



# Kansas Department of Credit Unions

## KDCU Newsletter

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DECEMBER 1, 2011

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### Kansas Department of Credit Unions

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## 2011 Report - Kansas Department of Credit Unions

*The Newsletter's lead article is a report of actions taken by the Administrator, KDCU. The information in these reports is provided to the Credit Union Council and discussed at their quarterly meetings. At our quarterly examiner meetings similar reports are also discussed. Contact the Administrator if you have questions concerning these reports or actions.*

### New Credit Unions Chartered

No new credit unions were chartered in 2011. No new applications are in process. The last new credit union was chartered in 2005.

### Credit Union Condition Reports

Quarterly the Council reviews the condition of Kansas credit unions as measured by aggregate CAMEL ratings assigned as of the date of the Council meeting. CAMEL ratings assigned to individual credit unions are confidential and are never disclosed to the Council. What is disclosed is the aggregate CAMEL rating by 1 through 5 and a comparison of these ratings from the six years. Historically CAMEL aggregate ratings do not vary greatly. As of December 1, 2011 there were 15 credit unions rated a CAMEL 1 (19%), 51 rated a CAMEL 2 (63%), 13 rated a CAMEL 3

(16%), 1 rated a CAMEL 4 (1%) and 1 rated a CAMEL 5 (1%).

### Administrative Orders Issued during 2011

Administrative orders were issued prohibiting three individuals from participation in any manner in the conduct of the affairs of any credit union under the jurisdiction of the Credit Union Administrator of the State of Kansas.

Administrative orders for corrective action were issued to two credit unions.

An administrative consent order to cease and desist, to take corrective action, and to appoint a conservator for a credit union was issued.

Administrative orders were issued terminating two credit union employees from employment at a credit union.

### Bylaw Amendments Approved

Amendment to the field of membership to Hutchinson News Credit Union.

Amendment to the field of membership of Tri-County Credit Union.

### Credit Union Branches Approved

Dillon Credit Union and

Hutchinson Credit Union.

### Complete Set of Bylaws Approved

Quest Credit Union

### Credit Union Mergers Approved

No mergers were completed in 2011. Two mergers are in process.

### Credit Unions on Monthly Reporting

Credit unions on monthly reporting send reports required by the assigned examiner to the KDCU office. These reports are reviewed and a copy is forwarded to the KDCU examiner so they can monitor the credit union on a monthly basis.

As of December 1, 2011 there were seventeen credit unions reporting monthly to the Topeka office. The number reporting remains fairly constant as examinations are completed and examiners assign or remove credit unions from the reporting requirement.

### Credit Union Examinations

Approximately 25% of credit union examinations in 2011 were joint examinations with NCUA examiners participation. The determination of which credit unions are to be jointly examined in 2012 by KDCU and NCUA are made at the end of 2011 by a meeting and discussion between KDCU and NCUA. KDCU examiners will always be in-charge of a joint examination.

We expect about 25% of credit unions will be jointly examined in 2012. The KDCU examiner will notify the credit union before the examination if the exam will be jointly conducted.

## Administrator's Remarks

### New Financial Examiner

Amanda Martin began employment on November 28. Amanda's education includes a MBA degree from Southwestern College. Amanda has eleven years of financial institution experience as a teller, and in the audit and compliance areas. She will be examining in the Wichita area. Kansas credit unions please welcome Amanda Martin

### Disclosure of CAMEL Ratings

At the Joint Conference the Examiner holds with the Board of Directors and senior management following the examination CAMEL ratings, both component and aggregate and risk ratings for the

seven risk areas are disclosed and discussed.

If the examination is joint with NCUA participating, both NCUA CAMEL and KDCU CAMEL ratings will be disclosed. This is a recent change in NCUA policy. Credit unions are encouraged to discuss the CAMEL and risk ratings during the Joint Conference.

### Credit Union Survey Results

With calendar year 2011 a survey questioning credit unions about the effectiveness of the annual examination is sent with the examination report. As of November 29, 66 surveys were sent with 38 (68%) returned.

Credit unions have scored KDCU as 'strongly agree' in nine of the eleven statements regarding the examination quality, effectiveness,

and the examination report.

Credit unions are encouraged to complete the examination survey. Credit unions need not provide their name on the survey although only one credit union has submitted a survey report without their name.

### December 31, 2011 Call Report Cycle

The next call report cycle will be here before we know it. The deadline for credit unions to have their 12/31/11 call reports completed on Credit Union Online is Friday, January 20, 2012.

Included in the call report mailing the last week of December will be the 2012 Roster of Credit Union Officials and Oath of Directors and Committee Members. These forms are to be completed after your an-

nual meeting in 2012 and a copy returned to our office.

Call reports and supporting documentation not submitted by this date may be subject to a fine of \$50 for each day the report is late per K.S.A. 17-2206(a).

### Bulletins Issued

Two Bulletins were issued since the last Newsletter. Bulletins are on KDCU's web site at [www.kansas.gov/kdcu/](http://www.kansas.gov/kdcu/).

### Comments and Suggestions

The Administrator welcomes comments and suggestions submitted by e-mail, letter or telephone.

**The KDCU staff wishes everyone a pleasant holiday season.**

## CREDIT UNION COUNCIL MEETS

The Credit Union Advisory Council met on December 1, 2011. Council members attending were Bob Corwin, Garth Strand, John Beverlin, Gilbert Benton and Jim Holt. Guests attending were Larry Eisenhauer, Kansas Corporate Credit Union, and Haley DaVee. Kansas Credit Union Association. KDCU staff present were Jenny Rezac, John P. Smith and Michael Baugh.

The Council received several reports:

- ◆ KDCU financial reports.
- ◆ Kansas credit union condition report.
- ◆ Changes in credit union bylaws, articles of incorporation, credit union mergers, administrative actions, number of credit unions on monthly reporting, frequency of examinations, and new

branches approved.

The Administrator discussed with the Council the possibility of requesting the 2012 legislature removal of private share insurance statutes from Kansas credit union statutes.

The Council discussed the effect the closure of Boeing Wichita facilities might have on credit unions.

The Council asked the Chairman and the Administrator to investigate holding Council meeting by conference call.

Larry Eisenhauer reported on the activities of the Kansas Corporate Credit Union and the proposed merger with

Treasure State Corporate Credit Union

Haley DaVee reported on the current KCUA activities. The Legislative Day for KCUA in Topeka will be Tuesday, February 7, 2012

The next meeting of the Credit Union Advisory Council is scheduled for Thursday, March 8, 2012 at the KDCU office in Topeka.

Council meetings are public meetings open to credit unions and the public. Meeting notice and agenda are on the KDCU web site at [www.kansas.gov/kdcu/](http://www.kansas.gov/kdcu/).

### Kansas Department of Credit Unions Staff

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