

Together

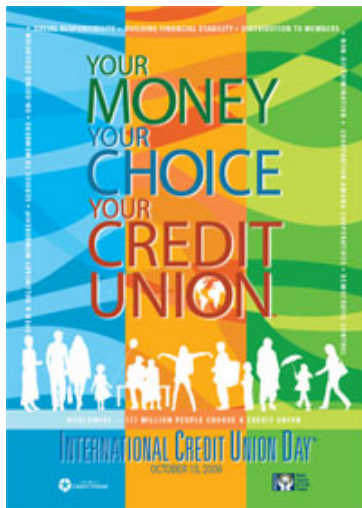
Volume 29, Number 18

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HEADLINE NEWS

Delaware Credit Unions Celebrate with Advertising Supplement

Credit unions in Delaware helped to celebrate Credit Union Week by publishing their eighth Credit Union Supplement in *The News Journal*, Delaware's statewide newspaper. The 16-page, full-color supplement was paid for with advertising from Delaware credit unions and was inserted in the October 15th *News Journal*.



Using the International Credit Union Day theme for its cover, the issue highlights the difference between banks and credit unions and directs consumers on how to find a credit union to join. Credit union member testimonials underscore the value of belonging to a credit union.

According to League communications director Alice Smith, "Most credit unions realize they need to tell the public who we are, to advertise credit union services, and to maintain visibility among members and potential members alike. The publication was underwritten by the advertisements of 11 credit unions and features a directory of all 28 credit unions in Delaware."

Over 120,000 copies of the supplement were printed and inserted into the paper. If you did not receive a copy in Thursday's paper, please call Jane Bailey at (302) 322-9341.

League to Hold Dues Restructuring Meeting

The Delaware Credit Union League will hold a special meeting on Friday, October 30, to vote on a change in the League dues structure. The meeting will permit member credit unions to vote on the recommendation of the DCUL Board of Directors on a proposed dues formula and cap changes.

The meeting will be held at Dover Federal Credit Union, 1075 Silver Lake Boulevard in Dover. Registration will begin at 9:30 a.m., and the meeting starts promptly at 10:00 a.m. Each credit union must provide credentials for two voting delegates or alternates to the League.

Each credit union CEO and board chair should have received a complete packet of information, including details about your credit union's financial responsibility if the dues increase passes.

Attempted Robbery at Dover FCU Branch

Two suspects are still at large after an attempted armed robbery on September 28 at the Dover FCU branch office located at Quigley Boulevard near New Castle. The robbery took place around 10 a.m.

Police report that one suspect pushed a teller on the floor, as another suspect held a gun on another employee and demanded the key to the vault. However, police say the teller was unable to do what was asked, so the two robbers fled the credit union in an unknown direction.

In surveillance pictures released by police, one suspect could be seen brandishing two handguns, and the bandits were wearing white masks with eye-holes cut out. No one was physically injured during the incident, according to credit union officials.



Picture from surveillance camera

COMPLIANCE RECAP

NCUA Approves 0.15% Premium

At its September board meeting, the National Credit Union Administration (NCUA) Board unanimously voted to have federally insured credit unions pay a 0.15% premium on shares in order to replenish the NCUSIF and to finance the Corporate Stabilization Fund.

The premium will be billed in mid-November and due in mid-December. The premium will return the NCUSIF's equity ratio to 1.3% and enable the Stabilization Fund to repay \$310 million of the funds it borrowed from the Treasury Department.

The Board also indicated that future premiums could also be levied as economic conditions warrant.

NCUA Advises on Mortgage Modifications and Financial Trends

In Letter to Credit Unions 09-CU-19, NCUA Chairman Deborah Matz advised credit unions on how best to handle the "unprecedented levels" of mortgage defaults. Matz encouraged credit unions that originate real estate loans to work with their borrowers to modify their loans, if needed. Potential loan modifications suggested by the NCUA supervisory letter include reducing interest rates, extending the maturity date of the loan and/or offering principal forbearance or forgiveness. Credit unions may also waive late fees or reduce or capitalize past due amounts, taxes, accrued interest, insurance, or fees, the agency recommended.

According to NCUA, the objectives of loan modification programs are to help financially distressed members stay in their homes and to minimize default and foreclosure costs for credit unions. The NCUA encourages its examiners to "evaluate the effectiveness" of a credit union's mortgage modification program and "ensure that the program is not masking delinquency or delaying the timely recognition of loan losses."

In a separate **Letter to Credit Unions 09-CU-18**, NCUA notes that the real estate market continues to affect the credit quality of loans. However, the accompanying report on credit union trends found that the majority of loan growth over the first six months of this year came from the real estate sector. For copies of these letters, go to: <http://www.ncua.gov/Resources/LettersCreditUnion.aspx>.

Currency Transaction Report Info

The Financial Crimes Enforcement Network (FinCEN) has issued guidance to help credit unions and other financial institutions determine whether a customer/member is eligible for exemption from currency transaction reporting requirements. This guidance provides examples and answers to commonly asked questions regarding the final rule that FinCEN issued in December 2008, which amended the currency transaction report exemption requirements. To read the guidance in its entirety, go to the FinCEN website: http://www.fincen.gov/statutes_regs/guidance/.

Sign up for Either or Both of the IRA Workshops

Don't miss the 2009 IRA Workshops coming up November 18 and 19 at the League office in New Castle. The IRA Essentials Workshop will be held on Wednesday, November 18, and provides a solid foundation of knowledge, with exercises throughout to apply information to job-related situations. Participants will leave able to work with IRA owners and process basic IRA transactions with confidence. The Advanced IRA Workshop will be held on Thursday, November 19, and adds the more complex issues for credit unions. Again, real-world exercises will challenge participants to use the new knowledge in applicable situations. The fee is \$250 per person, and each participant should bring a hand-held calculator to both sessions. Contact Bernadette Hines to register.

The Importance of Suspicious Activity Reports

There is good reason that credit unions should perform their SAR duties with diligence.

- Even if a SAR does not appear to be useful right now, it could still come in handy later.
- Perhaps law enforcement is investigating the subject based upon a SAR from another institution of which you are unaware. Your SAR might not have been the original selection for investigation, but ultimately helps to form a pattern or furnishes additional information about the subject in question.
- Trends and patterns might be observed based on its geography or type of crime.
- A name, business, or address in the narrative section might relate to another SAR or investigation.

To read more on Suspicious Activity Reports and tactics to prevent money laundering, click here:

<http://www.fincen.gov/>

CU SYSTEM NEWS

League Roundtables Return

The Delaware League will again host a series of roundtables to give credit unions a chance to connect with peers and share ideas. Attendees will have an opportunity to discuss questions and issues that relate specifically to their position or credit union. The League has scheduled three asset-sized roundtables in November.

- [Small Credit Union Roundtable](#), for asset sizes up to \$20 million, November 5, at Houlihan's Restaurant near Christiana Mall.
- [Mid-size Credit Union Roundtable](#), for asset sizes from \$20 million to \$80 million, November 12, at Houlihan's Restaurant near Christiana Mall.
- [Large Credit Union Roundtable](#), for asset sizes over \$80 million, November 18, at the Festival Buffet Room B in Dover Downs.

These sessions will begin at 5:30 p.m. Each credit union is invited to send its CEO and one other person to attend the session. Registration deadline is one week before each session.

Interchange Postcard Campaign Launched

The ongoing Call-to-Action to defeat efforts by the nation's retailers to modify the current debit/credit card interchange system will ratchet-up a notch this week with the launching of a nationwide campaign to have credit union members send 250,000 postcards to the U.S. Senate before month's end.

The effort is intended to counter the 7-Eleven's recent delivery of "consumer" petitions to Capitol Hill. Contrary to the petitions, research commissioned by Visa and MasterCard found the over-whelming majority of consumers, some 3 out of 4, believe that the benefits of accepting payment by debit or credit card outweigh the cost and that retailers should bear that cost.

The postcards, which look like a credit card bearing the credit union "little guy," have been mailed to state leagues for distribution to selected credit unions during the week of October 12.

The postcards will be handed out by employees, such as tellers, to credit union members as they do business at local branches.

As postcards are signed, the credit union will forward them to senators in batches, twice a week. Postcards may also be mailed individually, but all postcards will need to be mailed by November 2, according to CUNA.

Interchange reflects a merchant's fair share of the cost a convenient card system and supports everything from re-issuing cards compromised by merchant data breaches to providing a call center to contact if a card is lost or stolen.



Sample Post Card

Louviers FCU Offers Business Services

Louviers Federal Credit Union, a \$192 million credit union, recently unveiled a suite of Business Financial Services to its members and to local businesses within its field-of-membership. Working with Impel Consulting Group, a CUSO of Mid-Atlantic Corporate Federal Credit Union, Louviers contracted for a competitive analysis of the small business market focused internally within its existing membership and externally within the greater New Castle County area. The analysis of small business market data found that an increasing number of Louviers members were running small businesses through their regular consumer accounts. The analysis also concluded that small and micro businesses with assets up to \$10 million were not being adequately served by other financial intermediaries.

With that information, Louviers developed several interest-bearing deposit accounts including savings, checking, money market and certificate accounts designed for the varied needs of small businesses. Noting the many complexities involved with business lending, Louviers chose to partner with Newtek Business Services, Inc., to provide new and existing business members with a full array of financial services and loan products to complement those offered by the credit union. Newtek Business Services, Inc., was chosen because of their commitment to high-quality service and top-level member care.

Early successes in bringing new small business accounts to the credit union indicate that credit unions do have a definite niche in the small business marketplace. One facet of the Louviers Strategic Business Plan involves an increased emphasis on developing new relationships with small and micro businesses in New Castle County, Delaware, and Cecil County, Maryland.

DELAWARE NOTES

The Board and Staff of the **DELAWARE ALLIANCE FCU** would like to invite you to a fundraiser honoring two of its founding members, Littleton and Jane Mitchell. On November 4 from 5:30-8:30 p.m., the Littleton and Jane Mitchell Fellows Program for Civil Rights and Social Justice Fund committee is holding the Second Annual Celebrity Bartender/Silent Auction to raise money for a scholarship fund honoring these Delaware civil rights leaders. The cost is \$20 per person, and C. W. Harborside Restaurant in Wilmington has agreed to co-host this event. Delaware Alliance board chair Betsy Cole is organizing this event, and it is being staffed by the employees of DAFUCU. Please come help support this worthwhile charity.

WILMINGTON POLICE AND FIRE FCU provided the funds for plants and mulch which helped Fire Station No. 5 become a winner in the Delaware Center for Horticulture's annual City Garden Awards. The firehouse's garden was started five years ago by Pat Mulvena.

DEL-ONE (Delaware FCU) recently raised \$3,181.91 for the Ronald McDonald House. In addition, the CU partnered with 93.7 WSTW this past summer to sponsor three family fun night events at the Brandywine Zoo. On October 17, the CU will create a children's fantasy trail at Brecknock County Park in Dover, where staff will be dressed as children's favorite cartoon and storybook characters.

LOUVIERS FCU is a sponsor of the Delaware Mental Health Association's 7th annual e-Racing the Blues Run/Walk on October 25 at Dravo Plaza on the Wilmington Riverfront.

Position Posting

Credit Union Member Service Representative

A Georgetown, Delaware, branch is seeking a qualified candidate for a full-time position for a MSR to perform daily teller operational duties. Interested applicants should send resume to Bonnie Cahall, HR Dept., P.O. Box 800, Georgetown, DE, 19947 by October 30, 2009.

EDUCATIONAL OPPORTUNITIES

October QuickBites Teleconferences

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

- 10/28 Generational Marketing
- 11/10 Website Compliance
- 11/19 Bank Secrecy Act

The 1 ½ hour session runs from 11 a.m.-12:30 p.m.

- 10/20 Safe Deposit Box Fundamentals

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

- 10/22 Organizing an ALM Process
- 11/17 Detecting Scams

The fee for the one-hour session is \$99; the 1 ½ hour-session - \$129; and the two-hour session fee is \$169. The deadline to register with Bernadette Hines: one week before the session.

Upcoming League Council Sessions

- October 28 – Lending Council: Student Loans
 - November 4 – Human Resource Council: Criminal Background Checks for Employment
- The councils run from 10 a.m.-noon at the League office. There is no fee for council members; non-member fee: \$100 per person. Register one week prior to the event.

Credit Union Roundtables

- Small Credit Unions under \$20M – November 5 at Houlihan's near Christiana Mall
 - Mid-sized Credit Unions \$20-\$80M – November 12 at Houlihan's near Christiana Mall
 - Large Credit Unions over \$80M – November 18 at Festival Buffet Room B, Dover Downs
- Each roundtable begins at 5:30 p.m. Send registrations to Jane Bailey.

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.

At Your Service
At Your Service

League Activities in September

LEAGUE SERVICES

Strategic Planning Services: The Delaware League has partnered with the Maryland & DC Credit Union Association (MDDCCUA) to offer our credit unions strategic planning services. These services are credit union-focused, facilitated by seasoned professional Kirk Fox, and very reasonably priced. Kirk Fox is senior vice president of regulatory affairs and consulting for MDDCCUA and holds CUNA's *Certified Credit Union Executive* and *BSA Certified Specialist* designations. Chestnut Run FCU is the first Delaware credit union to book a session for 2009.

Student Loan Program: Presentations regarding the DCUL Student Loan Program took place on September 21 for DEXSTA FCU and on October 9 for Sussex County and Seaford FCUs. Louviers FCU is the first credit union in Delaware to sign on to this program. Contact Jane Bailey for more information.

Asset-Size Roundtables: We are setting up asset-size roundtables for November beginning with the small assets (< \$20M) on November 5. The medium size (\$20M-\$80M) will be on November 12, and the large credit union (>\$80M) roundtable will be held on November 18. These sessions will be off-site dinner meetings with an open agenda (credit union-driven). The League encourages each CU manager/CEO and one other person (perhaps a board member) to attend these sessions.

COMMUNICATIONS/PUBLIC RELATIONS

iBelong Marketing Campaign Survey. An ad hoc marketing committee, chaired by Sharee Coleman of Del-One (Delaware FCU), has put together a proposal to bring the iBelong campaign to Delaware. For several years, credit unions across the country have clamored for a national awareness campaign which would distinguish credit unions from their financial competitors. Delaware has studied the results of the iBelong membership campaign which Pennsylvania credit unions have been hosting for almost 1 ½ years to see if we would want to adopt this program for our usage.

The committee is hopeful that Delaware credit unions will step up and voluntarily support this valuable initiative based on its proven ability to increase membership and overall awareness. A packet of information, sent to all Delaware credit union CEOs, describes the program and contains suggested expense allocations, per credit union, associated with implementing this program in Delaware. Credit unions are asked to review the materials and determine if this initiative can be supported in their 2010 budgets. The proposed contributions are based on the one-year licensing fee to the creator of the program (Pennsylvania Credit Union Association) and a buy of media throughout the entire state. Currently iBelong ads are running on Philadelphia television and radio stations that reach New Castle and part of Kent County.

Delaware League News and Risk Alerts. In September, the League emailed 15 news alerts. The majority dealt with ACH compliance, the Credit CARD Act, media attention, and the economy. There were also two risk alerts distributed, including the robbery attempt at Dover FCU's New Castle branch and another IRS scam.

League Staff Travel. League president Patrick Mahaney attended NCUA's town meeting, hosted by NCUA board chair Debbie Matz on September 30. Two Dover FCU management staff members – Bobby Naftzinger and Ann Swierc – were also in attendance. Chairman Matz and board members Gigi Hyland and Michael Fryzel heard a wide variety of opinions and suggestions about new corporate credit union rules and other NCUA-related issues from over 160 participants at the session. The session, held at National Harbor, MD, is part of Chairman Matz's overall effort to foster a two-way discussion between NCUA and the credit union industry.

GOVERNMENTAL AFFAIRS

CULAC Fund-Raising. Thirteen credit unions have ordered 17 cases of candy for the CULAC candy sale which will end at the first of November. Our profits for CULAC should be similar to last year – just over \$2000.

Project Zip Code. The League has distributed the latest version of Project Zip Code to our credit unions. Project Zip Code (PZC) is a secure CD-rom program that counts credit union members and matches them by congressional district, state legislative district and county. These numbers are uploaded to CUNA's Project Zip Code website and combined with data from credit unions nationwide. This data aids in federal and state advocacy efforts. With 70 million members matched, CUNA can accurately show the strength of the credit unions across the country.

In addition to grassroots advocacy, PZC can help credit unions better serve their members. By using the "Queries and Reports" functions of PZC, credit unions can see where their membership lives by state, county and zip code. These functions allow credit unions to better track where their membership resides and can be helpful with ATM expansion and shared branching.

Sixteen credit unions have run previous versions of Project Zip Code. The League hopes that all credit unions will rerun or run for the first time the 2009 version of the program.

LEGISLATIVE ACTIVITY. CUNA continues to monitor two major issues among others:

Interchange Activity/Post Card Campaign. There are currently a number of proposals in Congress to reduce interchange charges. The proposed interchange bill would amend the Truth in Lending Act to prohibit certain electronic payment system network practices and require increased disclosures. The Credit Union National Association (CUNA) has publicly stated that changing the current interchange fee structure, as some merchants, including 7-Eleven, have promoted doing, would adversely limit consumer options, competition and technological innovation.

- **Action Alert.** The League 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.
- **Members' Post Card Campaign to Contact Members in the Senate.** CUNA has provided the Delaware League with 2,500 postcards for your credit union members to send to Senator Carper and Senator Kaufman regarding this issue. For those credit unions willing to get your members involved, the League will send talking points and posters for credit union tellers, so they can briefly explain the issue and ask members to sign and address the postcards when they visit. Participating credit unions are asked to collect the postcards twice a week and mail them to each Senator's Washington office. All postcards should be mailed by Monday, November 2.

CARD Act Update. CUNA has received a number of questions recently regarding their strategy on the 21-day CARD Act issuer. CUNA continues to pursue a legislative remedy to this problem. Efforts remain focused on the Senate and trying to get a technical clarification added to an appropriations bill or other moving bill. Their efforts are completely separate from the legislation that Chairman Frank introduced to accelerate the remaining effective dates of the CARD Act.

Most recently on October 13, the House, on a voice vote, passed a "fix" to the Credit CARD Act that clarifies the 21-day notification rule applies only to credit cards. As you well know, credit unions are reeling from the unintended consequence of the CARD Act that applies the law to all forms of open-end credit – threatening the very ability of credit unions to continue offering affordable credit to their millions of members.

During the discussion on the floor before the House vote, Financial Services Committee Chairman Barney Frank, D-Mass., said the 21-day requirement on open-ended accounts was unintended and should not have been included in the CARD act. He added that the provision swept credit unions into the mix unintentionally and that credit unions were generally not responsible for abuses that led to passage of the CARD Act. He referred to (and submitted for the record) letters from CUNA and the NCUA, both of which urged him to fix the problem.

Senate action is still urgently needed for consumers and credit unions to realize relief. Credit unions are urging senators to take similar action as soon as possible.

EDUCATION

Volunteer Leadership Conference. The League expects about 85 people from Delaware to attend this year's conference – almost 20 more than last year. We have several credit unions that have increased their participation and three new credit unions attending: New Castle County School Employees, Wilmington Police and Fire, and Peninsula Methodist. The following Delaware League board members will be attending the presentation and dinner with CUNA president/CEO Dan Mica: Joel Romaine, Cheryl Chilcutt, Kate Toner, and Allen Riley.

Elder Abuse Task Force Update. Bernadette Hines met with Deputy Attorney General Marsha White, Francis Babiarz, Deputy Banking Commissioner/Supervisory Affairs, and Gerry Kelly, Deputy Banking Commissioner - Consumer Affairs to review the proposed statute that would encourage financial institutions to voluntarily report elder exploitation without fear of liability. She advised the group that the Delaware Credit Union League had approved support of the plan and legislation.

Specialized Marketing Training. League president Pat Mahaney presented an afternoon session on *Local Involvement: Marketing Strategy and Community Benefit Training* on September 15th to several members of the New Castle County School Employee's FCU. He discussed strategies that combine historically successful local involvement techniques with modern marketing strategies. The session also reviewed the marketing impact of community charters and mergers. Pat is willing to provide this training opportunity to other credit unions.

September Education Sessions

Date	Title		# Individuals	# CUs
09/15/09	Local Involvement - Marketing Strategy	Pat Mahaney	7	1
09/22/09	Recognizing Emerging Fraud Practices	Chetta Hebron-Byrd, CUNA Mutual	10	8
09/24/09	Compliance Issues	Mid-Atlantic Conference Call	2	1
09/29/09	Remote Teller Capture	Mid-Atlantic Webinar	1	1
09/30/09	Marketing Council – Social Networking	Juli Ann Callis, NIH FCU	12	8
	Quickbites			
09/01/09	Fee Income Strategies		3	1
09/10/09	Business Interruptions		1	1

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