



HEADLINE NEWS

President Signs CARD Act Fix

President Obama has signed into law H.R. 3606, the *CARD Act Technical Corrections Act*, which fixes the law so that the 21-day notice period will apply only to credit cards rather than to open-end credit in general.

The credit card fix is one of the most important pieces of legislation for credit unions to come out of Congress this year. As you know, credit unions had been scrambling to meet the law's provisions on open-end loans – even though the law was never meant to cover those loans.

The Credit Union National Association worked closely with lawmakers and their staffs warning that the drafting mistake would prevent CUs from granting biweekly payment plans to their members, from sending members consolidated billing statements, and would force CUs to change payment due dates for members that had previously chosen due dates based on their specific financial circumstance.

The President also signed legislation extending the \$8,000 first-time homebuyer tax credit that was set to expire at the end of the month. That bill also creates a new \$6,500 tax credit for current homeowners who purchase a new home between December 1, 2009 and April 30, 2010.

Use the resource link below for comprehensive compliance information about "un-complying" with the 21-day requirement now that the fix has been enacted (as published in CUNA's *News Now*): <http://cuna.org/newsnow/archive/list.php?date=103009#43346>.

League Dues Proposal Voted Down

The League held a special meeting on October 30 to discuss a proposal that would increase League membership dues CAP for 2010 and 2011. The rejected proposal also featured an increase in the per-member fee assessed each credit union.

At the meeting's end, a proposal was made for the League board to supply a strategic plan that could be presented at a breakout at the League's annual meeting in April.

CUNA Mutual Warns CUs about Loan Fraud in the New Economy

The downsides to a struggling economy continue to challenge credit unions as they work to maintain strong bottom lines while serving their members. But some of those challenges can be greatly minimized through diligent oversight and safeguarding against fraud, according to Mark McDuffie, Risk Manager at CUNA Mutual Group.

McDuffie identified mortgage fraud, loan fraud through employee dishonesty, and indirect lending fraud as the most common. "Desperate financial times are ripe for new fraud schemes. It's critically

important to be aware of these schemes and do what's necessary to prevent them from happening at your credit union."

To substantiate his warning, McDuffie cited bond loss figures reported by CUMIS Insurance Society showing an increase in claims and dollar amounts between 2004 and 2008.

"Employee fraud, which is typically loan fraud, is becoming more common as others lose their jobs," McDuffie said. "One person in the household loses their job, and they almost immediately go into delinquency on their debt. In desperate times, people resort to desperate measures. And if they're working in a credit union and they know how their particular systems work, they look for ways to scam the system for financial gain."

McDuffie urged the audience to have sufficient controls in place that increase the risk of being detected and, ultimately, discourage employees from taking the risk.

Mortgage fraud is also increasing as a result of current economic conditions, said McDuffie, as more and more homeowners find themselves over-mortgaged and unemployed.

As fraudsters become more sophisticated, credit unions need to be more vigilant in their prevention and detection procedures, said McDuffie, to avoid becoming the next victim.

COMPLIANCE RECAP

NCUA: Premium Assessment Bills in the Mail

The National Credit Union Administration (NCUA) has confirmed that the bill will be in the mail to credit unions the week of November 16 for the 2009 National Credit Union Share Insurance Fund (NCUSIF) premium assessment of 0.15% of insured shares.

The NCUA in September approved the 0.15% of insured shares assessment on federally insured credit unions to help raise the NCUSIF equity to 1.3% of June 30, 2009 shares and repay \$310 million in funds the Stabilization Fund has borrowed from the U.S. Treasury.

The assessment would also repay all interest accrued by the NCUSIF as of June 30. **Payment of the assessment will be due by mid-December.** The assessment will not include extra NCUSIF premiums or an additional special assessment.

Although it was anticipated that the NCUA would discuss at its October meeting a more finely honed prediction for next year's share insurance assessments than the 15-30 basis points currently being circulated, that discussion did not occur.

Shortly before that meeting, board member Gigi Hyland foreshadowed the board's decision by stating publicly that the NCUA could not predict the amount of the assessment in 2010 due to the unknown nature of future expenses, share growth, investment yields and resolution costs.

One concern about stating too narrow an estimate is the accounting repercussions such an action could have. The NCUA staff is once again expected to make a presentation before the board at the November 19 open meeting. How this is presented will be of great interest because, some observers note, if the agency were to announce too precise a figure for the future premium assessment, accountants might require credit unions to book the costs this year.

Philly Fed Transfers Check-Processing Operations

On December 12, 2009, the Federal Reserve Banks will transfer the check-processing operations of the head office of the Federal Reserve Bank of Philadelphia to the head office of the Federal Reserve Bank of Cleveland. At that time, all checks will be considered local subject to a regular two-business day hold (unless an exception hold applies). As a result, it may be necessary for credit unions to revise their funds availability disclosures and notify their members within 30 days.

Credit unions must send this change in terms notice to members to communicate the changes to the funds availability disclosure. The notice may be in any form as long as it is clear and conspicuous.

To coincide with the effective date of the underlying check processing changes, the amendments are effective **December 12, 2009**.

For a copy of the Federal Reserve notice, go to:
<http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20091106a1.pdf>.

The League will also include sample revisions to funds availability disclosures in a future compliance mailing.

2010 New Webcast Distance Learning Opportunities

The Delaware 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 CUs. These affordable, convenient offerings will cover key topics – many compliance related – for your staff. The January webcasts are listed below. Look for information and registration details on individual webinars to be released about a month prior to the event. January webinars include:

- 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 March 19, 2010)

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.

The Delaware League will continue to offer Quickbite teleconferences and NorthLegal training webinars throughout 2010.

CU SYSTEM NEWS

Louviers FCU First in State to Adopt DCUL Student Loan Program

Louviers FCU is the first Delaware credit union to adopt the student loan program, Custom Loan SourceSM, offered by the Delaware League through an alliance with Education Loan SourceTM (ELS). The credit union will be offering private student loans for K-12 through graduate school including law school, continuing education, and health care professions.

The Custom Loan SourceSM Program allows credit unions to develop their own customized student loan offering without the need for additional staff or resources – the program is completely supported by ELS and its affiliates. “This program offers credit unions a great way to provide a student loan product to their existing members, while attracting new members at the same time,” said Tracy Sniscak, Senior Vice President of Business Development, ELS. “Credit unions are stepping in to help finance education at a time when traditional lenders are backing away due to the current financial markets. I’m excited for the opportunity to work with Louviers FCU to provide student loan solutions to their members.”

Two Delaware CUs Participate in the School Challenge Program



This school year, **Louviers FCU** will join **Dover FCU** in supporting The Challenge Program, Inc., a non-profit organization that bridges the gap between high school students and their local business community by providing incentives for students to succeed while attending school.

In 2009, Dover FCU worked with three Delaware high schools: Lake Forest, Caesar Rodney, and Polytech. On October 6, 2009, Louviers FCU participated in The Challenge Program's orientation for Newark High School, which carried the theme, "Preparing Students to be Competitive in the Global Job Market."

Both credit unions will return in June to present monetary awards for the following categories: most improved in class, attendance, community service, and best overall grade point average. Teachers and school administrators determine who best deserves the award, per grade level, and then reports the results to The Challenge Program, Inc.

CEO Summit 2010 Program Features Service Excellence

The 2010 CEO Summit will be held January 17-20, at the Ritz-Carlton Key Biscayne in Key Biscayne, Florida. This annual conference is co-sponsored by Delaware, Maryland/DC, New Jersey, New York, Pennsylvania and West Virginia credit union trade associations.

Credit union leaders will find this year's conference full of valuable information and networking opportunities. Chip Filson is an engaging and thought-provoking speaker with terrific insight into the future of the credit union movement. And, we are delighted to be offering two sessions of training on the Ritz-Carlton service excellence program. Please note that we are encouraging CEOs who register to also bring their sales team members for the two days of the Ritz-Carlton training for a special price of \$450 per person.



The early bird registration fee is \$595 until December 4. Hotel reservations must be made by December 28. For more information, including brochures and registration forms, go to: <http://www.pcua.coop/Education/2010-CEO-Summit.aspx>

Local CU Trainer Appears in Statewide Publication



Dona Palermo, training coordinator for **Dover FCU**, shared her expertise with human resource professionals throughout the state when her article on multigenerational training was published in *HRTimes* – a magazine devoted to human resource issues and information. Appearing the 3rd Quarter 2009 issue, her article—“*Training Across Generations - Battle or Opportunity?*”—explained the changing demographics of today's workforce and the impact of that change on both training programs and the workplace, as well as the opportunities these changes create for trainers.

As the training coordinator for the largest credit union in Delaware, her ability to reach across generational divides has been highly successful. In addition to designing and implementing annual training strategies for more than 100 team members, Ms. Palermo works closely with other departments to provide customized training platforms as needed. She also administers the online learning program for all team members through the highly successful *University of Dover Federal Credit Union*.

DELAWARE NOTES

Our sympathies go out to Joel Romaine of **DPL FCU** on the death of his mother and to Brad Stewart, retired senior vice president and investment officer at Mid-Atlantic Corporate, on the death of his wife.

Congratulations to Recordo and Veronica Nhan-Nock, branch manager at **SEAFORD FCU**, on the recent birth of their son.



Steve Bellas

DOVER FCU announces that Stephen Bellas has accepted the position of Vice President of Finance/Chief Financial Officer. Mr. Bellas has over 20 years progressive experience in finance and accounting, most within the financial services industry. In addition to holding management responsibilities for the company's accounting and finance functions, Mr. Bellas serves on the Asset Liability Committee.

EAGLE ONE FCU highlighted International Credit Union Week by celebrating "Member Appreciation Days" at each branch office during the week of October 12th through the 16th. The week featured special rewards and prize drawings with the goal of showing the membership how much they are appreciated. In addition to the special membership promotions, Eagle One offered a special certificate yielding 7.5% for a one-year term, in honor of the Credit Union's upcoming 75th Anniversary. This membership drive will run through December 31st.

DEXSTA FCU is holding a food drive for the benefit of the Food Bank of Delaware now through December 18. The CU has collection bins in each of its branch locations and a rotating banner on its website where folks can link to the list of the Food Bank's most needed items.

Position Sought

CU Management. Individual with 26 years of CU experience seeks a position in CU management or business development. The candidate is knowledgeable in various aspects of CU operations, including financial management, lending and marketing. Ask for resume #11-08-09.

EDUCATIONAL OPPORTUNITIES

November/December QuickBites Teleconferences

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

- 11/19 Bank Secrecy Act
- 12/02 Solving Employment Disagreements
- 12/10 Reg Z and Truth in Lending Act
-

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

- 11/17 Detecting Scams
- 12/01 RESPA Update – New January 1, 2010, Law (Only this session runs from 2-4 p.m.)

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

Large Credit Union Roundtable – CUs over \$80M – November 18 at Festival Buffet Room B, Dover Downs. The roundtable begins at 5:30 p.m.

North Legal Webinar: Handling Credit Reporting Disputes – November 19 from 1-2 p.m. Cost: \$125. Enroll at the following website: www.culaw.com/webinars.asp.

November 18: IRA Basic Training

November 19: IRA Advanced Training

Both sessions run from 9 a.m.-4:30 p.m. at the League office. Fee is \$250. Participants should bring a hand-held calculator to either session.

Financial Management Council – December 10 from 10 a.m.-noon at the League office. Topic: Economic update provided by Bruce Six, SVP/CIO of Mid-Atlantic Corporate FCU. There is no fee for council members; non-member fee: \$100 per person. Register one week prior to the event.

Plan Ahead in 2010

- ☑ CEO Summit – January 17-20, Key Biscayne, FL
- ☑ Credit Union Bowl – February 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 – October 22-24, Clarion, Ocean City, MD



**League office closed
November 26 and 27
Happy Thanksgiving!**

At Your Service

League Activities in October

LEAGUE SERVICES

Delaware CUs Using New League Services. Welcome to the following credit unions for recently signing up for new League services:

- Delaware State Police FCU** – Shared Branching
- Louviers FCU** - Education Loan Source Student Loan Program
- DEXSTA FCU** – Education Loan Source Student Loan Program
- Sussex County FCU** - CUDL (Indirect Lending)
- American Spirit FCU** – CUDL (Indirect Lending)
- Delaware First FCU** – Sprint Discount Program
- Delaware Alliance FCU** – Sprint Discount Program
- Chestnut Run FCU** – DCUL Strategic Planning Service

If your credit union would like more information on these or any of the League's services, go to our website at <http://dcul.org/creditunions/services.htm> or contact Jane Bailey at (302) 322-9341 or email jane@dcul.org.

Asset-Size Roundtables: The League hosted asset-size roundtables in November beginning with the small assets (< \$20M) on November 5; the medium size (\$20M-\$80M) on November 12; and the large credit union (>\$80M) roundtable on November 18. One participant at the small credit union roundtable made the following observation: *“Being able to share ideas with others was very helpful. It also helped to know that others were experiencing some of the same challenges that we are experiencing.”*

Invest in America Update. Through September, credit union members nationwide have purchased close to 200,000 vehicles. There are 45 leagues and over 2,000 credit unions marketing the Invest in America program. Chrysler has rejoined the Invest in America program. From November 1 through 30, Chrysler will offer credit union members preferred pricing on all 2009 Chrysler, Jeep, Dodge and Ram Truck vehicles and a select number of 2010 vehicles. This discount is equal to **1% below factory invoice**. In addition, FTD has also joined the Invest in America family, providing credit union members with a **20% discount** on flowers and gifts, just in time for the holidays. For more information, go to http://www.lovemycreditunion.org/FTD_384.html.

Allpoint ATM System. Allpoint has expanded ATM search capability to Blackberry™ devices. This new application joins their already vast convenience package including a 24/7 Interactive Voice Response (IVR) system, iPhone™ and Android™ applications, GPS download functionality for Allpoint website search results, and a variety of locator enhancements. Currently 12 Delaware credit unions are participating in the Allpoint Network.

GOVERNMENTAL AFFAIRS

League Governmental Affairs Committee Meeting. The GAC met on November 3. Through the GAC Fund, the committee approved a contribution of \$1,000 to Credit Union House. Allen Riley agreed to serve another year as the committee's chair and Maurice Dawkins will serve as vice chair. The committee made plans for CUNA's Governmental Affairs Conference to be held on February 21-25, 2010, in Washington. The League has reserved eight rooms at the Garden Hilton hotel for Delaware attendees. The committee will also host a van for individuals who would like to go down for the Hike the Hill on February 24.

Project Zip Code. The League distributed the latest version of Project Zip Code to our credit unions in October. Currently five credit unions have reported running the program: Delaware Alliance, Delaware First, DEXSTA, Dover, and Wilmington Postal. Ten other credit unions have done so in earlier years. We are hoping all credit unions will rerun or run for the first time the 2009 version of the program.

Legislative Activity

- **Interchange Activity/Post Card Campaign.** CUNA continues to stride toward its goal of sending 250,000 interchange postcards to Senators in November. The Delaware League distributed the materials, which included interchange talking points and other communications materials aimed at educating credit union members on the interchange issue. The League also sent out an action alert to all credit unions, asking staff and members to send a message to our members in Congress urging them to oppose any legislation which would reduce interchange. Five credit unions have notified the League that they have sent comments: Del-One, Delaware Alliance, Dover, Seaford and Sussex County, in addition to League staff members. CUNA is currently reporting that Delaware has sent in over 273 messages, many through CapWiz, the email notification system. **The postcard campaign has been extended until November 17, so please continue to send the postcards to our members in Congress.**
- **CARD Act Update.** President Barack Obama has signed H.R. 3606, the CARD Act Technical Corrections Act. The legislation, which was approved by the House earlier last month, made its way through the Senate the last week of October. The bill, which corrects section 601 of the original Credit Card Accountability, Responsibility and Disclosure (CARD) Act, declares that a 21-day late-notice rule would not apply to open-end credit in general, but only to credit cards.

COMMUNICATIONS/PUBLIC RELATIONS

Delaware League News and Risk Alerts. In October, the League emailed 13 news alerts. The majority dealt with legislative issues (Card Act, interchange fees, consumer financial protection agency act), media attention, and Credit Union Day. There was also one risk alert distributed regarding social media scams.

EDUCATION

Volunteer Leadership Conference. The 13th Annual Leadership Conference attracted over 200 participants this year. Delaware had 84 registrants and 36 guests. MD/DC had 107 participants and 34 guests, making this one of the most successful years ever. This annual event featured an impressive list of speakers including CUNA President Dan Mica, NCUA Board member Gigi Hyland, and nationally recognized marketer Becky McCrary. Delaware had several credit unions that have increased their participation and three new credit unions were present: New Castle County School Employees, Wilmington Police and Fire, and Peninsula Methodist. The following board members attended the presentation and dinner with CUNA president/CEO Dan Mica: Cheryl Chilcutt, Kate Toner, and Allen Riley. League president Pat Mahaney presented one of the break-out sessions.

Elder Abuse Task Force Update. Bernadette Hines met with Deputy Attorney General Marsha White and representatives from the State Banking Commissioner's Office, State Adult Services, State Director of AARP and other local banks to review the proposed statute that would encourage financial institutions to voluntarily report elder exploitation without fear of liability. Discussion also included a protocol to support statewide training for financial institutions. The meeting was held on October 12.

October Education Sessions

Date	Title		# Individuals	# CUs
10/06/09	Mortgage Council (Appraisals)	CUMAnet	18	8
10/07/09	Strategies for CU Survival (small/mid-sized CUs)	Mark Smith	10	6
10/12/09	Elder Exploitation	Attorney General	1	1
10/14/09	Collection Council " eFiling Training w/ JP Court"	Mike Hemmig	13	10
10/14/09	Economic Update	Mid-Atlantic Conf call	3	3
10/22/09	Avoiding Holiday Delinquencies	Mid-Atlantic Conf call	4	2
10/23 -10/25	Volunteer Leadership Conference	Mica, Hyland and others	84	16
10/28/09	Lending Council	Education Loan Source	6	4

TOGETHER is published on the 15th and 30th of each month by the Delaware Credit Union League, 4 Quigley Boulevard, New Castle, DE 19720. Information to be published should be sent or phoned into the League no later than the Monday of the week preceding the publication date. Telephone: (302) 322-9341 or (800) 292-7875. This newsletter can also be found on the League website: www.dcul.org. Hard copies of the newsletter will be mailed to each credit union CEO/manager for distribution to those without computer access. Readers can receive a reminder when the newest edition is posted to the Web by emailing Editor Alice Smith (alice@dcul.org).