

CUNA Membership Webinar

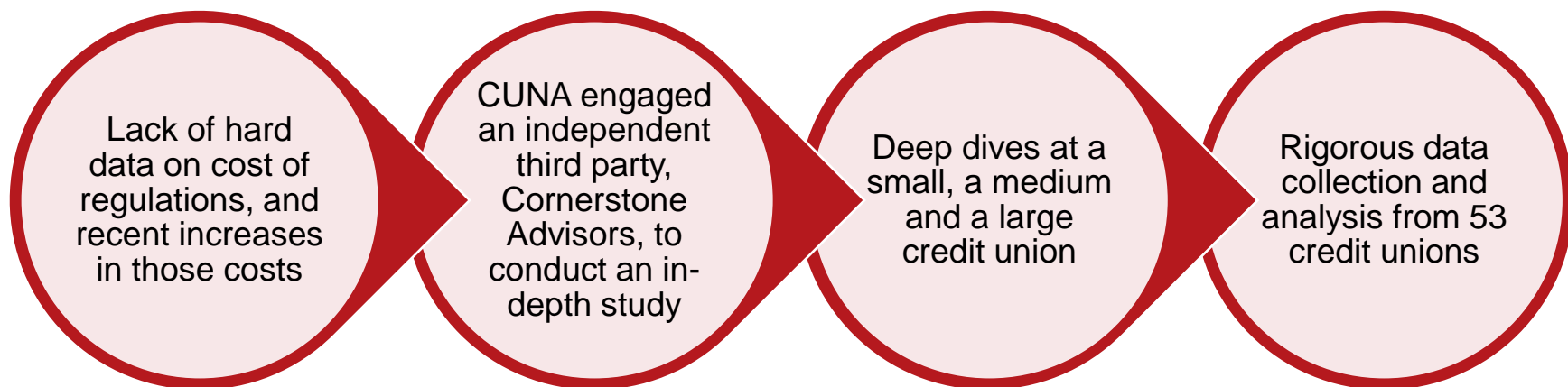
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The Impact of Regulatory Burden

*Based on an in-depth study performed by Cornerstone
Advisors*

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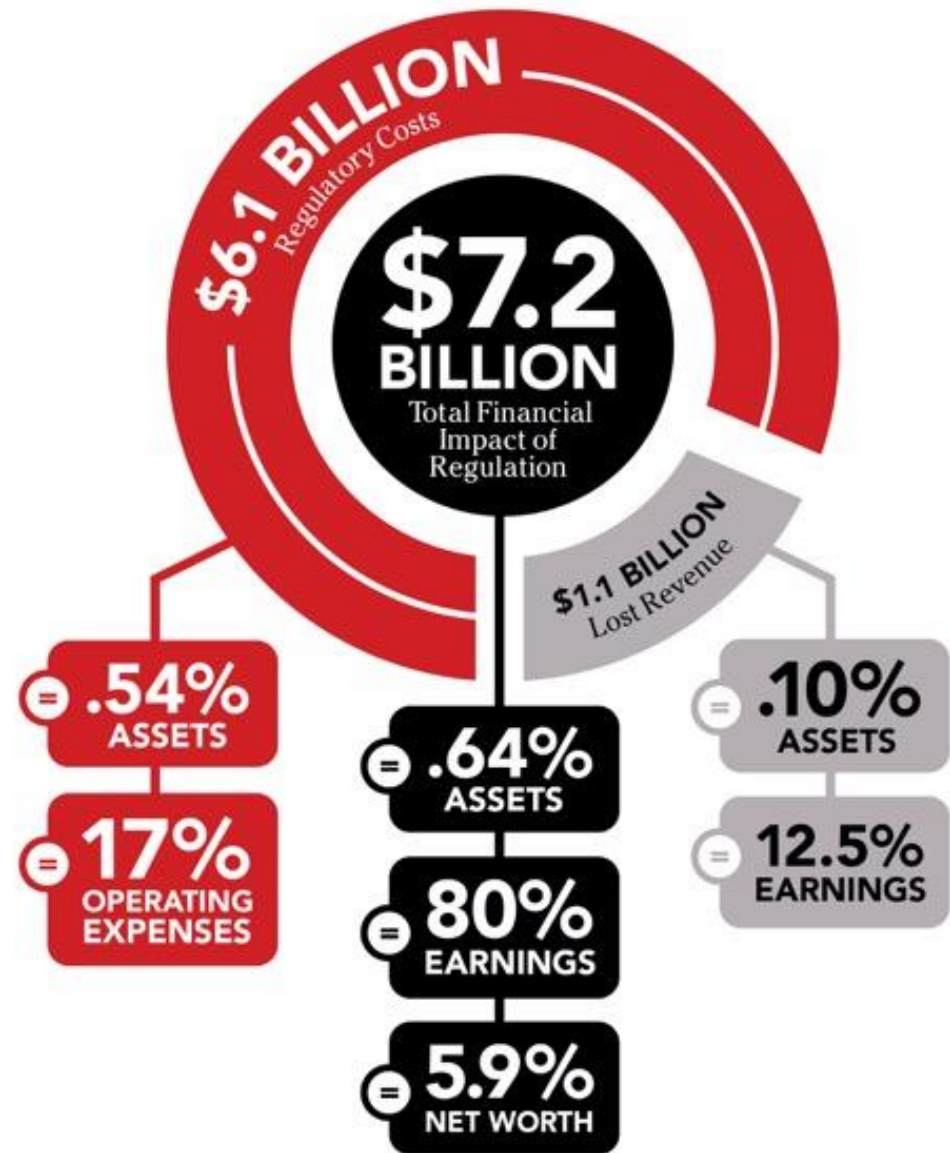
Study Background



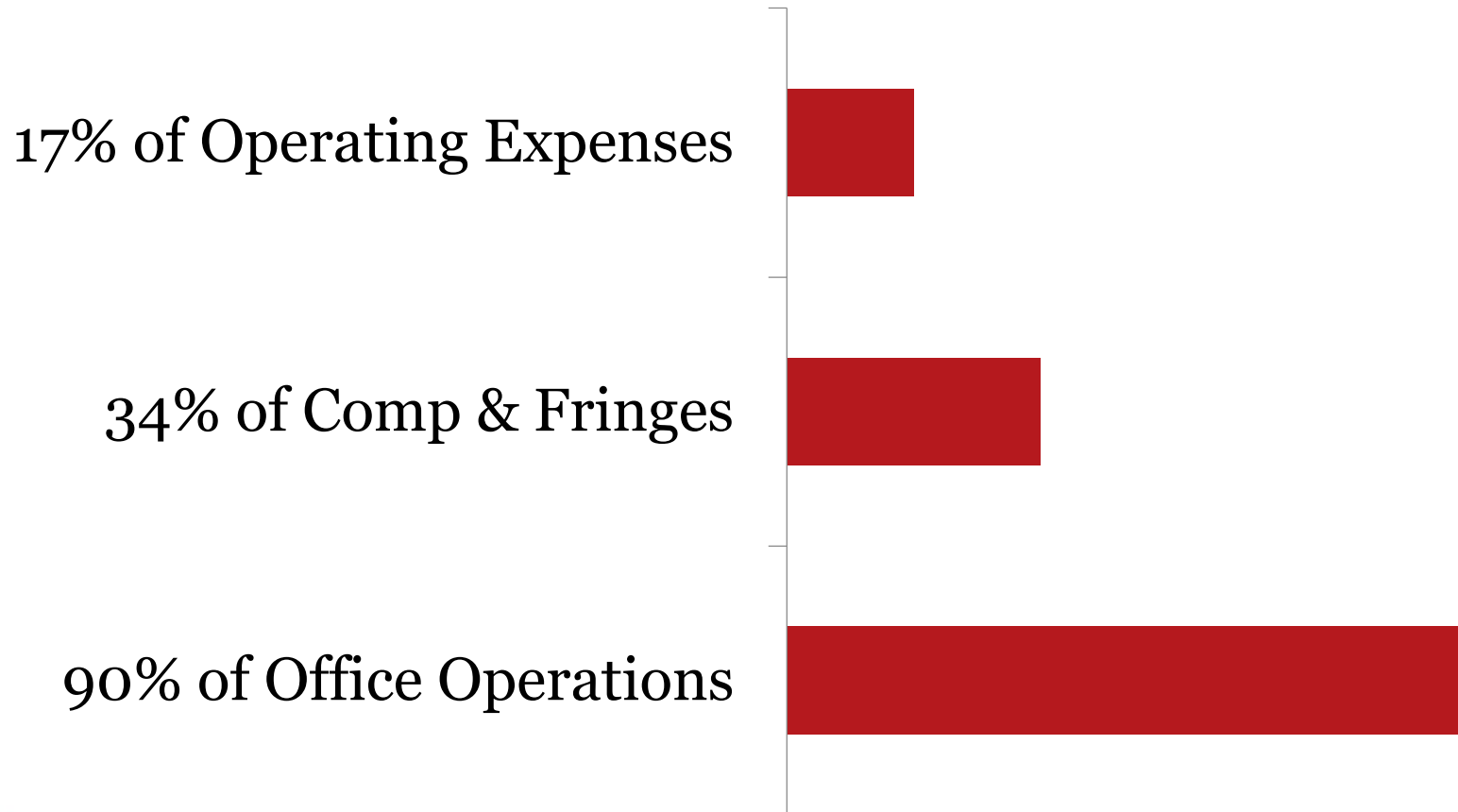
Impact of Regulatory Burden on Credit Unions *in 2014*



Putting Regulatory Burden in Context



Regulatory Cost: \$6.1 billion



Total Financial Impact: \$7.2 billion

19% of Total Interest Income



48% of Non Interest Income



119% of Total Dividends and Interest



80% of Net Income



Breakdown of Regulatory Costs



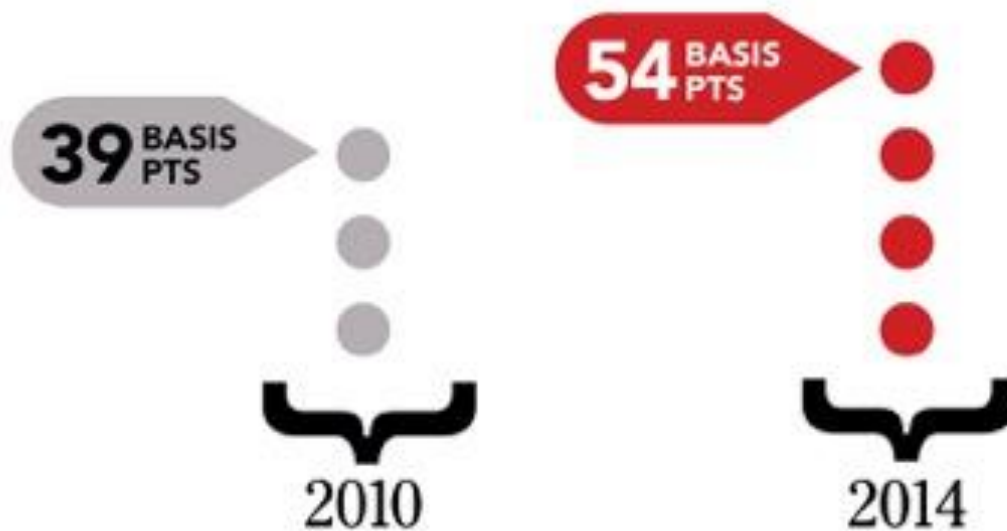
1 IN
EVERY
FOUR EMPLOYEE'S TIME
IS SPENT ON ...



**REGULATORY
COMPLIANCE**

Regulatory Cost Increase

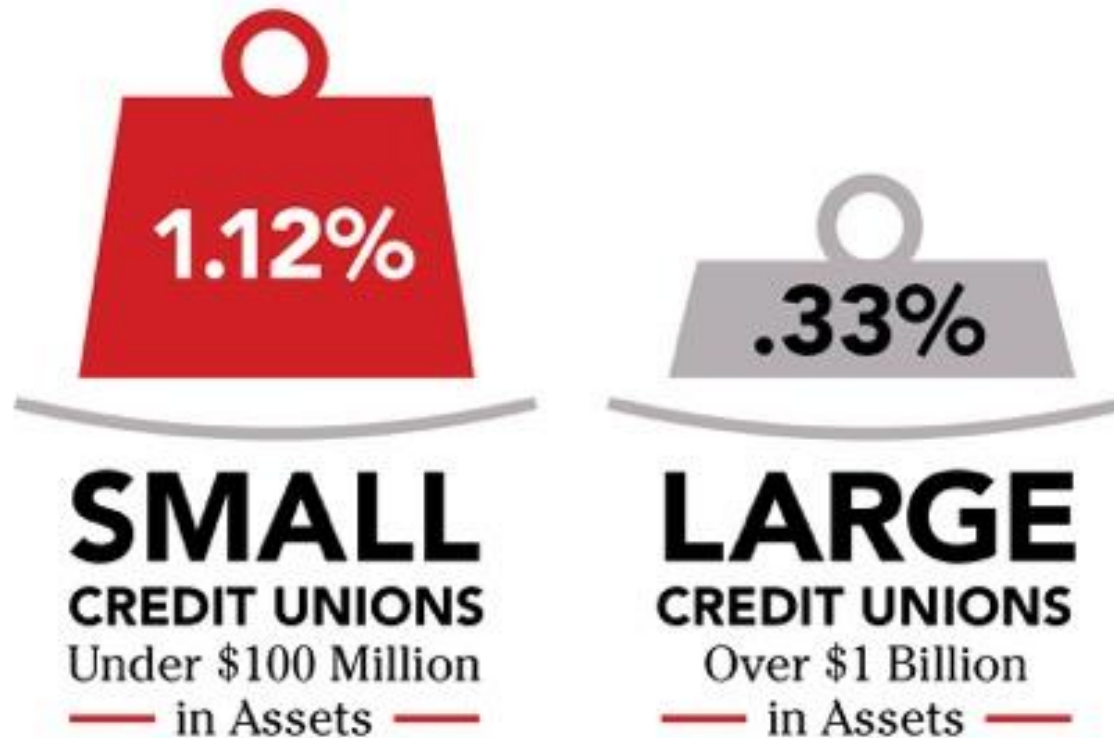
\$1.7 Billion



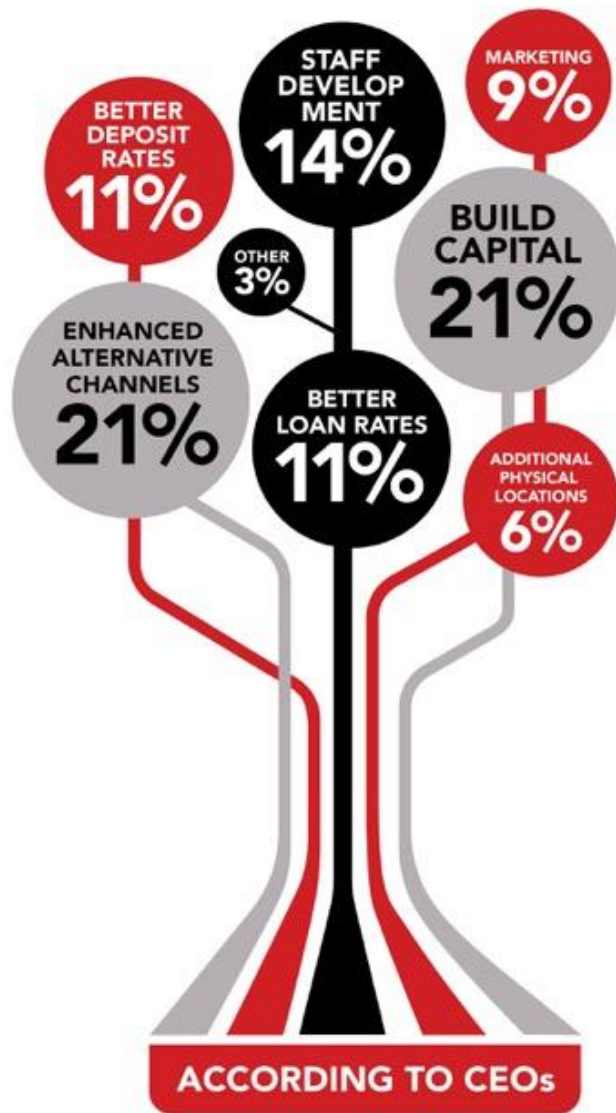
Increase in Total Financial Impact Since 2010



Small Credit Unions Bear the Brunt of Regulatory Burden



Compares regulatory costs relative to assets



How would CEOs have allocated funds if not spent on regulation?

Next Steps

Pillars of the Recommended Modernized CUNA Bylaws

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Interdependence

The CUNA-League partnership is your best local and national advocate for **removing barriers, creating awareness** and **fostering service excellence** for all credit unions.



Inclusive and unified
member voice drives
our focus and action



Protect and promote
best interests of all
credit unions through
a local presence in all
50 states



Deliver resources and
provide networking
for credit union staff
and volunteers

Membership Choice

- Voting membership eligibility
 - All natural person credit unions
 - State credit union leagues

Membership Choice

- Non-Voting Memberships
 - Categories of membership to be developed to better engage more individuals and system partners in the credit union movement.

All Members Pay Dues

- All categories of members would have some dues obligation set by the board
- Different dues could be set for different types of members
- Board authority to grant dues waivers

Board Size and Governance

- Allow for a range of no fewer than 12 and no more than 24 voting directors
 - Any changes made by supermajority of board
- Retain current officer structure and term limits
- More clearly set out powers that are reserved for the full Board and not to be exercised by the Executive Committee

Tentative Timeline for Action

- CUNA Board completes work by early February
- Members receive bylaws and supporting materials before CUNA GAC
- Members will have opportunities to ask questions and provide input at CUNA GAC

Questions & Comments

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