



# THE CREDIT UNION REFLECTION

## Highlights

- ☛ Y2K Comes in like a Lion,  
Goes out like a Kitten
- ☛ Select Employee Group  
Approval down in the 4<sup>th</sup> Quarter
- ☛ Credit Union Merger

## Inside

- ☛ Dates to Remember
- ☛ New Examination Procedures

# Y2K COMES IN LIKE A LION GOES OUT LIKE A KITTEN

*Y2K COMES IN LIKE A LION  
GOES OUT LIKE A KITTEN*

With great anticipation the great year 2000 rollover has now come and gone. Virginia's state-chartered credit unions survived the hype with barely a hitch. Some have questioned the wisdom of spending all that time and money on a relative "non-event." The response is that if the resources had not been spent, a Y2K catastrophe could very well have occurred. The effort was worth it because in the end it worked! With Y2K now a historical event, most people would like to forget about it (along with all those other history lessons). Nevertheless, there still remain a couple of Y2K related dates that credit unions should be aware of. The year 2000 being a "leap year" the next check date is February 29, 2000.

**SELECT EMPLOYEE GROUP APPROVALS**  
**DOWN IN THE 4<sup>TH</sup> QUARTER**

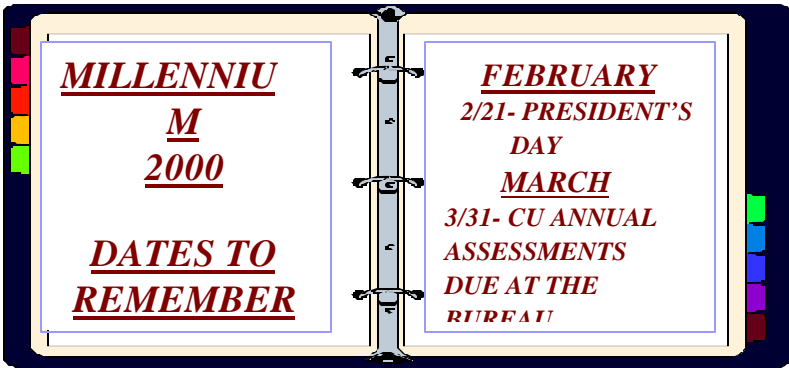
During the fourth quarter of 1999 the Bureau received and published in the Weekly Information Bulletin eleven Request for Field of Membership Expansion forms from four credit unions. After surviving the 15 day comment period with no public comment, eight of these requests were approved, and three were outstanding at the end of the year. Seven requests outstanding at the end of the third quarter were also approved. A total of 1,349 new potential credit union members were thus approved in the fourth quarter. This figure is down from the 4,900 approved in the third quarter. The average group size in the fourth quarter was 90.

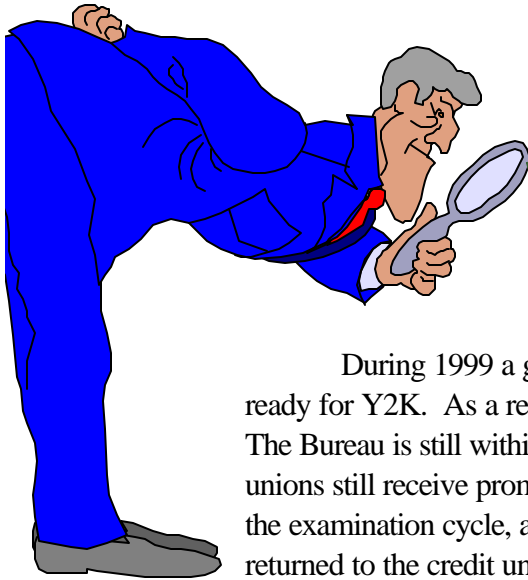
The biggest field of membership expansion request during the quarter actually did not involve a multiple group credit union. Virginia United Methodist Conference Credit Union requested a change of its field of membership to a single group united by the “common bond of association among those who belong to the Virginia Annual Conference of the United Methodist Church.” Other definitions qualifying who belongs to the Virginia Annual Conference effectively adds members of United Methodist Churches in Virginia to the credit union’s field of membership. The credit union’s potential membership would increase from about 6,000 to about 220,000. This request was approved in the first quarter of 2000.



During the fourth quarter two of our oldest state-chartered credit unions merged. Federal Employees Credit Union of Petersburg was chartered in 1924. In recent years this credit union suffered from a number of problems including several managerial changes. Assets declined from over \$2.4 million in 1993 to less than one-half that figure when the credit union merged with The Richmond Postal Credit Union in the fourth quarter. The Richmond Postal Credit Union is our oldest state-chartered credit union, having opened for business in 1923.

The merger was a natural “fit” since both credit unions serve postal workers, and there was actually some overlap in the fields of membership. While we lost one of oldest credit union charters, its members now receive many more services and products that were not previously available to them.





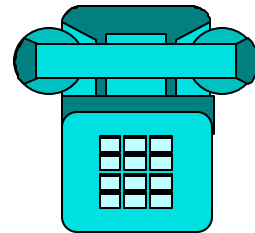
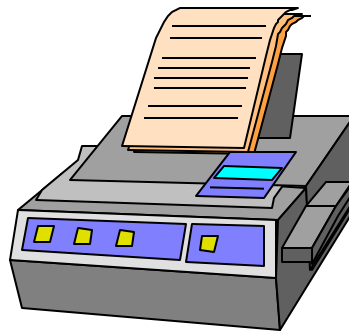
# NEW EXAMINATION PROCEDURES

During 1999 a good amount of time was expended on making sure credit unions would be ready for Y2K. As a result, the examination cycle rose to eighteen months and more in some cases. The Bureau is still within its statutory mandate for examining credit unions, and problem case credit unions still receive prompt and constant attention. However, during 2000 the Bureau plans on reducing the examination cycle, as well as the time between completion of an examination and the report being returned to the credit union.

Beginning in the fourth quarter of 1999 credit union examiners started doing “streamlined” examinations. A number of report pages were eliminated. With only a few problems encountered in an examination the report will be as much as 40% “lite-r.” Examiners are also reducing narrative content to be concise, “to the point,” and clear. They also will address only the most important problems and leave minor problems to be dealt with later. Time spent on examinations is thus reduced, and disruption to daily credit union operations should be minimized. The Bureau expects that as the year 2000 unfolds, examiners will do more exams, reduce the exam cycle, and produce cost efficiencies for everyone.

## “Important Numbers”

**FAX**  
**804-371-9416**



George H. Latham, Deputy Commissioner..... 804-371-9698

Internet e-mail: [glatham@scc.state.va.us](mailto:glatham@scc.state.va.us)

Jeanette J. Sanders, Principal Office Technician .....804-371-9267

Internet e-mail: [jsanders@scc.state.va.us](mailto:jsanders@scc.state.va.us)

Nicholas C. Kyrus, Deputy Commissioner .....804-371-9690

Corporate Structure and Research

Internet e-mail: [nkyrus@scc.state.va.us](mailto:nkyrus@scc.state.va.us)

(applications or notices for mergers, relocations, name changes, and branch openings and closings)



**CONTACT US AT OUR WEBSITE**

**[www.state.va.us/scc division/banking](http://www.state.va.us/scc%20division/banking)**

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
BUREAU OF FINANCIAL INSTITUTIONS  
POST OFFICE BOX 640  
RICHMOND VA 23218-0640

**IMPORTANT  
INFORMATION  
INSIDE**