

# Together

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## HEADLINE NEWS

### Delaware Credit Unions Present Scholarships

As the new school year begins, several talented students will be returning to school with scholarships provided by their credit unions. Each scholarship recipient demonstrated academic excellence as well as community involvement.

- The 2010 **DEL-ONE (Delaware FCU)** scholarship, valued at \$1000, was awarded to Smyrna High School graduate Courtney Pase, at Del-One's annual meeting on May 11.

*Right: Courtney Pase displays her award*



- **DEXSTA FCU** awarded three \$1,000 scholarships to Stephanie Nally from Saint Mark's High School; Courtney Seitz from Ursuline Academy; and Rachel Wilkins from Saint Mark's. DEXSTA requires that each applicant submit a two-page essay on a topic related to how credit unions are beneficial in the community. The winners were given their awards at the credit union's annual meeting where their essays were enlarged and on display. This is the sixth year of DEXSTA Federal Credit Union's scholarship award program.



*From left to right: Courtney Seitz, Stephanie Nally and Rachel Wilkins, pictured with Jerry King, President/CEO, and Peg Conway, VP of Operations.*

- **DPL FCU** awarded two \$1,000 scholarships to Catherine Walsh and Jenny Fei Wei Ge.
- **EAGLE ONE FCU** awarded four scholarships in the 11<sup>th</sup> Annual Charles R. Nuss Memorial Scholarship program: Mary Scaperotto, Maria Pedrys, Jamecia Pierce, and John Jackson III. Each winner received a \$500 check and a plaque commemorating the occasion.



- **LOUVIERS FCU** presented four scholarships totaling \$3,750 on June 22 to the following students: Kerry Ferber, Tyler Carpenter, Erica Hines and Tanmai Rayavarapu. The credit union's scholarship program is named in memory of Gladys R. Duling, who was the credit union's manager for 23 years.

*Mitch Duling presented the Gladys R. Duling Memorial Scholarships to Kerry Ferber (missing from picture), Tyler Carpenter, Erica Hines and Tanmai Rayavarapu.*

## Regulatory Reform Overview Available

CUNA has prepared a comprehensive overview of the portions of the Dodd-Frank Act that are most relevant to credit unions.

Among those items are portions of the legislation that specifically address credit unions, amendments to the Truth in Lending Act regarding residential mortgages, and portions of the to-be-established Consumer Financial Protection Bureau (CFPB) that could address credit union practices.

Several reforms set forth by the legislation are of interest to credit unions, including the inclusion of the NCUA chairman on a pending financial stability oversight council. Credit unions holding under \$10 billion in assets will not be examined by the pending CFPB.

The legislation is mainly aimed at Wall Street and larger financial firms and seeks to help avoid a repeat of the country's recent crisis prompted by a meltdown of housing and mortgage markets. The legislation also addresses thrifts, deposit insurance reforms, hedge funds, credit rating agencies, executive compensation, and investor protections, among other items.

For a quick reference, summaries of credit union-related aspects of the Dodd-Frank Act as well as an impact analysis are available on CUNA's website (a password is needed to access the data):

[http://www.cuna.org/reg\\_advocacy/member/hot\\_topic/finreg\\_reform\\_resc.html](http://www.cuna.org/reg_advocacy/member/hot_topic/finreg_reform_resc.html).

Registration materials for the Volunteer Leadership Conference—to be held October 22-24 in Ocean City, MD—have been mailed to all credit union CEOs, board chairs, and supervisory committee chairs. Information is also available online at [www.dcul.org](http://www.dcul.org).

## [NCUA/COMPLIANCE NEWS](#)

### Third NCUA Corporate DVD Now Available Online

The National Credit Union Administration (NCUA) has posted online the third installment of explanatory tracks to help credit unions better understand the history and prevailing situation involving the nation's corporate CU system.

Track 3 is available on NCUA's website. Track 3 outlines steps NCUA has taken to help stabilize the corporate credit union system. Go to NCUA's announcement and click on the link: <http://www.ncua.gov/GenInfo/Members/Matz/MatzAnnouncement.aspx>.

This series of presentations is being produced to provide a broad overview, in simple terms, of various aspects of the corporate credit union crisis.

- Track 1 covers the history and services of corporate credit unions.

- Track 2 describes types of corporate credit union investments; how these investments were affected by financial market declines; and how problems with the investments affected corporates and threatened the entire credit union system.
- Track 3 focuses on NCUA efforts to stabilize the credit union system, ensure access to adequate liquidity and uninterrupted lending and payment processing, and achieve the least costly outcome for federally insured credit unions.

In the near future, a DVD containing all three tracks will be sent free of charge to all federally-insured credit unions.

## NCUA to Implement Credit Union Campaign with Suze Orman

NCUA's Office of Public and Congressional Affairs gained \$1.7 million to implement a major consumer education campaign featuring a nationally recognized financial expert. The initiative will emphasize the benefits of credit unions' federal deposit insurance protection. NCUA will initiate a public service campaign through TV, radio, print and companion ads designed to enhance and strengthen consumer confidence in the nation's federally insured credit union system.

With a plan to feature CNBC's personal finance expert Suze Orman as spokesperson, the campaign will reassure consumers their money is safe in federally insured credit unions. NCUA plans to film both a 30-second and 60-second TV ad to remind consumers of that important message. The \$1.7 million budget will cover production and placement of the ads. The campaign will raise the visibility of all federally insured credit unions, and reinforce the safety of the National Credit Union Share Insurance Fund (NCUSIF) to consumers across America.

## Fed Increases HOEPA Trigger in 2011

The minimum fee trigger for Home Ownership and Equity Protection Act (HOEPA) requirements will be increased to \$592 in 2011, the Federal Reserve reported this week.

The Fed is required to adjust the amount of mortgage fees that trigger additional disclosures under Truth in Lending as required under HOEPA. The Fed has annually adjusted the \$400 amount based on the annual percentage change reflected in the Consumer Price Index as reported on June 1, the release added.

The Fed release is available at: <http://edocket.access.gpo.gov/2010/pdf/2010-19101.pdf>

## Keep Up-to-date on Employment Rules

The rules and regulations that deal with employment and the rights of employees are continuing to grow. There are the EEO, OSHA, COBRA, USERRA, ADA, FLSA, FCRA, FMLA, EPPA, and more. If you had to, how easily could you define those acronyms-or explain them to a new hire?

How can your credit union stay current on all the federal and state employment rules? A good place to start is the Employment channel of InfoSight – the compliance website available free of charge to members of the Delaware Credit Union League.

The Employment channel addresses many of the employment regulatory areas to help you stay in compliance. The channel is reviewed at least once annually; it is also reviewed whenever a new regulatory change is implemented. In addition, there are links provided to help you quickly find the additional information you may need, including:

- Checklists for OSHA and EEO
- Posters for EEO and minimum wage
- FAQs for COBRA and the EPPA

Visit InfoSight today at the Delaware League website – [www.dcul.org](http://www.dcul.org). You will need to log in.

## CREDIT UNION SYSTEM NEWS

### Use Proper Procedures in Repossessions

Credit unions may find they are repossessing more vehicles today due to the recession. In many states, credit unions can repossess the member's vehicle as soon as the member defaults on the loan. Upon default, the laws of most states permit the credit union to repossess the vehicle at any time, and to come onto the member's property to do so.

However, when repossessing the vehicle, the credit union may not commit a "breach of the peace." In some states, this means using physical force, threats of force, or even removing the vehicle from a closed garage without the member's permission.

The lawsuits stem from failure to properly notify the member of the credit union's intent to sell the vehicle. Once the member's vehicle is repossessed, the credit union may decide to sell it in a public or private sale. In most states, the credit union must provide notice to the member of its intent to sell the vehicle. Recent lawsuits allege credit unions either failed to use the correct notice or the notice was not filled out properly.

Failure to properly notify members of the credit union's intent to sell repossessed vehicles can be costly. Damages may include waiving the deficiency balance, as well as returning any funds paid on the deficiency balance, costs and attorney's fees. The losses to credit unions can be devastating, especially when the lawsuit involves a class of members who are impacted.

#### **CUNA Mutual Protection Response Center Risk Mitigation Recommendations:**

- The credit union's legal counsel should review the notice of intent to sell form in use to ensure it is compliant with the applicable state Uniform Commercial Code rules and other applicable federal and state laws for the states included in the credit union's trade area.
- Ensure employees responsible for completing the notice of intent to sell form are properly trained on how to complete the form and when it should be sent to the member. Most states require the notice to be sent a specific number of days prior to the sale of the repossessed vehicle.
- Ensure you can provide documentation of what was sent, by whom, when and where it was sent.

#### **Related Repossession Resources:**

- Pages 103-117 of the Delaware Motor Vehicle *Dealer Procedures Manual*. Sample required forms are also in this manual. Found online at: [http://www.dmv.de.gov/forms/veh\\_serv\\_forms/pdfs/ve\\_frm\\_dlrmanual.pdf?052308](http://www.dmv.de.gov/forms/veh_serv_forms/pdfs/ve_frm_dlrmanual.pdf?052308).
- CUNA Mutual Publications:
  - [Minimizing Liability for Involuntary Repossessions](#) – issued 6/4/2009
  - [The Price Tag for Insider Discounts on Repossessed Collateral](#) – issued 4/1/2009.

### CUNA Offers Overdraft Protection Opt-in Stuffer for Customization

"Opt In for Protection" is the title of a new custom statement insert, or buck slip, from CUNA. The new title is one of three in a line of ready-in-a-week custom stuffers. Credit unions can change the phrasing, add a call to action, and provide their logo and contact information on these stuffers.

"You can place an order Monday and have it ship out on Friday," notes Joanne Sepich, CUNA's director of ancillary and promotional products. "We wanted something attractive, but easy, taking just 10 minutes of a marketer's time."

After placing an order, the credit union receives a customization form, which takes less than five minutes to complete. The form offers suggested copy that the credit union can change or leave as is. The next business day, the credit union will receive a final proof. Stuffer inserts ship within four days of approval.

The three titles available now include “Opt In for Protection” (#29606C), which lets credit unions customize with their own terminology for overdraft protection; “What Beats 0% Financing?” (#29605C), with a spot for a credit union’s current vehicle loan rate and disclosure; and “Going Green? Go Paperless” (#29604C), where a credit union can offer a premium for switching to e-statements.

Some stuffers have matching drive-up envelopes. For more information on customizable statement inserts, go to [buy.cuna.org](http://buy.cuna.org) and select “Statement Stuffers” or call (800) 356-8010, and then press 3. Resources are also found online at:

<http://buy.cuna.org/detail.php?sku=29606C>

<http://buy.cuna.org/detail.php?sku=29605C>

<http://buy.cuna.org/detail.php?sku=29604C>

## DELAWARE NOTES

**EAGLE ONE FCU** celebrated its 75th anniversary during the week of July 26. The celebration began with Member Appreciation Day on Monday, which included giveaway items, anniversary cake, and prizes. The credit union also had an outing at Citizens Bank Park for a Phillies game. Staff, board members, and their families enjoyed a pre-game party inside the ballpark. Awards, donated by CUNA Mutual and Deluxe Corp, were given to staff recognizing outstanding member service and volunteerism. More than 200 members attended the game and saw the Phillies beat the Arizona Diamondbacks.

Amanda and Dylan Huss visited the **LOUVIERS FCU** and helped their father, Robert, deposit \$1,863.86 worth of coins into LFCU’s coin sorter. Robert started saving the coins in December of 1996. He decided to use the credit union’s coin counting machine to cash them in to help defray the cost of an upcoming trip. Amanda and Dylan were excited to learn Robert made deposits into each of their savings accounts as well.

*Coins redeemed at Louviers FCU were so heavy a hand truck was needed.*



In partnership with the City of Newark, **LOUVIERS FCU** also sponsored an information booth during Downtown Newark’s 7<sup>th</sup> Annual Food and Brew Fest held Saturday, July 24. This event brings thousands of people to downtown Newark on what was traditionally a slow Saturday in July. This was the first year a second Information Booth was offered on Elkton Road to help encourage attendees to patronize the businesses on Elkton Road. Faith Simpers and Jessica Bryant braved the extreme heat to hand out information and answer any questions.



Two **DEL-ONE** members enjoyed a free night of entertainment at the 2010 Delaware State Fair courtesy of Del-One. Komba and Carolee Kpakiwa were the lucky winners of four tickets to the Honda Civic Tour featuring Paramore with special guests Tegan and Sarah, New Found Glory, and KadaWatha on July 24, 2010. Their winning ticket was randomly selected from entries submitted between July 1-18 at each of Del-One's seven branch locations.

*Pictured left to right: Del-One Milford branch manager Shari Lord, Komba Kpakiwa, and Carolee Kpakiwa*

## EDUCATIONAL OPPORTUNITIES

### August/September QuickBites Teleconferences

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

- 8/18 Lending to the Self-Employed
- 8/24 How to Outsell What Your Competitors Can't
- 9/01 Decedent Accounts
- 9/09 The Growing Role of Market Segmentation
- 9/14 Innovations on Business Continuity
- 9/29 Rethinking Current Business Development Tactics

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

- 9/22 Account Administration

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

### August/September Webinars

- 8/18 Opening Deposit Accounts Online
- 8/19 New Head Teller Development
- 8/25 Credit Reports and Scores: Using Them Legally and Effectively
- **Reg CC Check Holds Webinar – CD only** (available until August 31)
- 9/02 Compliance Risk for Directors
- 9/08 Subpoenas, Summonses, Levies and Other Demands for Member Funds
- 9/09 Writing Policy for the FACT Act
- 9/15 Legal Aspects of Checks/Share Drafts
- 9/21 Changes to Overtime Exemption/Loan Officers
- 9/22 Fair Lending Exams
- 9/28 How to Protect CUs From a Social Media Nightmare (1:30-2:45 p.m.) Rory Rowland webinar. Cost \$129. Use special instruction sheet to enroll or contact Bernadette Hines.

The webinars are 90 minutes (3-4:30 p.m.). **There will be a new registration option effective September 1.** The \$189 registration fee is for EITHER the “live” webinar or an archived on-demand web link and free CD-ROM of the complete session. When registering, you must indicate your preference. The \$219 registration fee will now cover all three options.

#### Volunteer/Management Training Coming in September

- 9/14 Basic Board Training - League office with Pat Mahaney. 5:30 p.m.; \$75.
- 9/22 ALM Workshop for Management (1-4 p.m.; \$70 includes lunch) and ALM Overview Session for Volunteers (5:30-6:30 p.m.); \$40 includes refreshments.

All sessions will be held at the League office in New Castle. Registration deadline for the board training is September 7, and the ALM training is September 15.

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