

Together

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HEADLINE NEWS

Urgent National "Hike the Hill" Called for December 9-10

The Credit Union National Association (CUNA), the Delaware Credit Union League and other state leagues are putting the wheels in motion to bring representatives to Washington during the critically important time just before Congress begins voting on key issues that will affect credit unions. "Whether it's overdraft protection, regulatory reform, systemic risk, or the many, many other issues it is tackling, Congress needs to hear from us: 'We didn't start the fire; don't penalize us for the financial meltdown,'" said CUNA President/CEO Dan Mica. (*CUNA News Now*, 11/19/09)

League president Patrick Mahaney is urging Delaware's credit union leaders to join him in the national Hike the Hill effort scheduled to take place on December 9 and 10. According to Mahaney, there will probably be legislative action in a number of areas of concern to your credit union before year's end: limits to card interchange, overdraft protection, and other issues. "The impact of most of this legislation makes it vital we put forth a decisive effort to be heard BEFORE any of these issues come up for vote."

At the time of the publication of this newsletter, the League had secured appointments with legislative aides in Congressman Castle's office (December 9 at 11:30 a.m.) and Senator Carper's office (December 10 at 2 p.m.). Currently the following credit unions have expressed an interest in going on the Hike the Hill: Delaware Alliance, Del-One, DEXSTA, Dover, and Sussex County.

If you are available to go to Washington on either of those days, please contact Alice Smith at alice@dcul.org before December 4. The League will arrange for transportation if needed.

The League has one room available in its block at the Hilton Garden Inn for CUNA's Governmental Affairs Conference February 21-25. Contact Alice Smith (alice@dcul.org) for more information no later than December 4.

NCUA Board Issues Corporate Reforms to Strengthen System

The NCUA Board at its November meeting unanimously issued a proposed rule to reform the corporate credit union system by establishing a comprehensive new framework for safety and soundness. The proposed reforms are intended to enhance NCUA regulatory oversight and address deficiencies in the current rule.

"The future of the corporate system, and the role the new regulatory framework plays in affecting that future, clearly have far-reaching implications," stated NCUA Chairman Debbie Matz. "Our main objective is to preserve service to 93 million credit union members by preventing the corporate issue from becoming a consumer issue."

"Given the critical role that corporates play in payment systems, liquidity, and investment services," Matz explained, "it is essential to properly limit the risks in which corporates can engage."

The revisions would strengthen four areas of corporate credit union regulation:

- Capital Standards – requiring retained earnings and prompt corrective action
- Asset/Liability Management – preventing mismatches and preserving liquidity
- Risk Concentration Limits – ensuring diverse investment pools and risk mitigation
- Governance – setting board qualifications and increasing transparency

Each reform would directly improve an aspect of current oversight critical to the proper functioning of the corporate system. Lack of adequate capital standards, insufficient asset/liability management tools, and unacceptable high-risk concentrations were problems identified by NCUA and stakeholders during development of the proposal.

Chairman Matz plans to host two more town hall meetings and another webinar during the upcoming 90-day comment period.

[COMPLIANCE RECAP](#)

Other NCUA Board Actions

Also during the November meeting, the NCUA Board released its 2010 budget and approved a new National Credit Union Share Insurance Fund premium and 1% deposit, and estimated that credit unions could be assessed between .05% and .15% to maintain the corporate stabilization fund in 2010.

FinCEN Amends Patriot Act Search Requirements

Certain foreign law enforcement authorities beginning in 2010 will be allowed to submit information requests on financial institutions through the 314(a) program after the Financial Crimes Enforcement Network (FinCEN) released a notice of proposed rulemaking (NPRM) on November 16, 2009.

New "EEO Is the Law" Poster Available

This new version reflects current federal employment discrimination law (including the *Americans with Disabilities Act Amendments Act of 2008*). The poster was revised to add information about the *Genetic Information Nondiscrimination Act of 2008*, which is effective **November 21, 2009**. The revised poster also includes updates from the Department of Labor.

Federal Regulators Issue Final Model Privacy Notice Form

Eight federal regulatory agencies, including the NCUA, recently released a final model privacy notice form that will make it easier for consumers to understand how financial institutions collect and share information about consumers. Under the *Gramm-Leach-Bliley Act*, institutions must notify consumers of their information-sharing practices and inform consumers of their right to opt out of certain sharing practices. The model form issued yesterday can be used by financial institutions to comply with these requirements. For a copy of the form and rule, go to http://www.ncua.gov/news/press_releases/2009/FinalGLBRuleforposting_11-13-09.pdf

Unlawful Internet Gambling Act (Regulation GG)

The U.S. Department of the Treasury and the Federal Reserve Board have issued a final rule to implement applicable provisions of the *Unlawful Internet Gambling Enforcement Act of 2006*. The final rule is effective **December 1, 2009**.

Compliance Alert: Fed Overdraft Rule Includes Opt-In Function

On November 12, 2009, the Federal Reserve Board announced final rules that prohibit financial institutions from charging consumers fees for

paying overdrafts on automated teller machine (ATM) and one-time debit card transactions, unless a consumer consents, or opts in, to the overdraft service for those types of transactions. The final rules, along with a model opt-in notice, are issued under Regulation E, which implements the *Electronic Fund Transfer Act*. The final rules are effective **July 1, 2010**. Here are the highlights of the rule.

- This rule applies to all financial institutions offering overdraft protection plans that cover overdrafts associated with ATM and one-time debit card transactions.
- The rule will require that consumers opt-in to the payment of overdrafts for ATM and one-time debit card transactions before fees may be assessed.
- Before the consumer opts-in, he or she must be given a notice that explains the overdraft services, the fees, and the consumer's right to opt-in. The rule provides a model notice.
- Consumers will then have an ongoing right to revoke this consent.
- This rule will apply to all consumers, including existing account holders.
- Financial institutions cannot require that a consumer opt-in to ATM and one-time debit card

overdrafts in exchange for having overdrafts paid on checks.

- Financial institutions must provide consumers who do not opt-in with the same account terms, conditions, and features that are provided to those who do opt-in.

A model opt-in notice can be found at

<http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20091112a3.pdf>.

DELAWARE CU NEWS

On Wednesday, October 28, **SUSSEX COUNTY FCU** branch manager Kathy Coffin and branch teller Debra Souder joined other volunteers from the business community and met with students of the Millsboro Middle School. The purpose of the meeting was to discuss their jobs. "WHAT IN THE WORLD?" is a career awareness program sponsored by the Delaware BIE Alliance to expose students to several different science, math, and technology careers. Kathy and Debra shared with small groups of seventh grade students about the math skills needed to keep a checking and savings account up to date as well skills used in their CU jobs.



Kathy Coffin (front) and Debra Souder with seventh grade students

Some came for the tricks, some came for the treats, but everyone had a lot of fun at the Claymont Community Center's 2009 Pumpkin Walk on October 31! **EAGLE ONE FCU** sponsored the one-mile walk, which featured residents and staff members parading through the streets of Claymont dressed in their Halloween costumes. The walk benefitted the Claymont Community Center.



On Saturday, November 14, **LOUVIERS FCU** hosted a reception for its members who live in Sussex County. The event was held at The Rookery in Milton, and 35 members, two board members and two staff members braved the Nor'easter aftermath to socialize and hear a brief presentation from President/CEO James Everhart, Jr., on the progress of the new building and new projects the credit union has accomplished over the past year.

Board chair Carol Arnold (on right) welcomes two members to the reception

DEL-ONE (Delaware FCU) was chosen as the best credit union in the News Journal's Readers' Choice '09 awards. Two other credit union finalists were **DEXSTA FCU** and **LOUVIERS FCU**.

LOUVIERS FCU participated in the 6th Annual Stockings for Soldiers – Delaware, Inc. Community Project. In conjunction with the Newark Rotary Club, LFCU members and staff helped collect all sorts of goodies and greeting cards and letters of support and friendship to be stuffed into stockings sewn and decorated by area volunteers, packed into boxes, and shipped to members of all branches of our military on the front lines in Iraq and Afghanistan. "Once again, we are in direct contact with platoon leaders who provide first names of soldiers in their units. The project goal this year is to ship a minimum of 6,000 stockings by the end of November," says Judy Travis, project coordinator.



AMERICAN SPIRIT FCU staff members share a five-pound Hershey chocolate bar given as a door prize at the recent Volunteer Leadership Conference. Left to right: Enrique Campbell, Marie Sawyer, Vanessa Sackes, Jennifer Harwig, Afiyfa Muhammad, Denita Boss, and Suzy Spaulding.

Shared Branching Network Expands In Delaware

Members of **DELAWARE STATE POLICE FCU** can now use other shared branching locations, as the credit union went live on the network on Monday, November 16. Delaware State Police has also opened its three branches in Delaware as outlets to service other credit union members that are part of the shared branching network. The three branches are located in each of the three counties in Delaware: New Castle, Kent, and Sussex Counties.

With this addition, the number of outlets in Delaware has doubled, and service has been expanded to the entire state. Prior to this, there were only three locations, all in New Castle County.

There are now six shared branching locations in Delaware and more than 3,858 nationwide.

The new locations are currently being added to the website, www.cuservicecenter.com.

For more information on how to become a part of shared branching, contact Jane Bailey (jane@dcu.org) at the League office.

DELAWARE NOTES

Roundtables Give Credit Unions a Chance to Share Ideas

The League's recent roundtables have become a great resource for credit unions of all sizes to come together and share ideas and network on specific topics directly affecting them. To help credit unions take advantage of these valuable idea-sharing opportunities, the League recently scheduled three roundtables for similar asset-size credit unions.

The small CU roundtable (CUs under \$20M in assets) was held on November 5. Topics included combating delinquencies, NCUA call report and examiner issues, collections, training for board and staff, and mergers that threaten the existence of small credit unions.

Meeting on November 12, credit unions in the \$20-80M asset range discussed business development in their efforts to grow their credit unions, the escalating cost of health care for employees, sponsor group down-sizing, and community outreach efforts. These credit unions also discussed NCUA examinations, lending issues, and the threat of mergers.

Large credit unions over \$80M in assets met on November 18. These credit unions shared ideas on modification of loans to reduce collections and delinquency and the increase in foreclosures and repossessed autos. They weighed in on corporate system restructuring and methods for increasing loans. This group also discussed the League's strategic plan for the future and the possibility of holding a joint annual meeting with another league.

All credit unions in attendance agreed to meet again in six months for another roundtable.

Positions Sought

- **CU Management.** Individual with 13 years of banking experience seeks CU position. Experience with branch operations, customer service, and credit lending management. Call the League and ask for resume#11-16-09.
- **Marketing.** Individual with 15 years of marketing experience, 6 in financial services, seeks a CU marketing position. Extensive experience in direct marketing in all media, including call centers and ROI. Resume # 11-18-09.

EDUCATIONAL OPPORTUNITIES

December QuickBites Teleconferences

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

- 12/02 Solving Employment Disagreements
- 12/10 Reg Z and Truth in Lending Act

This two-hour session runs from 2-4 p.m.

- 12/01 RESPA Update – New Jan. 1, 2010 Law

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.

Financial Management Council – December 10 from 10 a.m.-noon at the League office. Topic: Economic Update, Bruce Six, Mid-Atlantic Corp. There is no fee for council members; non-member fee: \$100 per person. **Regis. deadline: 12/3.**

Plan Ahead in 2010

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.

- 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

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