



CREDIT Union

AIL CANADA

Senior

TOOLS AND RESOURCES FOR CREDIT UNIONS • MAY 2009

THE BLUE PAPER

of the Month

“The Big Firestorm Is Coming That Can Tar and Feather CUs Along with Banks”

Senator Chris Dodd (D-CT) was speaking on NBC a few weeks ago. He said:

“There have been recent cases of banks raising their fees to amounts that would have been illegal a few years ago. And usually the customer is not even aware of it.”

This sort of message is sure to turn a few heads since it comes from the Chairman of the Senate Banking Committee.

That sort of negativity about fees is coming from all over — TV, newspapers, magazines, AOL alerts, financial journals, etc.

Banks are being tarred and feathered by the recent scrutiny of fees. But if Credit Unions are not careful, we could be painted with the same brush.

That’s why this month’s American Income Life *Blue Paper* is so important. It’s titled “**THE BIG FIRESTORM IS COMING THAT CAN TAR AND FEATHER CUs ALONG WITH BANKS.**” It’s a major alert about how the media just won’t stop churning out warnings about “fees, fees, fees.”

The issue highlights the three things you can do now to ward off the potential problems. ♦

For your complimentary copy, just contact your AIL representative or call the AIL Credit Union Center at 800-278-6661.



Trends and Topics

BC CREDIT UNION SYSTEM POSTS RECORD EARNINGS

BC credit unions collectively earned a record \$284 million before dividends and taxes in 2008, Central 1 Credit Union announced today.

That’s an increase of 10.5

percent from the \$257 million posted in 2007 and tops the previous high mark of \$262 million recorded in 2005.

The earnings reflect a strong gain in operating efficiency, which saw a financial margin increase on the basis of robust asset growth. Total assets increased by 6.8 percent to \$45.5 billion, led by a \$1.2 billion rise in cash and liquid investments.

Residential mortgage loans, which form two-thirds of the total loan portfolio, rose by 1.8 percent to \$25.4 billion. Loans to businesses increased 10.3 percent to nearly \$10.3 billion.

Loan delinquency inched up slightly, but remained at very low levels by historical standards, with loans in arrears more than 90 days amounting to 0.41 percent of total loan value, compared with the record low of 0.21 percent seen in 2007.

Membership in BC credit unions rose by 3.2 percent to 1.68 million at year-end. Members received a total of \$41.8 million in dividends and patronage rebates. ♦



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CU Trends and Topics

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CREDIT UNIONS MAINTAIN BUSINESS LENDING, DESPITE RECESSION

The credit union system has not restricted its business lending despite the current market turmoil, according to David Phillips, President and CEO of Credit Union Central of Canada. While some lenders have pulled back, credit unions have “pursued our more traditional relationship-based approach to lending, and credit



**Credit Union
Central of Canada**

unions continue to meet our members’ needs,” Phillips said.

The remarks were part of an April 2 presentation before the House of Commons Standing Committee on Finance, which is examining credit availability and the stability of the Canadian financial system.

Phillips added that credit unions are working closely with their members and communities to temper the impact of the financial crisis. While some reports have

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claimed that credit availability has declined in recent months, “the credit union has not participated in this pull-back from credit-granting,” he said.

“This market is key to credit union growth, and our system will not pull back from our SME [small and medium enterprise] markets. Our commitment to this important market is further demonstrated by the system’s Canadian Business Owner Strategy, more commonly known as CBOS. Created in 2005 to enhance the competencies and capacity of credit unions to serve the business owner market, as well as to raise awareness about credit unions with business owners, CBOs has actively engaged over 300 credit unions since the start of the program,” Phillips said. ♦

MANITOBANS TAKE LEADERSHIP ROLE ON CLIMATE CHANGE

Manitobans will be taking a leadership role in developing grassroots solutions to climate change under a new initiative to reduce greenhouse gas (GHG) emissions by up to 20 per cent over the next three years. Intergovernmental Affairs Minister Steve Ashton and Science, Technology, Energy and Mines Minister Jim Rondeau announced the initiative on Earth Day, April 22.

Fourteen rural and urban centers, including six neighborhood organizations, have been selected for funding under a new four-year (2008-2012), Community Led Emissions Reduction pilot program. The program aims to develop projects that encourage



Serving the Community



and support the greatest immediate emissions reductions and build toward long-term, lasting changes. Local government and not-for-profit community organization participants may initiate projects or activities in the following areas:

- Waste-reduction measures, such as recycling or reusing salvageable goods, composting or recovering landfill gases.
- Water-reduction measures, through home or building retrofits, grey or rain water capture, and reduced water usage.
- Transportation measures, such as commuting programs, trail or bike path development, driving techniques to reduce fuel consumption, anti-idling campaigns, or more efficient vehicle choices, such as hybrids for municipal fleets.
- Energy measures, through home or building retrofits, more efficient lighting choices, or alternative energies such as solar, wind, or biomass. ♦



**Comments?
Suggestions?
Questions?**

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