

MINUTES OF THE MEETING
OF THE STATE CREDIT UNION BOARD

November 14, 2006

First item in order of business: The Credit Union Board meeting was called to order at 10:00 a.m. pursuant to the agenda which was posted for public display prior to 10:00 a.m. on November 13, 2006. Notice of the meeting was also made available to the Secretary of State pursuant to title 25 O.S. §311 (the Open Meeting Act). The meeting was held in the conference room of the Oklahoma State Banking Department, Oklahoma City, Oklahoma with Mick Thompson, Banking Commissioner presiding.

Second item: Roll call - the following members were present:

Floyd Atha
Richard Forshee
Steve Rasmussen
Chairman Thompson

Les Rector was absent.

The Chairman declared a quorum present.

Also present from the Department: Dudley Gilbert, Legal Counsel; Kandace Natale, Credit Union Examiner; and Angela Morris, Executive Secretary.

Third item: Approval of the Minutes of the meeting held May 23, 2006.

Chairman Thompson: Asked for any changes or additions to the minutes from the Board.

Member Forshee: Made a motion to accept the minutes as written.

Member Atha: Seconded the motion.

Minutes were approved as follows:

Floyd Atha: voted yes
Richard Forshee: voted yes
Steve Rasmussen: voted yes
Mick Thompson: voted yes

Fourth item: Commissioner's Reports:

Department Status Report

The Commissioner reported on the status of the Department's new building, to be located at 28th and Lincoln Blvd. He showed the architect's plans to the board members. The front of the building will be 28 feet tall with brick and the granite/stone matching the Capitol. The front will feature a flag plaza. Board members viewed samples of the carpet, flooring, paint and tile for the new building.

The building will be paid for out of the Department reserve funds, because the agency is self-funded. Once we move into the new building, we will not have to pay a monthly lease. Money will be saved and put back into the reserve fund because we will no longer be paying a lease for our office space.

We would like to be in the new building by this time next year. On November 16, 2006, our agency will be turning 99 years old. The Banking Department may be the only state agency that will be 100 years old at the time of the Oklahoma Centennial.

Forshee asked: when we would begin breaking ground on the new building.

The Commissioner replied: We would like to begin in about three months. The building is approximately 8000 square feet. It will have three extra examiner's offices, one extra clerical and one professional office to account for long term expansion. The firm we are using is TAP Architects, who designed the Bombing Memorial.

We are working closely with the Governor's Office as this is the first project under the Renaissance Project.

Examination Report

Bank examinations completed during October 2006 include two federal reserve banks and one non-member bank. Also completed were two cemetery examinations, one asset review, one trust company, and one credit union examination.

Examinations already in process as of October 31,2006 include three banks, two cemeteries, one trust department and two credit unions.

One of our examiners attended the Money Transmitter Regulatory Conference this month.

Commissioner Thompson: asked Examiner Natale if credit union exams are current.

Kandace Natale replied that they are.

The Legislative Report

Dudley Gilbert stated that he had met with representatives of the Oklahoma Credit Union League regarding its requests for legislative changes. He also stated that he has been working on rules to implement the money transmitter legislation passed in April.

Fifth Item: Consideration of the request by Municipal employees Credit Union, Oklahoma City, Oklahoma to amend Articles IX and XIV-A of its bylaws, pursuant to Title 6 O.S. §2006 (7) O.A.C. 180:10-1-7.

Dudley Gilbert stated that one of the changes is based on SB 946 that took effect last year and increased the loan amount threshold when board approval is required. Another bylaw change is to increase the nominating committee from 20 to 50. It appears that everything is in order with the application.

Floyd Atha: Made a motion to approve the request.

Steve Rasmussen: Seconded the motion.

Floyd Atha: voted yes
Steve Rasmussen: voted yes
Mick Thompson: voted yes

Richard Forshee: abstained

Sixth item: Consideration and prescription of the rate of credit union assessments for Oklahoma chartered credit unions existing as of December 31, 2006, calculated on institution assets as of December 31, 2006, pursuant to title 6 O.S. § 2001.2 and O.A.C. 180:10-1-14.

The Commissioner reported that the growth of state chartered credit unions in years 2002-03 was 6.3%, 2003-04 was 4.56%, and 2004-05 was 1.27%. Average overall growth during this time was 4.04%.

Commissioner Thompson then distributed copies of the assessment recommendation from the Department. He recommended that the assessments not be increased. He reminded the Board that last year it had set a tiered system at 15 cents per \$1,000 for those credit unions with assets under \$35 million and 19 cents per \$1,000 for those credit unions with assets of \$35 million or more. The Commissioner then suggested that assessment rates be set at 15 cents per \$1,000 for credit unions with less than \$35 million in assets and for those with \$35 million or more in assets, that the assessment rate be reduced from 19 cents to 18 cents per \$1,000. He stated that this would be a 5.26% reduction. He stated that such a reduction confirms his conclusions that when the Department became self-funded, it could operate more efficiently and reduce assessments.

Floyd Atha: asked about the level of employee numbers.

Commissioner Thompson: replied that we could take on 2-3 more credit unions without increasing examination staff. The credit union examiners are able to work with BSA examiners on banks also when the need arises at the present time.

Commissioner Thompson also stated that we predict a 4 to 5% growth this year.

Steve Rasmussen: Made a motion to assess state-chartered credit unions at a rate of 15 cents per \$1,000 of assets for credit unions with less than \$35 million in assets, and a rate of 18 cents per \$1,000 of assets for credit unions with \$35 million or more in assets.

Floyd Atha: Seconded the motion.

Floyd Atha: voted yes
Richard Forshee: voted yes
Steve Rasmussen: voted yes
Mick Thompson: voted yes

Seventh item: New Business

There was no new business brought before the Credit Union Board.

Eighth Item: Adjournment

Steve Rasmussen made a motion to adjourn.

Richard Forshee seconded the motion.

Member Atha: voted yes
Member Forshee: voted yes
Member Rasmussen: voted yes
Chairman Thompson: voted yes

The meeting was adjourned at 10:26 a.m.

Floyd Atha

Richard Forshee

Steve Rasmussen

Mick Thompson