

# BEING AN INFORMED FIDUCIARY

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# INDEPENDENT FIDUCIARY ADMINISTRATOR FOR 75 YEARS

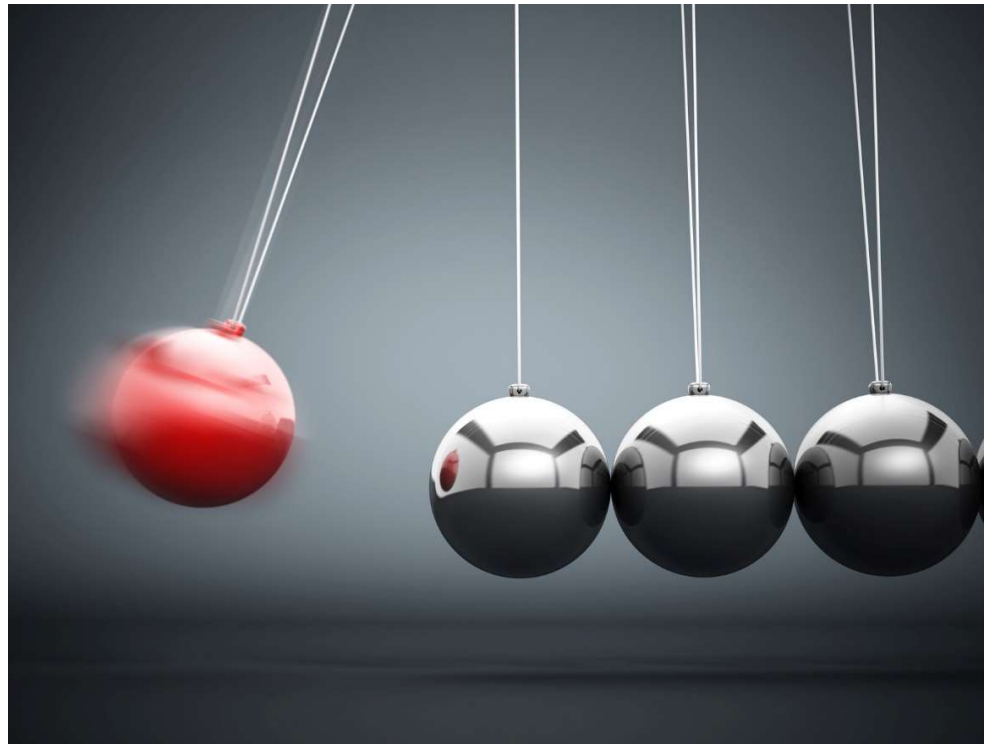


Founded as a not-for-profit cooperative in 1943 to serve as the principal fiduciary of the Federal Home Loan Banks' pension system.

**One of the largest, most experienced 3(16) administrators in the U.S.**



# BIG CHANGES IN THE FIDUCIARY LANDSCAPE



# CUSOS ARE DIRECTLY AFFECTED



- 2010 Dodd-Frank
- 2016 DOL fiduciary rules
- 2018 DOL rules overturned
- June 5 2019, SEC “best interest”
- December 2019, new DOL rules?
- Ongoing state law activity
- Retirement plan laws
- THE STORY IS STILL DEVELOPING

# THE FIGHT ABOUT INTEREST-BEARING ACCOUNTS



- The 2016 DOL rules raised the question of whether banks and credit unions might enter into fiduciary status even with respect to interest-based products like CDs within IRAs
- The industry fought for a continued interpretation that these accounts were exempt, but the issue was never fully decided.



# CREDIT UNION BOARD MEMBERS ARE FIDUCIARIES



# RETIREMENT PLAN LAWSUITS



# FIDUCIARY ADMINISTRATION GONE AWRY





# THE ERA OF REGULATORY SCRUTINY



# THE SEVEN UNIVERSAL FIDUCIARY PRINCIPLES

- Loyalty
- Prudence
- Proper handling of conflicts of interest
- Effective disclosure
- Reasonable costs and compensation
- Administration and recordkeeping
- Safekeeping



## **Set Yourself Up to Win:**

- 1. Professional fiduciaries for your retirement plan**
- 2. Credit union employees are well-informed about which duties apply**
- 3. Follow universal fiduciary principles as a business model and you cannot go wrong**

THANK YOU!

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