be able to learn a great deal from your experiences, from learning what works and what does not. This is a cooperative movement. Learn from others; share with others; teach others.

The federal government chartered credit unions as a means to improve the economy of the United States and to extend credit to persons of modest means.

The credit union charter is a cooperative charter. It is exempted from federal taxation because it is not a selfish mechanism. It is a helpful mechanism. Its motives are pure. It exists for the benefit of the people who join.

I know that your organization has other goals as well, one of which is to advance minority executives within the credit union industry and to recruit minority persons into the credit union movement. I applaud this goal and I wish you great success in achieving it. The more minority persons working in credit unions, and the greater voice they have, the better they will be able to help minority citizens who can benefit from credit union products and services.

About a hundred years ago, the richest man in the world was John D. Rockefeller. Someone once asked him, "Mr. Rockefeller, how much money is enough money?" His reply was: "Just a little bit more." Everyone can relate to that; at the end of the month, everyone needs "just a little bit more." In his novel *David Copperfield*, Charles Dickens put these words into the mouth of the all-too-often financially challenged Wilkins Micawber. Dickens has Micawber say to young David Copperfield: "Annual income twenty pounds, annual expenditure nineteen pounds -- happiness. Annual income twenty pounds, annual expenditure twenty-one pounds -- misery."

Everyone could use just a little bit more and everyone is happy when his and her expenses are less than his or her income while miserable if expenses exceed income. Many people in this nation play their expenses very close to the vest. Unfortunately, wages have not risen as fast as expenses. The average family has lost ground over the last 15 years. A Federal Reserve report in June reported that American families had lost 39% of their net worth putting them back to the level of 1992. And the ones who have suffered the most are the ones who could least afford to do so.

This is where you are so important and so needed. Every time a family is not paying \$10 a month for a checking account, or \$3 to use an ATM, or 18% on a credit card balance, or high fees on a mortgage because they belong to a credit union, that family is better off. The work you do has an impact that even you may not realize. You should be proud of the work you do. What you do very often makes the difference between hope and despair for a struggling family. You may have helped a family enough to assist sending a child to college, or to buy a car that is essential in a rural county to land a job, or put away something for retirement.

We at NCUA will give you all the support we possibly can. NCUA's Office of Small Credit Union Initiatives provides services to support small credit unions, including training, grants and loans, consulting services, partnerships and resources. This year alone, we will conduct thirty-

one workshops to cover such issues as fraud detection, asset liability management and duties of credit union board of directors.

Nowadays being a regulator is not a popular position. Regulation is said by some observers to hold people back and stifle creativity. But balanced regulation can just as easily be seen as creating an environment in which persons can prosper and grow in the ways they want. The United States is a prosperous country. Our water is safe to drink, our air clean to breathe, and our food safe to eat. Regulation did that. Regulation can create a playing field where persons are healthy and can excel. I am from Chicago, where in 1871 four square miles of downtown burned to the ground. Clearly better building code regulation was called for.

Chicago passed new building code regulations. These did indeed restrict how people could build -- no more closely packed flammable buildings; no more fire hydrant system with low water pressure. And the people in Chicago did not say all this was too much regulation, throw up their hands, and leave town. Quite the opposite happened. In the years following the Great Chicago Fire, regulation did not hold back or stifle Chicago creativity. Instead regulation *made* Chicago. Regulation made it the soaring dynamic city it is today.

Regulators can cultivate an environment, a level playing field with non-toxic grass and clean air. But regulators cannot play the game for you; we cannot throw the passes, make the catches, or score the touchdowns. You are the ones who have to win the games and I know you will. We at NCUA want to create that regulatory environment, which unleashes your creativity and takes you to new heights, but does not stifle your creativity and innovativeness or hold you back. When you see some adjustments are needed, we should talk. If you have a new idea, we should talk. We work for your success. We strive to forge a stronger bond working with you to get where you want to go. That is why we have an outreach program and a Community Development Revolving Loan Fund.

At NCUA we continue to meet the challenges we face head on. Our corporates have come through a period of great trial and constraint. As a result of credit unions deciding the future of corporates, they are stronger and safer today and in a better position to provide the services credit unions want and need.

We at NCUA continue to pursue those who contributed to the corporate crisis and we have reduced the corporate debt with underwriter settlements totaling over 170 million dollars and we are working to recover even more. NCUA was the first federal financial regulator to aggressively pursue such action and achieve such results.

We continue to revise regulations and make an effort to reduce the regulatory burden as recently shown with the modifications to reg flex and troubled debt restructuring. In order to address credit union concerns and make them right, we have postponed action on the CUSO and loan participation regulations. They will be moved forward only after taking into consideration industry comments and suggestions on how best they should be worded.

Our staff continues to evolve with outside hires to bring fresh eyes and new ideas and approaches as to how we regulate and insure the safety and soundness of the credit union industry and the

share insurance fund. And on July first of this year, we put in place the new National Supervision Policy Manual which will ensure fair and consistent exams for all credit unions across the entire country.

You are here because you have chosen to serve others. This is true of you who work in credit unions and you who work for the coalition. It is noble work. It is dignified work. It is work that is exceptionally important and can do tremendous amounts of good. This would be true even if you helped only one family or only one community, but you are going to help thousands of families and hundreds of communities. I recall some words of Albert Schweitzer, who won the Nobel Peace Prize in 1952.

He said to an audience of young people: “I don’t know what your destiny will be, but one thing I know: The only ones among you who will be really happy are those who will have sought and found how to serve.”

And then there is the quote by the Reverend Doctor Martin Luther King, Jr. He said, “Life’s most persistent and urgent question is: What are you doing for others?” You in this room have found an answer to that question. You are working not for yourselves but to serve and to help others. That is dedication and I commend you for it. You are going to find those higher heights.

You are here in Charleston to learn from one another and to charge yourselves with new energy. But the work begins when you leave this place. The work is not now and not here but in the future and out there. I wish you all the best in the work that lies ahead for you. It is noble work. It is good work, and it is going to help thousands of people and thousands of families.

My message remains the same, if you believe that America rose to its great level of achievement because of people helping people, show it by being the preeminent people helping people organizations in the nation. If you believe that America can employ all of its people who want to work, then lead the way by helping businesses and building communities.

I urge each of you to do your part, as members of the premier financial services movement in the country, to use the credit union philosophy to bring America home to its tried and tested values of work, achievement and helping others.

Thank you for asking me to join you again this year. Thank you for listening. May God bless you and may God bless the United States of America.