

DELAWARE CREDIT UNION LEAGUE

Together

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HEADLINE NEWS

Delaware Gets Its First Student-Run Credit Union Branch

Monday, November 9, 2009, marked a milestone in Delaware and for Louviers Federal Credit Union. Working in partnership with the Business Technology Department of Newark High School, Louviers has opened a student-run credit union branch for on-campus students, staff, and faculty at the Newark school.

Phil Heckman, director of youth programs for the Credit Union National Association (CUNA), acknowledged the accomplishment by stating: "Congratulations! Yours is the first reported in-school credit union branch in Delaware."

The branch, operated by six Newark High School students and supervised by Louviers marketing coordinator Faith Simpers, is open Monday, Wednesday and Friday from 10:30 a.m. until 12:30 p.m.

On Wednesday, December 9, Louviers FCU held a formal ribbon cutting. Included in the group of 30 attending the grand opening ceremonies were the school principal, teachers, and credit union staff and board members.



Front row (l. to r.): Vance Funk, Newark mayor; Curtis Bedford, Newark High School principal; Carol Arnold, Louviers board chair; Jim Everhart, Jr., Louviers president/CEO; Chris Marchak, New Castle County Chamber of Commerce. Back row: Calvin Cain, chair of the Business Technology Department of Newark High School; and Kristin Gamgort, business instructor and credit union branch liaison

IRS Releases 2010 Mileage Rate

The Internal Revenue Service issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago. The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

New Homebuyers' Credit Extended

A new law that went into effect November 6 extends the first-time homebuyer credit five months and expands the eligibility requirements for purchasers. The *Worker, Homeownership, and Business Assistance Act of 2009* extends the deadline for qualifying home purchases from November 30, 2009, to April 30, 2010. Additionally, if a buyer enters into a binding contract by April 30, 2010, the buyer has until June 30, 2010, to settle on the purchase. The maximum credit amount remains at \$8,000 for a first-time homebuyer – that is, a buyer who has not owned a primary residence during the three years up to the date of purchase.



*The League office will close at noon on
Thursday, December 24 and December 31.
The office will be closed on Friday, December 25 and January 1.*

NCUA NOTES

CU Should Assess Impact of Fed Reg CC Amendments

The National Credit Union Administration (NCUA) has urged federally insured credit unions to assess the impact that the Federal Reserve's recent amendment to its Regulation CC could have on their funds availability policies and schedules.

These credit unions should also notify their members of the changes, if required to do so, the NCUA added. However, the NCUA said that the Fed amendments should not impose an "additional burden" on credit unions.

The Fed recently amended its routing number guide to next-day availability and local checks in Regulation CC to reflect recent changes in the Fed's check processing operations and transferral of its check processing operations from other Federal Reserve offices to the Federal Reserve Bank of Cleveland.

As a result of this change, some checks will now become "local" and subject to faster availability schedules. Credit unions should:

- Review your funds availability policy;
- Determine if any additional changes need to be made (moving from delayed policy to a next day policy);
- Update your initial funds availability disclosure;
- Send change notices to consumer account owners of transaction accounts within 30 days after the effective date of the change for a change that makes funds available sooner or, if you are making other changes to your policy, at least 30 days prior to the effective date for a change that further delays the availability of funds; and
- Update your lobby posters.

A copy of Regulatory Alert 09-RA-13 can be found on NCUA's website:

<http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2009/09-RA-14.docx>.

NCUA Supervisory Letter Provides Guidance on CU Earnings Reviews

In a recently published NCUA supervisory letter, Office of Examination and Insurance Director Melinda Love said that "examiners must evaluate each credit union's earnings level relative to net worth needs, financial and operational risk exposures, the current economic climate, and the institution's strategic plans," when reviewing the adequacy of credit union earnings. In the letter Love also recommended that NCUA staff "continue to utilize a balanced approach in assessing earnings," as there is "no simple metric for determining what an individual credit union's earnings level should be." For the full NCUA release, use the resource link: <http://www.ncua.gov/Resources/Letters/09-CU-23.pdf>.

New CAMEL 3 Reports Aimed at Preventing Troubles

While the National Credit Union Administration (NCUA) has long monitored the status of CAMEL Code 4/5 credit unions, the agency is taking a closer look at CAMEL Code 3 credit unions with the recent addition of a CAMEL Code 3 slide to its monthly report on National Credit Union Share Insurance Fund (NCUSIF) and Temporary Corporate Credit Union Stabilization Fund (TCCUSF) statistics. The CAMEL Code rating system, employed by the NCUA, is meant to gauge the overall financial condition of credit unions.

New Trigger Points for Additional Home Mortgage Disclosures

The Federal Reserve Board published its annual adjustment of the dollar amount of fees that trigger additional disclosure requirements under Section 32 of the Regulation Z, Truth in Lending, for home mortgage loans that bear interest rates or fees above a certain amount. NCUA's Regulatory Alert 09-RA-13 explains the new threshold.

Effective January 1, 2010, the minimum threshold for total fees and points will decrease from \$583 to \$579. This adjustment does not affect the new rules for "higher-priced mortgage loans" adopted by the FRB in July 2008. If the total points and fees exceed the greater of \$579, or 8% of the loan amount, Section 32 of Regulation Z requires lenders to provide borrowers additional disclosures. Credit insurance premiums for insurance written in connection with the credit transaction are fees for the purpose of this computation. For the complete document, click on the link below.

<http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2009/09-RA-13.docx>.

COMPLIANCE REVIEW

CUNA Publishes Final Rule Analysis on Reg E

The Credit Union National Association (CUNA) has analyzed a final rule by the Federal Reserve Board (FRB) that would require consumers' affirmative consent (opt-in) before institutions could charge overdraft fees for ATM and one-time debit card transactions. CUNA's analysis is at http://www.cuna.org/reg_advocacy/member/analysis/fed_113009.html.

The opt-in right applies to all account holders, including existing ones. However, before opting-in, the consumer must be given a notice explaining the overdraft service, including fees and the consumer's choices. The final rule also includes a model notice that is to be used. Financial institutions cannot require the opt-in as a condition for paying overdrafts for checks or other transactions, and consumers who do not opt-in must be provided with the same type of account that is provided to those who do opt-in. Consumers will have an ongoing right to revoke the consent.

The final rules will be effective as of January 19, 2010, and compliance will be mandatory as of July 1, 2010. However, fees may be assessed until August 15, 2010, on accounts that were opened before July 1, 2010, regardless of whether the consumer has opted-in to the overdraft plan.

Technical Changes to the FACT Act "Red Flags" Starts January 1

The Federal Trade Commission has made several technical corrections to the identity theft "red flags" and address discrepancy final rules. These include a clarification that address discrepancy notices need only be provided by nationwide consumer reporting agencies.

The agency made the following two corrections to the affiliate marketing rules:

1. A model form that allows consumers to voluntarily opt-out of marketing by businesses and their affiliates was amended by inserting language in brackets that allows businesses to disclose the duration of any opt-out period.
2. An additional provision in the instructions to the model forms to clarify that a person may add a disclosure to the forms that explains the treatment of opt-outs by joint consumers.

FTC Extends Red Flags Rule

The Federal Trade Commission has extended enforcement deadline for identify theft Red Flags rule until June 1, 2010. The FTC continues to offer guidance on Red Flags issue and has a materials posted on dedicated web site. To learn more, go to <http://ftc.gov/redflagsrule>.

Gambling Enforcement Rule Pushed Back to June 1

Just days before the compliance date rolled around – and months after urgings to delay implementation of the Unlawful Internet Gambling Enforcement Act (UIGEA) – the Federal Reserve and U.S. Department of Treasury announced they were pushing back the law's December 1 compliance date.

The new compliance date is June 1, 2010, for the rules requiring credit unions and other financial institutions to establish and implement policies and procedures to identify and block restricted Internet gambling transactions or rely on those procedures established by the payments system.

Mid-Atlantic Corporate's 2008 Audited Financials on Website

Mid-Atlantic Corporate Federal Credit Union's 2008 audited financials have been posted to corporate's website. All members will receive a hard copy in the mail in the next few weeks. To view the full financials, go to www.midatlanticcorp.org and select the link under "Latest News" on the right-hand side of the screen. The financials can also be viewed on the "Documents" page in Zephyr® under the "Financials" header.

New Booklet Helps Members in Tough Times

CUNA Center for Personal Finance has added a new "survival guide" so credit unions can assist members through tough economic times. The Fundamentals of Personal Finance booklet – *Your Survival Guide for Tough Times* – can help members weather the tough economy, according to CUNA. The 32-page survival guide helps members take control of their finances, cut costs, protect their homes from scammers, and work toward securing their financial futures. To order, go to <http://buy.cuna.org/detail.php?sku=28941>.

DELAWARE NOTES

Sussex County FCU announces the formation of the Sussex County FCU Foundation, a charitable foundation organized for the purpose of supporting disadvantaged children and their families in Sussex County. The foundation's mission is geared to help individual children in need of food, clothing, medical aid, etc. The foundation has partnered with several Sussex County middle schools to provide support where needed.

In addition to providing support to individual children and families in need, the foundation is committed to supporting programs aimed at improving the lives of disadvantaged children including food banks, camp programs, school supply programs, and financial education programs.

The foundation raises funds through donations, events, and dues of \$10 per year. Membership is open to anyone interested in the mission of the Foundation. To join, you may email them at Foundation@sussexfcu.com.

Newport Site Employees FCU has begun using Mid-Atlantic Corporate's MY CU® Services' Electronic Bill Payment.

Positions Available

- **Indirect Auto Loan Officer** – Credit union is seeking an indirect loan officer. Reporting directly to the lending and collections manager, this position is responsible for maintaining auto dealer relationships and executing the indirect underwriting process. Candidates must have 3 years indirect lending experience.
- **Part Time Collections Clerk** – Credit union is seeking a part-time collections clerk to act as liaison between internal and external collectors and other collection representatives. Previous experience in collections and knowledge of collection procedures is required. MWF 8:30 a.m.-5 p.m.

For both positions, send a resume with cover letter and salary requirements to: HR Manager, DEXSTA Federal Credit Union, 300 Foulk Rd., Suite 100, Wilmington, DE 19803 or email to hrmanager@dexsta.com. EOE

EDUCATIONAL OPPORTUNITIES

January QuickBites Teleconferences

One-hour sessions run from 11 a.m.-noon:

- 1/07 Interpreting Credit Reports for Sales Opportunities
- 1/14 Robbery Prevention and Response Strategies
- 1/21 Creating ROI with Generation X & Y
- 1/26 Website Compliance

This two-hour session runs from 11 a.m.-1 p.m.

- 1/12 Reg CC – Check Availability and Holds

The fee for the one-hour sessions is \$99; the two-hour session fee is \$169. The deadline to register with Bernadette Hines: one week before the session.

January Webcasts

- 1/06/10 Dealing with Power of Attorney & Living Trust Documents
- 1/13/10 Top 10 Reasons Your Member May Not Be Fully Insured by NCUSIF
- 1/14/10 Suspicious Activity Reports (SARs)
- 1/20/10 Mortgage Lending Compliance
- 1/27/10 New ACH Authorization & Return Rules (effective date March 19, 2010)

The webcasts are 90 minutes. The \$189 registration fee is for EITHER the “live” webcast or the recorded CD-ROM of the complete session. When registering, you must indicate your preference. The \$219 registration fee covers both the “live session” and the CD-ROM recording. CD-ROMS will be mailed via First Class USPS by our network provider directly to the registrant within 10 business days of the “live” session date. CD-ROMS include the handouts and the speaker’s original visual presentation synchronized with the audio recording of the live session. “Live” webcast registrants will receive handouts and login instructions 3 days prior to the session via e-mail.

Plan Ahead in 2010

- CEO Summit – Jan. 17-20, Key Biscayne, FL
- Credit Union Bowl – Feb. 5, 7-10 p.m., New Castle – Bowlerama
- DCUL Annual Meeting and Trade Show, April 29-May 1, Clarion, Ocean City, MD
- Volunteer Leadership Conference – Oct. 22-24, Clarion, Ocean City, MD

At Your Service
At Your Service

League Activities in November - December

DCUL NOTICES: RESPONSE NEEDED

☑ **The Notice of Election of League Directors.** The Notice of Election of League Directors was mailed to all member credit union managers the first week of December. There are three 3-year terms to be filled in 2010. Each credit union board of directors may nominate one (1) eligible person as a candidate for the League Board of Directors. Nominations must be made in writing and be accompanied by a brief written biography. These documents must be received in the League office by 4:30 p.m., March 1, 2010. There will be no nominations from the floor during the annual business meeting on May 1, 2010.

☑ **Submission of Proposed Amendments to the Constitution and Bylaws.** The request for amendments to the *Constitution and Bylaws* of The Delaware Credit Union League was also mailed to credit union managers the first week in December. All proposed amendments must be submitted to the League Board of Directors, in care of the League office, no later than January 1, 2010.

☑ **2010 League Membership Dues.** Invoices for the 2010 League membership dues were mailed to managers in November. Submission of membership dues is due to the League by January 31, 2010.

GOVERNMENTAL AFFAIRS

Delaware Credit Unions Join Nationwide Hike the Hill. More than 600 people from credit unions and leagues across the country visited with House and Senate legislators and key staff members December 9-10 in Washington, DC. Delaware was very well represented. Joining League president Patrick Mahaney to deliver credit union views on key issues were Maurice Dawkins and Jack Cable of American Spirit FCU; Duke Strosser of Del-One; David Clendaniel, Bobby Naftzinger, Anne Swierc, and Becky Lyons of Dover FCU; and Allen Riley of Sussex County FCU. They were able to talk directly with Senator Kaufman, Senator Carper, and Congressman Castle and their respective aides.

Delaware's representatives joined those from other states in discussing such issues as interchange, overdraft protection programs, the proposed Consumer Financial Protection Agency, and credit union business lending. The overriding message for legislators from the more than 600 credit union advocates was that efforts by Congress to address the wrongdoings and actions that led us into the current economy are well-intended but have unintended negative effects on credit unions and their members. Delaware's credit unions weren't part of the cause of the downturned economy, are working to assist consumers in trying times, and shouldn't be harmed by legislation intended to prevent a repeat of what happened. The Hill visits were timed to coincide with Congressional voting on key financial regulatory reform issues.

League president Pat Mahaney commented on the impact of the visits, *"We were able to meet with all of our elected officials in our most recent Hill visits. This gave our credit union representatives valuable face time with these members, but even more valuable was the hour-long conversation with the appropriate staff in each of their offices. The discussion covered all the aspects important to credit unions but with a concentration on the most critical legislation at hand. I was left with the impression that each of the offices agreed that we did not cause the situation, and we are being unintentionally lumped in with the entire industry."* [Picture on next page]



Meeting with Congressman Mike Castle: (left to right) Becky Lyons, Allen Riley, Maurice Dawkins, Pat Mahaney, Congressman Castle, Anne Swierc, Duke Strosser, and David Clendaniel

Interchange Postcard Campaign – A Note from CUNA’s Political Advocacy Staff. Thanks to all of you who have participated in CUNA’s grassroots Interchange Postcard Campaign. Your efforts have made a tremendous impact in the Senate. If you have postcards remaining at your credit union, please continue to send them to your Senators Kaufman and Carper. These postcards have hit the Hill at an opportune time – right when the GAO Report was released. Thus far CUNA has distributed 320,000 postcards to leagues (260,000 from our initial printing and about 60,000 from the second.) The Delaware League distributed about 2,000 of these cards to our credit unions.

LEAGUE SERVICES

Invest in America Adds Two New Programs. Two new programs have been added to the Invest in America program: CU Benefits Express and CompleteTax.

CU Benefits Express is a monthly subscription discount service. Members pay a monthly fee and receive access to numerous discount programs. The medical program offers members access to many medical related programs and is for members with little or no insurance. The lifestyle program offers discounts on dining and recreational activities, as well as LifeLock ID Theft protection. For about the same price a member would normally pay for LifeLock, they also gain access to all the other programs – what a deal!

CompleteTax offers on-line tax preparation and e-filing services similar to TurboTax but at a fraction of the price. In fact, CompleteTax is powered by the same software used by most CPA’s and tax professionals.

For complete information on all the discounts the Invest in America program offers, go to www.lovemycrreditunion.org.

NASCAR Discounts Offered to Delaware Credit Union Members. The Delaware Credit Union League and Dover International Speedway have partnered to give our member credit unions the opportunity to pass along a **special NASCAR offer to your members**. The NASCAR offer includes discounts on ticket packages and race day tours that are not available to the general public. By extending this offer to your members, you will be providing them with an extra benefit to their membership in your credit union. Contact Jane Bailey, jane@dcul.org, for more information.

COMMUNICATIONS/PUBLIC RELATIONS

Delaware League News and Risk Alerts. In November, the League emailed 16 news alerts. The majority dealt with the economy and corporate reform. There was also a legislative action alert regarding overdraft protection. Three risk alerts distributed in November gave information on safe holiday shopping, social networks targeted by ID thieves, and fraudulent text messaging.

EDUCATION

New Education Offerings and Redesigned Meetings Calendar. The Delaware Credit Union League is proud to offer access to a series of web-based education seminars in 2010. We have partnered with Financial Education and Development, Inc., to offer this training to our credit unions. These affordable, convenient offerings will cover key topics for credit union staff. We will also continue to partner with the Illinois League to offer the QuickBites teleconferences and with the NorthLegal law firm to provide a series of webinars on specific bankruptcy issues.

Seminar descriptions and registration forms will be forwarded monthly to each credit union and their branch personnel. In addition, the League's bi-weekly "meetings reminder" has been redesigned for easier reference to these new programs. The calendar included with this week's manager/CEO mailing contains a list of 2010 January education sessions. The information will be divided into two sections:

- Live Training & Networking Opportunities and
- Distance Learning Opportunities.

The League will continue to provide information on the back of this same calendar regarding conferences and webinars hosted by CUNA, CUNA Mutual, and Mid-Atlantic Corporate.

November Education Sessions

Date	Title		# Individuals	# CUs
11/04/09	Human Resource Council "Background Checks"	Christine Kenney	9	7
11/05/09	Small CU Roundtable		11	6
11/12/09	Medium CU Roundtable		11	4
11/18/09	Large CU Roundtable		18	8
11/18/09	IRA Essentials	Ascencus	12	6
11/19/09	IRA Advanced	Ascencus	20	7
	Distance Learning			
11/17/09	Detecting Scams	Teleconference	5	2
11/19/09	Credit Reporting Disputes	NorthLegal Webinar	4	4
11/24/09	ALM w/o the Model	Mid-Atlantic Conf Call	4	4

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