

TruNorth

FEDERAL CREDIT UNION

May 27, 2014

Gerard Poliquin
Secretary of the Board, National Credit Union Administration
1775 Duke Street, Alexandria, Virginia 22314-3428

Dear Gerard Poliquin,

I am writing on behalf of TruNorth Federal Credit Union, which serves Alger, Baraga, Dickinson, Iron and Marquette counties in Michigan's Upper Peninsula. We have 14,957 members and \$124,275,437 in assets. TruNorth FCU appreciates the opportunity to provide comments to the National Credit Union Administration (NCUA) on its proposed rule, Prompt Corrective Action - Risk-Based Capital.

The calculator on NCUA's website indicates TruNorth Federal Credit Union would be impacted by this proposed rule. Our status would be reduced from well to adequately capitalized. This is of great concern to board members and management of our credit union.

If the rule were to be adopted as currently proposed, the impact on our members and the communities we serve could be severe.

A sizeable portion of our membership consists of low income people. I have been at this credit union for 22 years and have observed a steady increase in our percentage of low income members. Every month 100-120 new members join our credit union. Last month, we analyzed our new members and found that 45-50% did not qualify for a loan with TruNorth.

I used to work for a bank and I know how the banking industry would respond to this information. Fees would increase to either drive the low income members out or to create some profits.

Our response is different. We feel strongly that a community chartered credit union has a social mission to serve the entire community. As a result, we offer a number of products and services that our low income members take advantage of;

- Checking account with a debit card. With very few exceptions, every member qualifies for a checking account with a debit card. There is no minimum balance, no monthly fee and no holds on deposited checks.

1419 N. Second Street
Ishpeming, MI 49849
(906) 485-5563
(906) 485-1210

Inside Township Hall
279 W. Kloman Avenue
Republic, MI 49879
(906) 376-0988

Inside Walmart
3225 US 41 West
Marquette, MI 49855
(906) 228-0624

TOLL FREE 1-877-694-2328
FAX (906) 485-4077 • CLASS LINE (906) 485-4444
www.trunorthcu.org

- For the very few who do not qualify for a checking account and debit card, we offer a prepaid credit card and/or low cost money orders.
- Our Quick Cash loan is a low cost alternative to payday lenders. We charge no set up or application fees. Our 15% interest rate means a \$500 loan for 30 days costs our member \$6.37. We obviously are not offering this product to make money. Our goal is to help members break the payday loan cycle.
- Our Member Advocate is a Certified Financial Counselor. Her basic job description is to help members use financial services wisely and budget their money. She is very involved in the local schools and TruNorth provides financial literacy classroom materials to six local school districts at no charge. Last year, we spent more than \$30,000 on these efforts. These costs do not include salary or benefits for our member Advocate. The demand for her services is high enough that we have two additional employees training to be a Certified Financial Counselors. I have attached the job description for our Member Advocate as well as a couple unsolicited testimonials from members who appreciate her service.

I am concerned TruNorth would be pressured to quickly reach a well capitalized status if the proposed risk based capital rule passes. This would cause us to limit growth and increase earnings. Limiting growth would result in more unbanked people in our communities. Increasing earnings would result in repricing or elimination of our products and services desired by our low income members.

Thank you for the opportunity to comment on this proposed rule and for considering our views on risk based capital requirements.

Best regards,



George Isola
General Manager

Member Advocate

BASIC FUNCTION

Help the credit union identify, create and offer the products and services important to younger people. Attract and maintain these younger people as members using social media, classroom outreach, marketing and promotions.

Provide financial counseling for members of all ages. Complete coursework to become a Certified Financial Counselor.

SPECIFIC RESPONSIBILITIES

Provide confidential credit counseling and financial education services to members on their existing credit union mortgages and loans. Assist members to regain control of their finances, plan for a debt-free future, and establish financial security. Provide workable solutions, focusing on credit report, budget, and education.

Handle member requests for Quick Cash loans.

Populate social networking sites including facebook and twitter with relevant and timely information about TNCFCU products and services and community relevant information.

Conduct classroom presentations in local schools. Work with teachers and school administrators to educate students about personal finance.

Manage any in school credit union branch offices.

Write, edit and distribute press releases and media advisories for community related activities and Credit Union sponsored events. Maintain contact with community partners, local media, school and business partners, not-for-profit organizations and other community stakeholders and lead a variety of community relations activities including fundraising events, public relations programs and special branch activities.

Manage savings clubs for young members 17 and under. Prepare relevant content updates for the credit union website and newsletter. Attend Education Committee meetings and coordinate sponsored educational seminars. Attend other Credit Union sponsored events, including evenings and weekends, as a representative and volunteer of the Credit Union.

Train, educate and encourage credit union staff and volunteers to understand and better serve our younger members.

(Over)

SPECIFIC RESPONSIBILITIES (continued)

Manage the Credit Union's IRA program.

Assist consumer loan officers as directed by the General Manager.

Other duties as assigned by the General Manager.

DESIRABLE EDUCATION AND EXPERIENCE

Post-secondary education and/or practical experience in marketing, communications and/or public relations Retail banking experience is beneficial

Knowledge of credit union products and services

Excellent verbal and written communication and interpersonal skills.

Professional appearance and attitude.

Hours of Work

32 hours per week week including some Saturdays and weekday shifts until 6:00pm.

This position is eligible to become full-time based on the abilities and motivation of the employee.

George Isola

From: Lisa Cody
Sent: Thursday, August 08, 2013 12:21 PM
To: George Isola
Cc: Heather Ely
Subject: FW: Heather Ely

From: [REDACTED]
Sent: Thursday, August 08, 2013 11:58 AM
To: Lisa Cody
Subject: Heather Ely

Hi Lisa Jo:

I tried sending you an email from my phone but no luck so here goes.

I was hoping to send this to you so that you can forward my comments on to Heather's boss/manager for me. Heather has been great to work with. She has spent a lot of time and effort counseling Kurt and I on how to break bad spending habits.

We met with Heather earlier this month. When I got home and looked over some paperwork she had given us, I was shocked to discover we had TEN credit cards six months ago and three pay day loans. Thanks to Heather's direction, we are paying the last remaining payday loan on 8/15 and we now only have FIVE credit cards. I am only 1/2 way there, though. Our goal is to only have 2 credit cards and these two have to be paid way down still.

Heather sent me a blog yesterday that was great timing. It was just the extra push I needed to use some extra money to pay off 2 of the above mentioned ten credit cards.

Heather did address the student loan question that I had sent to you. We are stuck with Sallie Mac as it a federal loan.

Heather communicates directly and honestly. She is always polite and tactful, though, too. I hope she is rewarded \$\$\$\$:) for her efforts. Please let the TruNorth management that we really appreciate that Heather Ely is available. Thank you! [REDACTED]

Communications

Secure Email

* Indicates a required field

*Name (First M. Last) **anononomous**
Spouse's Name (First M. Last) **jane**

Address **marquette**

City, State Zip **marquette , mi 49855**

*Home Phone Number (806) **111 - 1112**

Work Phone Number (906) **211 - 6655**

Fax Number (906) **111 - 1234**

E-mail **blank**

*Message **To the GM: I can't believe you have financial advisors to help your members! I am getting help with our bills/debt and am finally making better choices with reducing our debt. I decided to remain anononomous so that my comments would not be construed improperly. Your advisor, Heather Ely, communicates super well, is non-judgmental and I think she is a huge asset to TruNorth. Thank you for being there for my family! judgmental**

* Indicates a required field
