

BASEBALL



EDITION

NCUA – In a move that few, if any, credit union experts saw coming, the White House named Rodney Hood to be the Chairman upon his swearing in which had the effect of moving Mark McWatters back to being a Board member. Even though McWatters’ term is up in August, the conventional wisdom was that Hood would ascend to the Chairman’s seat either in August or when McWatters’ successor was seated on the Board. This may portend that McWatters may depart when his term expires, leaving the Board with two members again. In other news, Todd Harper was also sworn in. With the Board now up to full speed, issues such as risk-based capital, payday alternatives and secondary capital may now be fully vetted. McWatters’ term expires in August, but his successor may not be named or approved since the Democrats would be reluctant to have a Republican as the swing vote on the Board with the 2020 elections on the horizon.

FHFA – Dr. Mark Calabria was confirmed by the Senate to be the third Director of the Federal Housing Finance Agency. His next job is fairly simple: spearhead the effort to determine the future of housing finance for the country. He is more than qualified but his biggest challenge will be to reach consensus among the multitude of stakeholders.

In testimony before the Senate Banking Committee, NAFCU’s Carrie Hunt strongly advocated for retaining credit union access to the secondary market. “We do not support a pricing structure based on volume, institution size or any issue that will put our member-owners at a disadvantage,” said Hunt. This is precisely the issue that credit unions must focus on during any legislative reform efforts regarding the GSEs.

CANNABIS BANKING – The House Financial Services committee approved a bill that would allow state-authorized cannabis businesses access to the federal banking system. Long advocated by Reps. Ed Perlmutter (D-CO) and Denny Heck (D-WA), the Secure And Fair Enforcement (SAFE) banking Act would allow banks and credit unions to serve cannabis businesses in states where the electorate has approved either medical or recreational cannabis use. Democratic control in the House means that it will most likely be approved but the future of the bill in Senate is in question.



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Meanwhile, Sens. Cory Gardner (R-CO) and Elizabeth Warren (D-MA) introduced a bill that would limit prosecution of cannabis businesses that are legal under state law. Known as the STATES bill, Gardner contends that his bill goes further than the SAFE act because it would fix the banking side and the taxation side as well. Gardner announced that he had President Trump's commitment to sign the bill if it got to his desk...and therein lies the rub. Will Senate Majority Leader McConnell (R-KY) and Judiciary Committee Chairman Lindsey Graham (R-SC) allow the bill to get to the Senate floor? Gardner is also up for re-election next year and his seat might be one that the Republicans need to retain to keep their majority in the Senate. Passage of this bill would be popular in Colorado – can the GOP Senators who might be opposed to the bill look the other way to help maintain their Senate majority?

BA IS APPLE PAY COMING FOR YOUR MEMBERS? - The technology landscape is drastically changing, directly impacting the way members view and interact with credit unions. With the rise in popularity of payment transfer networks like Venmo, Zelle and Apple along with the increase in online banking, whoever pioneers the payment space over the next few years can become a leader in the next chapter of digital technology. Credit unions can be at the forefront of this movement but there is a small window of time to be able to both capitalize on a growing market and service needs rather than adopt a patch-work of solutions.

There is an opportunity for your credit union to provide valued feedback in the early-stage development of an innovative social-payment platform that will be tailored to service internal, member and community driven needs. If your credit union is interested in registering as a Beta tester to evaluate and provide guidance, please email me at Geoff@bacinoassociates.com.

BA ELECTION 2020 – Rep. Tim Ryan (D-OH) became the 17th declared candidate for the Democratic presidential nomination and Rep. Eric Swalwell (D-CA) became the 18th candidate. Still waiting in the wings are former Virginia Governor Terry McAuliffe, Senator Michael Bennet (D-CO) and former VP Joe Biden. Key for the Democrats will be to avoid the circular firing squad that former President Obama warned them about recently. Losing sight of the desired final outcome could lead the Democrats to swipe defeat from the jaws of victory.

BA A WELL-DESERVED REST – Long-time Friend of the Report (FOR), Mendell Thompson recently announced his retirement after over 40 years at America's Christian Credit Union. I remember playing golf at a NASCUS meeting with Mendell during a driving rainstorm. I figured that God would never think of letting lightning strike a guy like Mendell who has done so much for others.

ELEPHANTS? IN THIS ROOM? – Be sure to register for the upcoming Elephant in the Room conference. We're going to tackle the topics that others like to avoid...if you don't leave this meeting upset about something, then we haven't done our job. Go to elephantconference.com to make sure that you are part of this historic conference.



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