



State of New Hampshire

Banking Department

53 Regional Drive, Suite 200
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090 or (603) 271-0750

GLENN A. PERLOW
BANK COMMISSIONER

INGRID E. WHITE
DEPUTY BANK COMMISSIONER

July 7, 2015

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

The New Hampshire Banking Department (NHBD) respectfully requests authority to continue its membership and participation in the National Association of State Credit Union Supervisors (NASCUS), Vendor Number 170814, for the period of Governor and Council approval through June 30, 2016, for an amount of \$13,944.24.

Funds to support this request are anticipated to be available in the following account in State FY 2016 upon the availability and continued appropriation of funds in the future operating budget, 100% Other Funds, Bank Exams and Assessment:

| <u>Account</u> | <u>Description</u> | <u>FY 2016</u> |
|-------------------------------|--------------------|----------------|
| 010-07200-20460000-026-500251 | Dues | \$13,944.24 |

EXPLANATION

NASCUS is the primary resource and voice of the 48 state governmental and U.S. territorial agencies that charter, regulate and examine the nation's state-chartered credit unions.

State credit union regulators formed NASCUS in 1965 to ensure the safety and soundness of state-chartered credit unions. Today, it represents the interests of the state credit union agencies before U.S. Congress, defends the dual chartering system and advances state agency and examiner education programs.

NASCUS is also the primary resource for regulatory, legislative and compliance information for the state credit union regulatory agencies.

The following are the standard organization dues and membership questions and answers for Governor and Council approval.

1. How long has this organization been in existence and how long has this agency been a member of this organization?

State credit union regulators formed NASCUS in 1965. The NASCUS mission is to enhance state credit union supervision and advocate for a safe and sound credit union system. It represents the interests of all state credit union supervisors before U.S. Congress and acts as a liaison between state agencies and the National Credit Union Administration (NCUA). NASCUS also developed a training program for state examiners. NHBD has been a member since 1971.

2. Is there any other organization which provides the same or similar benefits which your agency belongs to?

No. NASCUS is the only organization dedicated to the defense and promotion of the state credit union charter and the autonomy of state credit union regulatory agencies.

3. How many other states belong to this organization and is your agency the sole New Hampshire state agency that is a member?

NASCUS includes 47 regulatory agencies (Delaware, South Dakota and Wyoming have no laws permitting state-chartered credit unions.). NHBD is the sole member from the State of New Hampshire due to the purpose of this organization.

4. How is the dues structure established? (Standard fee for all states, based on population, based on other criteria, etc)

NASCUS membership is on a fiscal year basis (July 1 – June 30), and annual dues are calculated based on the total assets under agency supervision. NHBD regulates 11 credit unions with total assets of \$6.2 billion as of the most recent financial reports (March 31, 2015).

5. What benefit does the state receive from participating in this membership?

Membership allows interaction with other state and federal agencies and to have representation in challenging situations. NASCUS provides training opportunities for state bank examiners.

6. Are training or educational/research materials included in the membership? If so, is the cost included? Explain in detail.

Yes. Educational/research materials include conferences, schools and programs, informational webinars, numerous publications, press releases, and facts/figures. NASCUS membership does not directly cover the training cost; however, the cost of training is sometimes reimbursed by the NCUA in full.

7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain.

No.

8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known and purposes of membership supported trips.

No; however, the NCUA sometimes covers travel expenses for NASCUS meetings and training. NHBD typically sends one or two members of its management or examination staff to the NASCUS-sponsored annual State System Summit – locations vary across the country. For 2015, the annual summit will be held in New Orleans, Louisiana.

Throughout the year, NASCUS holds numerous teleconferences where members/participants phone in from around the country; discussion topics include circumstances that collectively impact the regulatory system and allow participants to gain important information.

9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization.)

The Commissioner, Deputy Commissioner, Chief Bank Examiner, and Banking Division examiners are involved with NASCUS. None of the aforementioned individuals are committee members or officers.

NASCUS membership is available to state agencies responsible for the supervision of state-chartered credit unions, the District of Columbia and the Commonwealth of Puerto Rico. Each agency shall be represented by the official having responsibility for the supervision of state-chartered credit unions in that jurisdiction or by a representative, duly designated by such official, and who is an employee of the agency or department of that jurisdiction. Every regulator member shall be entitled to one vote on issues brought properly before the membership.

10. Explain in detail any negative impact to the State if the Agency did not belong to this organization.

To effectively fulfill its mission, NHBD must continue to interact and partner with other regulators at the state and federal levels. This is a key and lasting characteristic of the financial institution regulatory system. NASCUS facilitates this interaction relative to credit unions; the Conference of State Bank Supervisors (CSBS) accomplishes a similar mission relative to banks. Regulation and supervision is not stagnant – it evolves and changes, often-times to a significant degree. Consistency is imperative.

Discontinuing NHBD's membership would result in the following, detrimental impacts:

- ability to defend NHBD's interests, particularly on a national scale, would be significantly reduced;
- loss of mechanism for collective communications with our peers (regulators from other states);
- loss of centralized information source regarding current and emerging regulatory issues; and
- loss of training/developmental opportunities.

In summary, NHBD would certainly become more isolated and would lose efficiencies and effectiveness.

A copy of the 2015-2016 invoice statement is attached for your review.

Your consideration of our request is appreciated.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Glenn A. Perlow', written in a cursive style.

Glenn A. Perlow
Bank Commissioner

GAP/dma
Enclosure



May 26, 2015

INVOICE for State of New Hampshire

Annual dues for the year July 1, 2015 through June 30, 2016 are calculated on the amount of assets your agency supervises, based on the March 31, 2015 call report data available to you.

- The first step in this process is to ascertain the correct amount of assets your agency supervises at the end of the first quarter; March 31, 2015.
- Once you have the assets amount, please fill in the correct category in the dues calculator worksheet attached to this email.
- The worksheet will process the formula and give you the amount due.
- Return the invoice along with a share draft or authorize a payment by ACH by July 31, 2015, the due date for renewing membership in NASCUS for 2015-2016.

2015-2016 Dues Summary

| Category of Assets Supervised | Base Rate | Factor | Factor Adjusted Inflation Factor | Maximum Amount for each Category Bracket |
|-------------------------------------|-----------|--------------|----------------------------------|--|
| \$0--\$200,000,000 | 3,670.02 | 0.000000000% | 0.000000000% | 3,670.02 |
| \$200,000,001--\$1,000,000,000 | 3,670.02 | 0.001019000% | 0.001043456% | 12,017.67 |
| \$1,000,000,001--\$10,000,000,000 | 12,017.67 | 0.000035625% | 0.000036480% | 15,300.87 |
| \$10,000,000,001--\$40,000,000,000+ | 15,300.87 | 0.000015375% | 0.000015744% | 20,024.07 |

| Assets Under Supervision | Amount Due |
|----------------------------------|---------------------------|
| <u>\$6,281,181,000.00</u> | <u>\$13,944.24</u> |

Please make your payment to:

**National Association of State Credit Union Supervisors
1655 N. Ft. Myer Drive, Suite 650
Arlington, VA 22209**

NASCUS TIN -- 54-1167527

Please remit one copy with your payment and retain one copy for your records.

Thank you for your 2015-2016 NASCUS membership.