

Governor's Advisory Board

The adjourned meeting of the Governor's Board of Credit Union Advisors was called to order at 1:00 pm on Thursday, December 15, 2011 in Springfield by Chairwoman Cummins. This meeting was required as a quorum was not present at the regular meeting previously held Nov. 15, 2011 in Chicago, IL.

Present

Chairwoman Peggy Cummins, Vice Chairwoman Karen Woods, Member Alice Clements, and Member Bohdan Watral & Secretary Brian McDaniel was present via phone conference.

Absent

Member Rogers & Member Young

Chairwoman Cummins declared a Quorum.

Welcoming Remarks

Chairwoman Cummins welcomed the GAB members and other guests. Cummins also thanked the Credit Union Section for hosting today's meeting and for their hospitality.

Approval of Minutes

Chairman Cummins made a motion that the minutes of the May 12, 2011 be approved as presented. Member Watral seconded the motion. AYE: 5, NAY: 0, ABSENT: 2, Motion Passes.

Introduction of Board Members & guests

Chairwoman Cummins asked that everyone at the meeting introduce themselves.

Credit Union Section Update

Brad Losch provided an update on Illinois Credit Unions (as of Sept. 30, 2011). The total number of Credit Unions was 283, of which 37 are on the DFI watch list with 12 of those credit unions under 7% net worth and 6 credit unions with less than 6% net worth. The lowest net worth of any credit union is currently 3.45%. Total assets for all Illinois State Chartered credit unions was \$28,791,805,779 which is a 4.60% increase from the same time last year.

Concerns going forward include:

- Credit union's compliance with Illinois' new financial exploitation of elderly law, and that credit union's obtain at least the minimum training requirements.
- Less than appropriate investments – credit union's are looking for high yields and not researching the investment thoroughly to ensure safety and soundness of the investment.
- Loan modifications
- High Loan to Values on previously granted real estate secured loans.

Brad also indicated that Director Nava was working on creating 3 new examiner trainee positions for the Credit Union Section.

Legislative Update

Keith Sias provided an update on the legislative agenda of the Illinois Credit Union League. He indicated foreclosures still continue to be a big issue and Cook County proposed an ordinance to force lenders to maintain property before taking possession. He indicated the IL CU League wants to create a bill that would fast track procedures for vacant and/or abandoned property. Next session will be January 31, 2012.

New Business

None.

Old Business

Secretary Daniels asked about drafting the letter to the Governor requesting more Credit Union Section personnel and indicated that the Section needs some type of succession plan as the examination and office staff is aging and 15 or more on the staff will probably retire within the next 10 years. There is real concern since it takes at least 2-3 years to train new examiners enough so they can complete and examination on their own. GAB will see about drafting a letter after first of the year. Chairman Cummins indicated she would work with the IL CU League to draft a letter.

Member Clements asked with all the technology changes through the years if the CU Section had considered creating examination positions that specialize in IT and Consumer Compliance. This was discussed and the GAB decided they may include this in the letter to the Governor's office.

Chairman Cummins indicated she would also contact Director Nava about her input on the personnel issues.

Attendees Questions or Comments

None recorded.

Next Meeting Date

May 9th, 2012 – to be held at Credit Union 1, Springfield, IL

Adjournment

Motion by Cummins, Seconded by Watral. AYE: 5, NAY: 0, ABSENT: 2, Motion Passes.