

**REGULAR STATE CREDIT UNION BOARD MEETING
HELD BY CONFERENCE CALL
OFFICE OF THE COMMISSIONER
DEPARTMENT OF FINANCIAL INSTITUTIONS
2000 SCHAFFER STREET, SUITE G
BISMARCK, NORTH DAKOTA**

December 4, 2015

The regular meeting of the State Credit Union Board was called to order by Chairman Entringer in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota, at 9:30 a.m., Friday, December 4, 2015, by conference call.

MEMBERS PRESENT: Robert J. Entringer, Chairman (*Office*)
Paul Brucker, Member (*Office*)
George Economon, Member (*Fargo*)
Melanie Stillwell, Member (*Williston*)
Steve Tonneson, Member (*Minot*)

MEMBERS ABSENT: None

ALSO PRESENT: Aaron Webb, Secretary (*Office*)
Suzette Richardson, Administrative Staff Officer (*Office*)
Jan Murtha, Assistant Attorney General (*Office*)
Corey Krebs, Chief Examiner – Credit Unions (*Office*)

APPROVAL OF MINUTES

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on September 17, 2015.

It was moved by Member Brucker, seconded by Member Stillwell, and unanimously carried to approve the minutes of the regular meeting held September 17, 2015, as presented.

ORDER – TOWN AND COUNTRY CREDIT UNION, MINOT – INCREASE INVESTMENT IN TOWN AND COUNTRY CUSO

Chairman Entringer indicated he has prepared a proposed Order for the Board's consideration regarding its September 17, 2015, approval of the request by Town and Country Credit Union, Minot, to increase its investment in T&C CUSO, Inc., from \$1.1 million to \$2.1 million. Chairman Entringer stated he notified Town and Country Credit Union the State Credit Union Board had approved their request; however, explained that they would receive a copy of the Order regarding this request when approved by the State Credit Union Board.

In response to Member Stillwell, Chairman Entringer agreed the language in the proposed Order needs to be corrected to indicate the investment increase should be from \$1.1 million to \$2.1 million.

It was moved by Member Tonneson, seconded by Member Economon, and unanimously carried, to approve the corrected Order Authorizing an Additional Investment in a Credit Union Service Organization for Insurance Products for Town and Country Credit Union, Minot, and that Chairman Entringer be authorized to sign the Order on behalf of the Board.

In response to Member Tonneson's question of whether Town and Country Credit Union has two CUSO's as indicated by the Secretary of State's Office, Chairman Entringer indicated he would make sure the Order is correct. Chairman Entringer continued that Town and Country Credit Union can offer both insurance products and real estate services under a CUSO, as real estate services is a permissible activity under the North Dakota Administrative Code so long as the appropriate state license is obtained from the Department. Chairman Entringer concluded he will not sign the Order if there are further discrepancies and the Board can reconsider it at its January 21, 2016, special meeting.

CREDIT UNION BUDGET UPDATE

Chairman Entringer reviewed with the Board the Organizational Status by Summary Account and Source for the month ending October 31, 2015. Chairman Entringer pointed out the carryover was higher than projected.

FTE POSITION

Chairman Entringer informed the Board the FTE position which was approved during the 2015 Legislative Session has been filled. Chairman Entringer indicated Dave Hatton, a current NCUA examiner, has accepted the position and brings significant experience; however, the salary is higher than initially projected by the Department. Chairman Entringer concluded the Mr. Hatton will begin employment on December 30, 2015.

Member Brucker suggested the Department notify the industry of Mr. Hatton's employment.

MEETING DATES FOR 2016

Chairman Entringer indicated the proposed meeting dates for 2016 would be March 4, June 3, September 2, and December 2, 2015.

Due to conflicts, the 2016 meeting dates were set for March 15, June 3, September 9, and December 2.

NCUA OVERHEAD TRANSFER RATE

Member Brucker commented that the NCUA overhead transfer rate has again increased, which puts more burden onto state-chartered credit unions than federally-chartered credit unions, as the equality of assessments worsens. Chairman Entringer indicated that NASCUS believes the overhead transfer rate should be treated as a rule and published for comment. Chairman Entringer stated this topic will be addressed in the Department's December Newsletter to credit unions.

EXECUTIVE LEADERSHIP OF CYBER SECURITY

In response to Member Tonneson, Chairman Entringer indicated the cyber-security training program offered by the Conference of State Bank Supervisors has been scheduled to be held in Bismarck on May 11, 2016. Chairman Entringer noted that invites will be sent out in early February, and that fees for State Credit Union Board members will be waived.

In response to Member Tonneson, Chairman Entringer indicated he will consider whether to also invite national banks and federally-chartered credit unions.

The Board went into closed session at 9:55 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1, and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2, and returned to open session at 10:30 a.m.

FTE POSITION

Member Tonneson congratulated the Department on hiring Dave Hatton in the credit union division.

APPROVAL OF EXECUTIVE SESSION MINUTES

It was moved by Member Brucker, seconded by Member Tonneson, and unanimously carried to approve the executive session minutes of the regular meeting held on September 17, 2015, as presented.

The meeting adjourned at 10:33 a.m.

Robert J. Entringer, Chairman

Aaron Webb, Secretary