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Remarks of Michael E. Fryzel
Board Member
National Credit Union Administration
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Remarks

Thank you, Paul, for that warm introduction. It's an honor and pleasure to be with you again here at the G.A.C., and to welcome you to our nation's capital. I expect and know you will do great work while you are here.

This year marks the seventh year of troubled financial times—seven years since the financial structure of the nation began to slip, then cascade into a frightening vortex of financial collapse, recession, unemployment and misery. But we are now pulling ourselves back up. To play on a story out of the Book of Genesis: Perhaps seven lean years will be followed by seven fat years. It is something to be hoped for.

But no matter what the next seven years bring, you can be sure of one thing; there will be challenges, and if you, in this hall today, are going to stay with the credit union movement, you are going to have to be the ones to face those challenges. You are going to have to be the ones to research the problems, devise the solutions, debate among yourselves which solutions are likely to have the best chance of success and the longest lasting benefits, and then work together—large credit unions with small ones, federal credit unions with state ones, SEG-based credit unions with community ones, aggressive credit unions with ones content with their size and markets—to shape a process that is going to wrestle the challenges down to earth.

Because one other thing is certain, no one else is going to wrestle these challenges for you. Congress won't do it; they will likely have their own distractions. Other parts of the financial services industry won't do it; they look out for themselves. You are going to have to do it yourselves.

Fortunately, you are heirs to a tradition of men and women meeting challenges. Establishing and running this republic was, and remains, a great challenge. Establishing a collection of state and federal credit unions out of practically nothing other than a desire to help people get loans at reasonable rates was a great challenge. Growing a system of a few thousand members to nearly 96 million members was a great challenge. Reversing the outcome of a Supreme Court decision was also a great challenge.

Because the topic is challenges, and because we are in Washington, D.C., let me relate a challenge that took place in this city. Many of you, when you come to Washington, like to go visit The National Mall, an exquisite expanse of open space flanked on either side by some of the finest cultural institutions in our country. The Smithsonian Castle is there, along with celebrated museums, including the Air and Space Museum and the Museum of Natural History. The National Gallery of Art is there. The Lincoln Memorial and the Washington Monument are also there. The Mall offers broad and wonderful vistas. It is both a front yard and the premier park for the nation.

But the Mall was not always as we now know it and enjoy it—not by a long shot. The north edge, now Constitution Avenue, was an open sewer called the Washington City Canal. By the late 19th century, the canal was covered over, but the Mall area remained a neglected, hodge-podge of Victorian buildings and winding gardens that offered no vistas. At the base of Capitol Hill was the sprawling city railway station. Trains puffed across the Mall at 6th Street spewing steam and black soot.

No one was very happy with the situation. They faced a major challenge, and it had to be dealt with.

In 1901, the U.S. Senate created what was called the MacMillan Commission, chaired by a Michigan senator, to make recommendations. MacMillan and his people took the bull by the horns. They studied public areas in Europe. They hired outstanding people. In fact, one of the Commission members was the architect, Daniel Burnham, whose motto was, “Make no little plans. They have no magic to stir men’s blood.” A year later, the Commission published what became known as the MacMillan Plan.

The commission made the following recommendations: Tear down the city railroad station and rip up the tracks back to where Union Station stands today; bury railroad tracks leading south underground so trains would no longer chug across the Mall; clear out the Victorian gardens to make one broad boulevard of grass to the Washington Monument; clear land on either side of the

Mall for classical-styled buildings to serve as cultural institutions; build a reflecting pool from the Washington Monument to a new and classical monument near the river and, from there, build a bridge to be called Memorial Bridge across the Potomac River to Arlington Cemetery; and create handsome federal buildings, now called Federal Triangle, between Constitution and Pennsylvania avenues. This indeed was a radical and bold plan and, generally, it has been carried out.

But that was not the end of controversy. Persons wanting to honor President Lincoln seized on the idea for the proposed monument near the river and advocated that it be for Lincoln. But other people howled in protest. The powerful Speaker of the House of Representatives, Joseph Gurney Cannon, said he would never allow Lincoln to be memorialized in a “damned swamp” in a part of the city then-called “frog land” because it was so marshy. Others wanted Lincoln to be memorialized in an Egyptian pyramid or by a grand arch over 16th Street, or by a kind-of-tree-lined-Appian Way stretching from Washington, D.C., to Gettysburg, Pennsylvania.

Well, you know the rest of the story. The Mall was indeed overhauled, the museums built, Federal Triangle constructed and the Lincoln Memorial finished in 1922 at the end of the Reflecting Pool. Speaker Cannon lived long enough to say he was glad he lost the fight over where the Lincoln Memorial now stands. The Mall became the preferred gathering place for national demonstrations, protests and celebrations. It is a park for both debate within, and pride for our democracy.

Did people then have a larger vision, larger imagination and a larger capacity for wrestling with huge ideas and problems? I'm not so sure. We know the success stories rather than the failures. I believe men and women are as energetic now as then.

Large challenges arise all the time. It's up to the people who are challenged to devise the plans and carry them out in a way that wrestles the challenges to earth and moves to a better future.

Faced with large challenges, we, in this room today, should take to heart Daniel Burnham's advice—make no little plans. To be sure, Burnham was somewhat larger than life. He designed and promoted the great Chicago World's Fair of 1893. This was the magnificent White City of immense classical buildings that inspired City Beautiful movements all across the country. When faced with large challenges, Burnham would devise large solutions.

While we are on the subject of the Mall, let me point this out: At one end is the Lincoln Memorial; at the other end, at the base of Capitol Hill, is the lesser-known memorial for Ulysses S. Grant, the former president and commander of Union troops during the Civil War. Grant sits astride a horse, his collar high and his hat low, as if stiffened against a driving rain. Oddly, both Lincoln's and Grant's heads are down. They are not looking up to the sky and sunshine. Both are in contemplation, and both bear an expression I would call determined. Look closely at those faces, and you won't feel like giving up when confronting your own problems. Both are studies of character when faced with adversity. These two faces—Grant's and Lincoln's—anchor the National Mall, east and west.

To me, they say something about our national character. They are not kings on horses looking up in triumph, but two men who began life in poverty and hardship, and who wrestled with the largest national challenges of their times. If they anchor our National Mall, then it says something about us as Americans, too. You have to conclude that determination anchors our national character.

The story of America is the story of challenges faced and challenges wrestled. I can't tell you what challenges you are going to face, only that you will face them. But I believe you are as great as any challenge you face, because nearly all challenges are not natural disasters, but human-caused. Because they are human-caused, they can be human-fixed.

Never forget that you come from a long line of challenge facers—Edward Filene and Roy Bergengren to name two. And not just them, but also secretaries and tellers who understood what their credit unions were and what they meant to people, and who rose from being secretaries and tellers to being the CEOs of the very institutions that had once hired them when they were young.

Nobody convinced them their best strategy was not to have creative plans for the credit unions they served. These former secretaries- and tellers-turned-CEOs are heroes in their own communities. And they are also the people who crafted the Federal Credit Union Act and who built a Share Insurance Fund that was not the weakest in the nation—as many might have

thought it would be—but the strongest. And they were the people who understood what a good idea financial cooperatives were, and built them from a few thousand members to nearly 96 million.

You already know some of the challenges that await you. Within the financial services industry you have only a fraction of the nation's deposits, but your competitors have pockets that are both broad and deep, and they can saturate the marketplace with seductive advertisements. They can press you on rates and technology, and they can offer loss-leaders. They are a very formidable lot.

One of your great challenges is to meet this competition head-on. And that's just part of it. You will need to grow. Holding your ground is not going to work. Staying the same will not be an option. You will need to attract new members and staff. You will have to find new methods. The marketplace is cruel, with little chance for error. You are in a struggle of survival of the fittest.

Another challenge deals with technology, which seems to be shifting month by month. Like the old Greek god Proteus, you can grab it and think you have control of it, but it slips away and changes form. Members and potential members often take up new technologies before credit unions do, demanding first this and then that. You are going to have to both follow members where they want to go with technology, and yet be out front of them at the same time. That is a real challenge. You also need to do this in a way that protects the security of your credit union and the personal financial information of your members. That is no easy task.

Another burdensome challenge is this: Your fellow citizens, through their government, are going to be handing down more and more regulations. They don't want a repeat of the near financial collapse we had in 2008. They don't want Ponzi schemes or loan schemes that ruin families least able to pay. You are going to have to steer through shifting and evolving technological and regulatory winds. Put your heads down in determination like the statues of Grant and Lincoln and get about it.

But these are challenges we know about. The most worrisome challenges are the ones we don't know are coming. In 2006, hardly anyone saw the troubles we faced in 2008. You are going to have to be challenge-ready. You, in the hall today, are going to have to determine where the credit union movement will be in 2025. Of course you are doing it right now, by what you select to do and by what you select not to do. But you also will be doing it by how you face challenges we do not yet see. It's probably best if you make yourselves tough now. A soldier doesn't know the exact challenges he or she will face, but knows that training and conditioning now will help to meet what challenges arise. Make yourselves battle ready.

Take heart from all the men and women who have come before you building our nation's credit union movement. Think of the immense good they have done, for millions and millions of people, and of the millions and millions of dollars they have saved those people, enabling them to build up their personal assets. You can do what they did.

If this movement were to suddenly disappear this morning, it would start right up again tomorrow. Why? Because it is a good idea, an unbeatable idea, the idea of people helping people get the funding they need to buy a home, purchase a car, send a child to college, and achieve a secure retirement. That idea is the banner you carry forward. Carry it higher and straighter.

The National Mall is pretty much finished. The credit union movement is not. More than two hundred million Americans have yet to be convinced that joining a credit union is one of the best things they can do for themselves and their families. Tens of millions of Americans, old as well as young, need better financial education—the kind credit unions are uniquely positioned to give. Tens of millions of Americans need better loan rates and higher savings rates; they need better credit and debit cards and to know how to better use them; they need retirement savings plans; and they need fairly priced financial services.

If you do get to the National Mall this week, try to imagine it as it appeared in the 1890s—trains puffing across it, cluttered and lined with chaotic buildings. Think of the vision and work it took to transform it to the way it looks today. Then think of what you can do with the credit union movement as it now exists. Think big like credit union people did before you. Make no little plans. You can do big things. It takes vision and it takes work, but you are the heirs of creative and hard-working men and women. You can do it.

Each and every one of you can do it.

Thank you for listening. God bless you and God bless the United States of America.

