

NCUA BOARD MEMBER MICHAEL E. FRYZEL REMARKS

DEFENSE CREDIT UNION COUNCIL 2010 MEETING

WASHINGTON, D.C.

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Good morning.

I am pleased to again have the opportunity

to address the Defense Credit Union Council. Over the last year much has happened, and much has changed, regarding the credit union system. But one thing has remained constant: Defense Council Credit Union's absolute and complete commitment to the financial well-being of our men and women in uniform.

From your vigilance on predatory lending issues, to your energetic approach to making certain that credit union service is as accessible to members of the military as possible, defense credit unions take the lead. And that is attributable to your outstanding Board of Directors and of course, to Arty.

As you conclude one successful year and begin another, I urge you to keep doing what you are doing. Advocate. Speak out. Stay involved. And continue to serve as both an ongoing reminder of the deep roots that the credit union movement has in its military members, as well as a forward-looking guide to new ways that credit unions can find to serve consumers.

Never before in our nation's history have credit unions been more important, if for no other reason than because they now serve the interests of more than *90 million* Americans. And probably not since 1934 when the first Federal Credit Union Act was written has it been more important for credit union individuals to communicate with their elected officials in Washington, D. C. this week, As You Embark on that mission I wish you every success in your very important efforts.

The financial crisis of the past 18 months has struck us with a hurricane-force wind, but I am pleased to say that the credit union system has stood firm as an oak tree. It has been buffeted; it has lost leaves and small branches, and it has swayed, but its roots are strong in the American soil and it has held steadfast. It is no news to you that defense credit unions have had much to do with this heartening resilience; yours are among the strongest, ablest, and well-capitalized of all American credit unions.

And on behalf of the entire NCUA regulatory family, I want to express our gratitude to you and your member credit unions for maintaining your values and your balance sheets.

It is also no news to you that credit unions have been receiving more attention from the national media. Suze Orman has been touting credit unions on various outlets including CNBC, MSNBC, and the Larry King show. Favorable commentary has appeared in *Business Week*, the *Wall Street Journal* and numerous publications across the country.

In fact, we may be entering a new era in American financial services history in which the cooperative model, such as ours, is the stronger and more envied model by which to provide financial services. It may be that the nation at large is beginning to see it can reach certain goals faster and with greater

efficiency through cooperative venture than through other models. starting last year, banks have pulled back from lending and providing the loans small businesses need.

It is the cooperative credit unions that have stepped forward to fill the gap, helping to keep our businesses running and our citizens employed.

If we are moving into a new era in which cooperation is seen as an efficient and effective way of achieving national goals, then credit unions *generally* and defense credit unions *particularly* have important roles to play.

Defense credit unions understand *the importance of working together*, because no one in our country understands cooperation, better than military men and women. Their lives are on the line and they know that in order to achieve their mission and to protect one another they must practice the most serious form of cooperation. because they put the needs of the task they face and the needs of their country ahead of themselves, the men and women of the United States armed forces understand sacrifice for the greater good. And defense credit unions have leveraged that understanding and spirit into some of the most effective and successful cooperative enterprises in the nation.

In the same manner, no one really understands integrity like persons under fire, whose very words passed up the chain of command can mean life or death to their comrades. No one really understands service like persons charged with bringing their squad or platoon or brigade home safe and sound.

And no one really understands the deep desire for the best possible services to family members in harm's way than the mothers and fathers and husbands and wives who wait at home. I think the understanding of these values is more than a small reason why defense credit unions are so successful.

General Dwight Eisenhower once said, "History does not long entrust the care of freedom to the weak or timid."

And our service men and women have never been weak or timid in their dedication to our country. And neither have their credit unions who have been strong in speaking for and protecting the rights and well deserved privileges of honest financial services for those dedicated people.

The men and women of the United States armed forces and their families need and deserve a financial service center they trust and know will look out for their best interests.

Their paychecks are small enough – especially measured against their value to the nation and the world – so they need to stretch every dollar, and not lose them to fees and high interest rates. Defense credit unions do an outstanding job of meeting the financial services needs of America's military men and women. And those men and women reward you with their trust and their business. We as a nation thank you for your dedication to not-for-profit cooperative services delivered to some of the nation's most important people.

You as a collection of defense credit unions are *good*. The record shows you are *good*. Present data shows you are *good*. But persons worth their salt who have been proclaimed *good* are the first to say, "There is more to be done," and, furthermore, go out and do it. You are good, and there is more to be

done. Your work with men and women wounded in battle is especially commendable, and I urge you to do even more for them, because these men and women deserve all of the comfort the nation can give them.

Moreover, many of your regular members here in America are distressed by the worst recession in 70 years. They need compassion, counseling, and forbearance, and who better to render these to them than their credit unions? No one needs to look very far to see that the financial sector that stood best by its account holders was the credit union sector, and that they were the ones increasing rather than decreasing credit. You must Keep up this important work.

The largest and third largest credit unions in the nation are members of your council, as are other large and small successful credit unions. As a result of your outstanding record the credit union movement quite naturally looks to defense credit unions for leadership. But with that leadership comes responsibility, and leaders have an obligation to every person it means to lead. You are part of a national and worldwide movement and if a portion falls ill, you have an obligation not to divorce yourself from it but rather to help bring it back to health.

You as defense credit unions have met this obligation, and must continue to do so. You are proven problem-solvers. When you put your shoulder to the wheel, good things happen. The industry expects this of you, and I look forward to your continued assistance and involvement as I continue my duties as the defense liaison for the NCUA board.

Likewise you look to NCUA as the federal regulator to put our own shoulder to the wheel, and we could not agree more. We are doing all we can to assure that the credit union system is safe and sound, that the

share insurance fund is up to the challenge of any emergency, and that we solve problems in the most effective way possible. I pledge to you that to the best of our abilities this is exactly what we will do.

Already we have worked to bring new health to the share insurance fund. We have hired new examiners, to spot problems early and correct them before they become costly. Our examiners are our soldiers in the field, on the front line of vigilance so that inattention in one place does not harm the good people in another place.

Restoring the credit union system to full health is difficult work; I ask for your continued cooperation and assistance in doing so.

Some of you have traveled far to be just 10 blocks from the United States Capitol, and to meet with your Senators and representatives. I urge you to talk with them and their staffs. Tell them your problems and your recommendations for solutions.

Remind them of how many members you represent in their states and districts, and tell them how much you have loaned since our crisis began and the financial help you give to our service men and women.

You are a unique group and I salute you for your work. Credit unions in the United States are becoming more important than ever, so you as a Council are more important to your member credit unions, to their military members, and to the nation. Never believe that your work is not vitally important; it is.

I am certain your time in our nation's capital will be productive. I urge you to give fresh energy to those who work here, and take fresh energy home with you, to do the best job you possibly can.

Thank you for inviting me here today and thank you for listening.