



Kansas Department of Credit Unions

KDCU Newsletter

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JUNE 10, 2010

Current Topics Questions and Answers

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Kansas Department of Credit Unions

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Why is the Kansas Department of Credit Unions (KDCU) moving their office?

The owner of the building where KDCU has been located for several years would not make changes to comply with requirements of the **Americans with Disabilities Act**. Kansas government's policy is to comply with ADA requirements.

In June, 2010 you will be notified of our move on **June 21st** by e-mail and postcard. The new address is:

109 S.W. 9th Street, Suite 610

Topeka, Kansas 66612

(785) 296-3021

E-mail: kdcuoffice@kdcu.ks.gov

KDCU's telephone, e-mail and web address will remain unchanged. KDCU examiner e-mail addresses are on our web site at www.kansas.gov/kdcu/.

The new office space is on the sixth floor of a century old building that has been completely renovated. Covered parking is available across the street. Our rent will actually be less than we are currently paying. We will be four blocks closer to the Capitol Building and close to other state offices such as the Attorney General's office and the Department of Administration from which we receive services.

Generally we will incur few additional expenses for the of-

fice relocation.

Will the move increase the cost of KDCU's assessment to credit unions?

KDCU is funded entirely by a yearly assessment established by the Administrator after consultation with the Credit Union Council. The assessment is based on credit union assets as of 12/31/2009 and will decrease in 2010 for most credit unions. The decrease is due to the strong asset growth in 2009 of 12.44% and judicious management.

Credit unions will receive the bill for their assessment in late June 2010.

Can I visit KDCU's office?

You are welcome and encouraged to visit our office. Office hours are Monday through Friday 8 a.m. to 5 p.m.

Why did KDCU hire additional examiners when credit unions are consolidating (merging)?

While credit unions continue to consolidate, total assets are growing, membership is increasing and loan products, investments and regulations continue to become more complex.

KDCU for the past four years has had a vacant examiner position. Instead of filling examiner positions, retired examiners have worked part time. In 2009 a retired examiner decided to not continue working as an examiner. Another examiner resigned. Jesse Pounds and Lori Miller were hired in March and May 2010. Both are beginning the formal class

room didactic education interspersed by on-the-job training that will continue for one year or more.

Why did the Administrator amend K.A.R. 121-10-1 Definitions for Annual Audit Requirements?

The 2009 Kansas Legislature amended statutes changing the credentialing requirements for public accounts (K.S.A. 1-322). The Definitions section of KDCU's audit regulations was amended to comply with the changed credentialing requirements. Independent certified public accountants and those employed by an accountant's firm located out of state can now audit Kansas credit unions if the accountant holds a valid permit to practice issued by a state board of accountancy and the firm is registered with the Kansas Board of Accountancy.

KDCU audit regulations can be located at www.kansas.gov/kdcu/.

Later in 2010 KDCU will review and update the *Supervisory Committee Annual Audit and Internal Control Checklist*. Suggestions for changes or additions to the checklist can be submitted to the Administrator at john.smith@kdcu.ks.gov.

Bulletins Issued

2010-KDCU-CUB-1 Fourth Quarter 2009 Call Report Statistics

2010-KDCU-CUB-2 First Quarter 2010 Call Report Statistics

Administrator's Remarks

The 2010 Legislature made no changes to our budget request. KDCU will operate in FY2011 with similar funding provided for FY2010.

Proposed Kansas Legislation

SB 230 would establish a department of financial institutions combining the Department of Credit Unions, Office of the Securities Commissioner and the State Bank Commissioner. The bill was introduced in 2009. The bill is now dead in its present form.

HB 2724 would establish a department of banks and credit unions combining the Department of Credit Unions and the Office of the State Bank Commissioner. The

bill was introduced on March 1, 2010. The bill is now dead in its present form.

Public Hearing

A public hearing to receive comments on a change to K.A.R. 121-10-1 was held at 10 a.m. May 5, 2010 in the Kansas Department of Credit Unions conference room, Suite B, American Home Life Insurance Company Building, 400 South Kansas Avenue, Topeka. K.A.R. 121-10-1 defines terms for audit requirements required for credit unions by KDCU. The change of the rule will allow independent certified public accountants who hold a valid permit to practice issued by a state board of accountancy to audit Kansas credit unions. The change of the rule complies

with K.S.A. 1-322 amended by the 2009 Kansas Legislature.

No comments were received during the comment period or at the public hearing.

June 30 Call Report Cycle

The due date for the 6/30/2010 call report is **Friday, July 23, 2010**. A reminder, each call report cycle, credit unions must go into their Profile on-line and make any changes necessary and certify these changes before completing the call report. Even if no changes to the Profile are necessary, the Profile must be certified **before** completing the call report. During the 3/31/2010 call report cycle, there continued to be different information on the Profile for CUSO activities than shown on

the call report. Please double check and ensure the information on the call report and the Profile match. After the credit union's 2010 annual meeting, credit unions should go into the Profile and update any changes to the Board of Directors and Committee Members. This replaces the need to complete an electronic copy or paper copy of NCUA's Report of Officials. However, credit unions are still required to furnish the Kansas Department of Credit Unions with a copy of the 2010 Roster of Credit Union Officials and Oath of Directors & Committee Members that was sent to your credit union earlier.

CREDIT UNION COUNCIL MEETS

The Credit Union Advisory Council met on June 10, 2010. Council members attending were Lee Williams, Gilbert Benton, Denise Bonner, Carol Malecki, Sue Henke and Jim Holt. Guests were Jerel Wright, Dylan Deer and Larry Eisenhower.

The Administrator updated the Council on recent staffing changes and examiner training. The proposed credit union fee schedule effective July 1, 2010 was presented to the Council for discussion.

The Council received several reports:

- ◆ KDCU financial reports.

- ◆ Kansas credit union condition report.

- ◆ Changes in credit union bylaws, articles of incorporation, credit union mergers and approval of new branch locations.

- ◆ Frequency of examinations report.

- ◆ Legislation considered by the 2009 Kansas legislature.

- ◆ Update on status of relocation of the KDCU Topeka office.

The Council discussed the corporate credit union stabilization program and the NCUSIF assessment to credit unions.

The Kansas Credit Union Association reported on recent regulatory issues and

legislation.

Kansas Corporate Credit Union reported on recent events in the corporate credit union system.

The next meeting of the Credit Union Advisory Council is scheduled for Thursday, September 23, 2010.

Credit union members and officials are invited and encouraged to attend Council meetings. The Council meeting notice and agenda are posted on the department's web site at www.kansas.gov/kdcu/.

Kansas Department of Credit Unions Staff

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