

**Statement of Richard T. Metsger
Nominee for Board Member
National Credit Union Administration**

**Nominations Hearing before the Senate Committee on
Banking, Housing, and Urban Affairs**

June 27, 2013

Chairman Johnson, Senator Crapo, and Members of the Committee, thank you very much for the opportunity to appear before you today as a nominee for the National Credit Union Administration Board. I would also like to thank my former legislative colleague, Senator Merkley, for his kind introduction.

It was an honor to serve with you Senator in the state legislature. The legacy of your thoughtful leadership continues to reverberate through the halls of the Oregon State Capitol.

While she could not travel here to join us today, my mother was also very pleased when I told her about my nomination to serve on the NCUA Board. She is watching today's proceedings online.

It is indeed an honor and privilege to be nominated for this critical role. If confirmed, I will do everything within my power to fulfill the trust placed in me by the President and the Congress to ensure both the integrity and the continued safety and soundness of our nation's credit union system in a rapidly changing marketplace.

Maintaining a safe and sound credit union system requires visionary, attentive and proactive leadership by those charged with regulating federally insured credit unions. In my view, the qualities inherent in serving successfully in this position include experience in considering competing viewpoints, effective communication skills, and the wisdom to act prudently and decisively when action is required. I believe that, if confirmed, I will bring those qualities to the NCUA Board.

Over the last three decades, I have dedicated my professional life to analyzing, exploring and creating solutions to public policy issues that affect people from all walks of life.

As an Oregon State Senator from 1999 to 2011, I focused on business, finance and transportation policy. I believe each of these issues is integral to fostering an economic climate that provides individuals an opportunity to obtain financial stability in their own lives.

As Chairman of a state legislative committee charged with hearing most legislation involving the financial services industry in Oregon, I gained valuable experience, and I hope wisdom, in weighing varied viewpoints, testing assumptions and acting in a manner that effectively balanced consumer needs with the needs of the industries that served them to produce good public policy.

During my legislative career, I also served as one of the five appointed members representing both the public and private sectors on the Oregon State Debt Policy Advisory Commission. The

Commission provides guidance to the legislature on prudent and risk-based management of the state's long-term debt obligations.

My private sector experience consists of leading a strategic communications and policy firm. I was energized by working with private sector clients who had a focus on job creation and improving the financial health of citizens across the economic spectrum.

Earlier in my career, I spent 16 years as a broadcast journalist. My "old school" news director, Ted Bryant, drilled into his staff, including me, that accuracy, relevance and fairness are the cornerstones of responsible reporting. They are also the foundation of effective regulating.

Additionally, as a small business owner, I have worked with both individual credit unions and a regional credit union association. These experiences have allowed me to better understand the perspectives of the regulated community and the importance of clear, open and ongoing communication between the regulator and the institutions it oversees.

My first credit union experience was as a 19-year-old paying my way through college by working as a night custodian at a local elementary school. I found myself eligible to join Portland Teachers Credit Union and that credit union gave me a \$350 loan to purchase my first car. Twenty years later, I was privileged to be elected by the members to the board of directors of that very same credit union. During my eight years on this board, I served in a time of extensive membership and asset growth.

A changing regulatory environment and evolving compliance requirements accompanied that growth. Through this experience, I saw the importance of visionary, expert and effective leadership in guiding a credit union. I also worked to position the credit union's executive team to better serve the needs of the credit union's growing membership while maintaining the membership's and the public's trust as a safe and sound, not-for-profit consumer financial cooperative.

My credit union policy background has only strengthened my ability to critically examine and thoughtfully consider the arguments by all stakeholders before deciding on any regulatory course of action. With safety and soundness in mind, I am committed to using the best available information to reach the right regulatory result and will do so by carefully testing stakeholder advocates and NCUA staff on issues that come before the Board, if confirmed.

These collective life and work experiences have further given me a strong understanding of the role credit unions play in our nation's financial system, the significance of credit unions to their members, and the importance of maintaining safety and soundness. If confirmed, my experiences would also inform the independent judgments and sometimes difficult decisions that I would need to make on the NCUA Board.

I firmly believe a regulatory agency should strive to be its own best critic. To that end, NCUA already has a solid policy in place to re-evaluate a third of its rules and regulations every year. I can assure you that, if confirmed, this will not be merely a mechanical exercise for me. I will approach this rolling review with diligence and with the aim of updating, simplifying, eliminating and clarifying existing rules to ensure that they are effective, but not excessive, consistent with safety and soundness.

Today's financial services industry, including credit unions, is more diverse and sophisticated than ever, and it is growing more complex every day. A large portion of our nation is dominated by small communities that rely on the services of equally small credit unions and community banks as their economic lifeblood. Not only have I been a board member of Oregon's largest state-chartered credit union, I have also been a member of one of the smallest credit unions in the state. If confirmed, I will add a fresh set of eyes to policies old and new to reflect that diversity.

Of utmost importance is the continued protection of the Share Insurance Fund, which protects credit union member deposits up to \$250,000. Because the fund is capitalized by member credit unions themselves, it is in the best interest of member credit unions to have a strong, forward-looking regulator, committed to protecting the fund from losses. The safety and soundness of the credit union is "job one" of the regulator. It goes to the very core of consumers trust and confidence. That must not be compromised. If confirmed, I will be vigilant in this regard.

Our nation's credit unions have weathered the past five years of unprecedented financial challenges extremely well. This is due in large part to the dedicated efforts and innovative management of Chairman Matz, Board Member Fryzel and previous board members, along with the team of NCUA professionals who strive diligently and effectively to navigate those challenges to protect and ensure a strong federally insured credit union system depended upon by almost 95 million Americans.

If confirmed, my vision is for NCUA to be recognized as an agency that manages its own fiscal house well, proposes regulatory action that is effectively targeted to achieve the desired outcome without placing unnecessary burden on the credit unions themselves and, above all, maintains the confidence and trust the American public places in their local credit union.

Thank you again for the invitation to appear. I am happy to answer any questions you may have.
