
 **NCUA** – Holding true to tradition, NCUA did not hold an August board meeting but the agency still managed to make news as it prevailed on the majority of FOM issues before the DC Circuit Court. Credit goes to NCUA GC Mike McKenna and his staff for crafting a rule that withstood yet another American Bankers Association challenge. While the ABA can appeal the ruling, the chances of the Supreme Court agreeing to hear that challenge are slim. NCUA will set about implementing the court-approved rule in an incremental fashion. The agency will also attempt to answer the Court’s concern about a credit union serving the core-based statistical area without serving the area’s urban core. The Court seemed to provide the agency a “roadmap” to navigating this concern, but it must be addressed.

As expected, Mark McWatters’ term came and went...and he’s still a Board member. Conventional wisdom is that he will remain on the Board until his successor is confirmed.

 **FANNIE MAE/FREDDIE MAC** – What did you do for your 11th birthday? Don’t remember? The White House celebrated the conservatorship birthday of the two housing enterprises by releasing a plan that would set Fannie and Freddie free from government constraints. The White House plan – released by Treasury and HUD – would allow the Federal Housing Finance Agency to consider allowing the two enterprises to retain earnings beyond the current limit of \$3 billion in capital. This would be music to the ears of investors who have continued to buy up Fannie and Freddie stock even when those stock prices dropped to pennies. There would also be an expanded role for Ginnie Mae which would serve as the guarantor to the mortgage-backed securities issued by Fannie and Freddie. Private sector money could also be sought under the White House plan.

The initial reading of the proposal was that much of it could be accomplished by executive order but a closer reading reveals that Congress and a number of agencies will have to get on board before this could come to fruition. With a presidential election next year, the political courage to address this issue might just mean that Fannie and Freddie will celebrate a 12th year under government control.



BA 2020 ELECTION – The debate stage in September will be less crowded as the rules for inclusion stiffen. The Democratic National Committee has set a threshold that candidates must receive at least 2% support in 4 recognized polls and collect at least 130,000 donations nationwide with at least 400 donations in 20 states. These requirements were met by 10 candidates (Biden, Warren, Harris, Sanders, Yang, Buttigieg, Booker, Castro, Klobuchar and O'Rourke) while Tom Steyer has already qualified as the 11th candidate for the October debate.

What does this mean? For starters, it means that the three front-runners, VP Biden and Senators Warren and Sanders will all be on the same stage. For the first two debates, nearly every one of the 24 candidates qualified which meant that there needed to be two nights of debate thus splitting up the front-runners. The qualification rules will mean that there is just one night of debate...for now. Billionaire Tom Steyer recently qualified for the fourth debate in October, which may necessitate a second night of debates next month.

Electability continues to be the call for Democrats. VP Biden entered the race with a lead in the polls and even after taking heat from Sen. Kamala Harris (D-CA) during the first debate while turning in a less than stellar performance and suffering a few of his well-documented gaffes, Biden continues to lead in every national poll and also fares well in Iowa, New Hampshire and South Carolina. Former CO Governor Hickenlooper dropped out and announced that he would run for the Senate against incumbent Cory Gardner thus making this race more competitive. Texas Democrats are hoping that Beto O'Rourke will follow Hickenlooper's lead and go back to run against John Cornyn, although it might be hard for O'Rourke to replicate his 2018 success against Sen. Ted Cruz because Cornyn isn't as divisive as Cruz.

On the Republican side, there have been a few nibbles at taking on the President in the GOP primaries. Former Governor and US Rep. Mark Sanford (R-SC), former MA Governor William Weld and former IL Rep. Joe Walsh have all signaled that they are considering a primary challenge to President Trump. Each of them would start out as huge underdogs or as CNN's Chris Cillizza calls them, "a Star Wars bar of politicians."

BA KUDOS – Congrats go out to Bill Kennedy, CEO of HUD FCU as Credit Union Magazine recognized him as a "Rock Star"...watch out Mick Jagger!

And with his announced retirement on the horizon, the entire credit union movement should send a big "thank you" to Truiliant FCU CEO Marc Shaefer. Marc lead the fight over membership access and his efforts to beat back the bankers is one of the reasons that credit unions continue to show growth and innovation. Thanks, Marc!

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HEALTHCARE 2020 – As the 2020 elections gear up there is once again increasing discussion and debate pushing for a single payor, national healthcare plan. This raises the question, what effect would that have on your credit unions' health plan. While it's too early to determine exactly what would change, it's pretty clear the Governments' reach and oversight will most likely increase. One way to hedge against the changes is a level-funded self-insured health plan which is exempt from many ACA requirements and typically saves employers up to twenty percent off current health plan premiums. To learn more about these plans and see what you could save, email me at: Geoff@BacinoAssociates.com.

