

REMARKS OF MICHAEL E. FRYZEL
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Good Morning. It is an honor and pleasure to address such a large group of individuals dedicated to promoting all the good things credit unions do for the people of this country.

Each year you come to our nation's capital city and spend your time and energy to educate our lawmakers about the financial services credit unions provide. And this year more than ever the efforts you make and the progress you achieve will resonate for years to come.

As I have in the past, I want to again recognize and thank Fred Becker, Michael Lussier, Dan Berger, Brad Thaler and Carrie Hunt for the outstanding job they do representing and advocating for credit unions across this country every day in our Nation's Capital.

For two years now, I have had the opportunity to observe how much of a leader NAFCU is for credit unions in our nation's capital.

It does not matter what the issue is, interchange, member business loans or consumer protection, NAFCU was there when it counted, to do its best for its members.

Fred, you and your excellent staff have been a source of solid and dependable advice and assistance. Your efforts and actions make NAFCU the respected association it is. I commend and thank you for all you do.

Now we have all read a lot about our nation's capital, and what goes on here . . . To those outside of this city it often seems that what goes on is petty and non-productive. But never forget, this is *your* capital city.

You have influence and a voice, how you use these tools will determine how much you can do for credit unions.

One can easily understand how many people think that the persons here are “insiders” or “Washington, D.C., people.” But most are not. I am from Illinois. Chairman Matz is a New Yorker and Board Member Hyland a Virginian. Your representatives and senators are from your own districts and states.

It is easy to believe that they have arrived here with unshakable beliefs, ironclad political philosophies, and what is called in the media “agendas.” On some issues, this may be true, but by no measure on all. And if they have a principal agenda in mind they are not so hardened on the methods or the means of achieving it. They are looking for the best ideas, as well as what is going to work in their districts, states and across the nation. That is why it is important that you have come to Washington to help them see the right way.

You are fortunate to be part one of the best ideas this nation ever embraced: a cooperative financial services system that is not for profit but for the general advancement of anyone willing to join and share in the responsibilities of membership. It’s the same idea behind gatherings of neighbors to build a barn or rallying to repair a town after a flood. People come together to act in cooperative purpose, to advance to a higher plane of life. If times are hard – as they are now – then you have to alter your methods and work harder and under more difficult conditions. But the idea is the same: do the common work that is going to make improvements for everyone. The very act of working for the common good is a stab at the heart of discouragement. And it is discouragement or lack of confidence that can become our greatest enemy.

Our financial system has been rocked by failures and the collapse of investment firms, major corporations and scores of businesses.

Unemployment has skyrocketed and even the best economists now agree, we have a ways to go before things get better.

Each day that goes by without relief or an end in sight, results in an even greater lack of confidence.

We all have come to accept that there is a lack of confidence in government solutions to the nation's problems. Many believe that the Stimulus Package passed in 2009 has not done enough, or that our financial institutions have been turned back to the persons who are already too rich.

Retirees with their savings in CDs see interest rates too low to meet their needs and have little confidence the situation will change any time soon. Persons whose wealth was built up in their homes have seen the value of those homes rapidly shrink, and others wanting to sell their homes, often cannot. Many persons who want to buy a home are holding off for fear they might lose their jobs and not be able to pay their mortgages. They lack confidence that change is coming.

This mindset of caution has spread to consumer spending. People have put off buying big ticket items for fear of not being able to pay back loans for them or simply for fear of not being able to afford them. When they buy at all, people are tending to buy sale items or shop at low-budget stores. Recently, I was in a restaurant in suburban Chicago at 12:30 lunch time. There were only two other people in the restaurant. People are reluctant to spend, and I think it's because they can't be sure that next week won't be as bad as this week.

This lack-of-confidence mindset has worked its way into the business community. Business owners, even ones who have seen their cash assets grow, are putting off hiring and spending for fear of new regulations or for fear that if they do spend and invest There will be no demand for their products

Lack of confidence – discouragement – is a terrible thing. It is a self-fulfilling prophecy. When you lack confidence in the future you do too little to make the future better. Your inaction brings on the very conditions you worry about.

So it is up to you, everyone sitting in this room, to use your influence and voice to help regain our confidence and build a better future for ourselves. We do that, one act at a time. We don't sit on our hands. We don't take council of our fears or slide a slippery slope into discouragement. We take the best of ideas from the past and we don't recoil from new ideas that are promising but yet untested.

I understand that I am preaching to the choir. You wouldn't be here if you weren't dedicated to calling on congressional representatives and government officials with ideas that are going to improve the credit union movement and by virtue, the country at large. Do it. Do it with vigor. And then go home and tell your members what you have done. Get them involved in this action to build our confidence for a better future

We all know that many of our credit unions began in the Depression, when hopelessness was rampant. But why did they start at that particular time? They started because people saw a problem: lack of credit for farmers, factory workers, telephone linemen, teachers, and all manner of ordinary people. The act of gathering around the lunch table during a work break and putting up the 5 or 10 dollars to form a credit union was a massive act of faith, and a huge repudiation of the notion, that in the face of a bad economy regular people could not do anything. True, they could not build a factory themselves, and they could not jump-start the world economy, but they could do something together, help one another buy tools so they could work at a factory or buy a new pump for the farm.

Hard times are a terrible strain on persons and families, most especially those thrown into unemployment. There is hardly anything worse than wanting to work, having the skills to work, and needing to work for the welfare of your family but not being able to find work to do. After weeks and months of this kind of despair, it is understandable why persons merely stop looking for work, stay at home and give up. It's a natural impulse, but it's one that everyone must wrestle fervently against.

In the Depression, people worked against hopelessness and lack of confidence by putting their 5 dollar and 10 dollar bills to work in a credit union. We must do our own equivalent of placing our dollar bills on the lunch table. We have to act. We have to make our own gestures of breaking through the lack of confidence to a different future. That future may not come tomorrow or next week but it is never going to come without the steps we take today.

People in 1931 worked hard to make sure they and their neighbors made it to 1932, and then to 1933. But in the process they made the credit union world of 2010. The 10 dollar bills of the Depression paved the way for the

900 billion dollars in assets of credit unions today, and those 10 dollar bills are still there, legacies of persons not only with hope and confidence but also with the desire, the energy, and the skill to act on their confidence and build better lives for themselves. And this is true not only of the 1930s, to which credit union people like to hearken, but also of the 1950s and '60s, and of the 1980s and '90s. Credit union people have built a system not for profit but for service, not for the advancement of the few but for the advancement of anyone who wanted to join, and that cooperative movement now embraces over 90 million Americans. Discouragement, lack of confidence, is a terrible thing. But it is fought with acts small and large meant to advance the ball to a goal line.

Seventy years ago this month, in September 1940, practically all of Europe was ruled by Nazi or fascist governments. From the tip of Norway to the boot of Italy, from my own ancestral home of Poland to the Atlantic Ocean, oppressive government covered the continent. Only Great Britain stood against it. Some said Britain would be crushed in weeks, and indeed, its people suffered under bombardments and depredations. If there was a lack of confidence, Winston Churchill would have none of it. He put forth the aim of his government: "Victory. Victory at all costs, victory however long and hard the road may be." He said his nation would "fight, if need be for years, if need be alone." The British people endured terror and fear. Every citizen – even children – walked around with a gas mask at the ready. It was a hard and a long road to restore legitimate government to distressed countries – more than five years – but the job was done. It was done because they had confidence in themselves, their beliefs and their country.

And as I said to an audience at your annual meeting in Chicago just two months ago, a third of Chicago burned to the ground in 1871. But such was the confidence of the people there that they rebuilt and in fourteen years the city had erected the world's first skyscraper. Eight years after that it hosted the Chicago World's Fair, whose glittering buildings and avenues sparked the imagination of peoples everywhere and fueled the City Beautiful movement. Out of the ashes, Chicago built itself better than ever.

We are going through tough times. But people have gone through tough times before. We, in this country have learned how to fight our way back. One of the great facets of our government is that it is designed not for the

whim of a king or a queen but for citizens to come together to identify problems, to listen to various solutions and then to put the best solution into practice. It's an ongoing struggle and it takes work. But like the farmers coming together to build the barn, the barn gets built, though the days are long and the sun can be hot on your back.

These are tough and tricky times. We don't know when they will end, and we don't know exactly how, but we are going to wrestle our way out of them. We have a common cause, and we have to understand that we need to work in unison and cooperation. We need to keep our eyes on the goal, and we need to make acts large and small every day to move the ball forward. As the 10 dollar bill in 1932 is the foundation of what we have today, so our own acts are what is going to be the foundation for what we will be in five, ten and twenty years.

You are the vanguard of hope, because you are here to act and to offer up the best solutions to the persons who vote in the U.S. Congress to put those solutions into practice.

I wish you well in your work here. I wish you effective meetings with your representatives and the government officials you will talk to. I wish you well in your forums, where your best ideas are discussed and honed. Take heart from each other, and from the work that you see others do. Take energy and confidence back from this place to your home communities. Tell your friends and neighbors you have taken steps that are going to make a better future and then get them involved. The more the people building the barn, the faster it gets built.

We must keep our heads high and our shoulders broad as we carry the industry forward through this difficult period, a period that will pass and lead to better financial times for our nation. We will get there; we will survive and we will see this country and its credit union industry reach new heights of greatness. Through hard work and confidence the United States built itself into this magnificent nation. Through hard work and confidence credit unions will build a magnificent future for themselves better than their extraordinary past.

Thank you for listening.