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Remarks of Rick Metsger  
Board Member  
National Credit Union Administration  
at the  
Credit Union National Association's  
2014 Governmental Affairs Conference

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Washington, D.C.

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## Remarks

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It is a real pleasure to be here today with such a large group of committed credit union professionals and volunteers, all coming from different geographic, economic and cultural backgrounds, but all bound by a common bond—the continued vibrancy of the American credit union system.

I thought as members of the credit union community you would be interested to know that it was on this day, February 25, 1791, the First National Bank of the United States was chartered by an Act of Congress. The first CEO of the bank was a guy named Thomas Willing. Rumor has it that his first act as bank president was to grab his quill pen and ink well and write a letter to Congress demanding that they tax the credit unions. Never mind, there wouldn't be any credit unions in the country for another 100 years. But he was already on message.

This week marks my six-month anniversary as an NCUA Board Member. My pathway here, however, is a mirror of many of your own journeys. Back home in Oregon, I worked my way through college as a custodian at a local middle school, cleaning bathrooms, waxing hallways and sweeping classrooms. It was then I discovered that, though not a teacher, my employment as a skilled maintenance engineer earned me the right to become a member of the local teacher's credit union. I received a loan of \$350 from the credit union to purchase my first car. I felt I had arrived as an adult.

I have been blessed with many careers in my life. I've been a high school teacher, college basketball coach, life insurance agent, television news reporter, small business owner and an elected state senator in my home state of Oregon. I'm now honored to serve as a member of the NCUA Board. I remember one Thanksgiving dinner when my elderly aunt leaned over to my wife and expressed concern that I didn't seem to be able to hold on to a job.

Twenty years after my college custodial days, I decided I wanted to help serve the credit union that had helped me get my start in life by serving on its board of directors. I utilized a provision in the bylaws to petition for my own nomination and stood outside the credit union's main branch in the pouring rain on multiple days until I had secured the signatures needed to earn a spot on the ballot. I won a spot on the board in that election and served eight years as a director.

I came to CUNA's Governmental Affairs Conference six or seven times during my service on the credit union's board of directors, sitting in the same chairs you are sitting in now and listening to the parade of speakers who would praise, promise and pontificate. In fact, two of the directors I served with back in the 1990s are still on the credit union's board today and are in the audience this morning. Their continued service as volunteers, over several decades, is a testament to the strength of the credit union movement.

They will vouch for the fact that the role I have today as on the NCUA Board is very similar to the role I had at that credit union, and the same role you have today. So I want to take a

moment to specifically address those of you in the audience who serve as volunteer directors. Because in reality we—you and I—are both regulators.

When I was a credit union director, my job wasn't to manage or micro-manage the operation of my credit union. It was to ask intelligent questions, help set policies, offer perspectives that others may not have considered and reassure our members that our credit union was not only safe today, but would be safe tomorrow and for the foreseeable future.

My role at NCUA is similar. Just as it is not your job to oversee individual loans, my job isn't to oversee individual exams. Your job is to make sure that your underwriting and investment criteria are sound. My job is to make sure that our examination and supervision criteria are sound. You want to be reassured that your loan officers are asking the right questions and making the right decisions. I want to be reassured that our examiners are asking the right questions and making the right decisions.

Serving on the NCUA Board is an honor. It is equally an honor for you to serve in a role of trust as a member of the board of your credit union. But there is nothing honorary about our roles.

You and I are expected to give our best efforts to engage, question, evaluate and act as necessary to ensure a credit union's viability.

I would like to touch on two major issues for you as directors—relevancy and mission.

As a regulator, I understand the financial marketplace is changing rapidly fueled by technology and consumer demand. I understand why many of you believe the evolution of federal and state

credit union charters is critical in order to fulfill your responsibility to meet the financial needs of your members in a changing environment. We also see the need for legislative modernization so we can meet our statutory responsibility to ensure the safety and soundness of the system in light of new products, powers or systems that might come on-line as a result of legislative action. But in the pursuit of safety and soundness, I am also mindful that credit unions must not be so constrained by their regulator, or so risk-averse that they cannot meet the financial needs of their members. Credit unions must remain relevant in the mix of financial services options available to the American public. A credit union that is safe and sound, but irrelevant to its members' needs, is not a viable outcome of regulation.

In any endeavor, we must always pause to review our objective and critique our performance in meeting that objective. Performance goals such as membership targets, loan growth, assets and earnings are not, in themselves, the standards of success. They are meaningful only to the extent that the outcomes link clearly to meeting the needs of the membership within the not-for-profit cooperative model in which you operate. Credit unions must measure their performance against a double bottom line—the bottom lines of their members, as well as, their own bottom lines. Your best-line of defense against those who would curtail your ability to meet your members' needs is to document how your credit union differentiates itself in the community it serves and meets the needs of your field of membership, both as borrowers and savers.

I have had the privilege of meeting many of you this week to discuss various regulatory initiatives and gain your valuable perspectives and insights. Tomorrow you will all be marching

up to Capitol Hill to meet with your home-state congressional leaders. Let me offer one suggestion to you based on my personal experience after 16 years as a reporter and 12 years in elective office. If you really want to know the perspective your elected official has on the credit union industry and how it fits into the broader financial marketplace, I'd suggest that you start by asking a question, and listening to the answer, rather than by launching straight into your pitch.

Ask your elected representatives what they believe the primary differences are between credit unions and other financial services providers and why those differences are important to them. I believe the response you receive will give you a far better picture of where your Member of Congress stands and where your conversation should begin.

Today, nearly 96 million American credit union members rely on us as regulators and you as credit providers to help strengthen our families and build our communities. Let's never forget the importance of that trust.