

WHY LISTEN TO A SPEECH FROM FOUR DECADES AGO? BECAUSE ED'S OBSERVATIONS ARE NOT ONLY TIMELY, BUT TIMELESS. TIMELY, BECAUSE THEY SPEAK TO ISSUES WE FACE TODAY. TIMELESS, BECAUSE SIMPLY, HIS WORDS STILL INSPIRE. ED'S PASSION AND LOGIC CAPTURE A TRANSFORMATIVE ERA. THIS SAME OPPORTUNITY EXISTS TODAY.

LISTEN. BE MOTIVATED. SHARE THE EXCITEMENT THAT COMES FROM LEADING CHANGE.



# FINISH THE JOB

by

Ed Callahan, Chairman  
National Credit Union  
Administration

at

CUNA's Governmental  
Affairs Conference  
February 8, 1984

- At this annual event, the NCUA chair describes the state of the industry.
  - Two years earlier, in 1982, Ed's focus was to respond to the widespread concern about credit union survival, given double digit inflation and unemployment—now those economic challenges were being addressed with the new policy of deregulation.
  - Ed defined this as putting the responsibility for basic business decisions with the managers and boards, not the regulator or government.
- This speech is a status report on the outcome of this radical policy change since 1982. Some points to listen for:
  - His description of the “state of the industry” and why it is, in his one word, “fantastic.”
  - How credit unions are now fulfilling visions of the founders from 50 (FCU act) and 75 years earlier (we've come full cycle).
  - NCUA's regulatory makeover—a half dozen fundamental changes rebutting the charge that the new policy is “competition in laxity.”
  - What it will take to “finish the job” begun two years ago.
- The most memorable part may be Ed's words: his passion, directness, transparency and compelling logic... but listen especially for the rouser at the end—remember Ed was a former football coach; this is his exhortation to the team, to **go finish the job**.

## FINISH THE JOB

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- This was an historical turning point, a new opportunity to fulfill the original vision (Ed might have even called it a new beginning, a full cycle).
- The example of mutual respect showing the cooperative model of regulator and credit unions at its most effective. Listen for some of these phrases or points:
  - “I’m accused of being an advocate ‘Ambassador of Deregulation.’”
  - “An open, honest discourse.”
  - “Do the numbers. If you have a better way, please share it.”
- What happened next:
  - Congress approved the restructuring of the NCUSIF after the model of the private insurers with a 1% deposit, funded in January 1985.
  - The NCUSIF was the single most successful Federal fund until 2009.
  - Both FDIC and FSLIC went bankrupt, not once but twice and were bailed out by the federal government.

The transition to deregulation was a radical one. The 75-year-old business model was being disrupted by the marketplace.

The credit unions embraced it fully, quickly and never looked back. Banks and S&Ls struggled, with the latter industry merged into the banking sector in the mid 1990s.

From assigned markets – with all major pricing, product and delivery options specified by government rule and reg – to complete open competition, credit unions were the big winners. Understanding why this happened and the “arch stone” provided by the NCUSIF is critical to an understanding how the cooperative industry transitioned in this enormously disruptive event.

