



Volume 30, Number 1

January 15, 2010

HEADLINE NEWS

Credit Union Support for Haiti

The credit union movement began stepping up to the plate and in two days last week contributed \$142,000 to disaster relief efforts for Haiti's 175 credit unions, their staff and volunteers and members affected by the January 12 earthquake.

As of last Friday, the total collected was at \$142,000, said Valerie Breunig, executive director of the Worldwide Foundation for Credit Unions, the international charitable arm of the World Council of Credit Unions.

That includes more than \$98,736 in donations sent via the National Credit Union Foundation's CUAid Disaster Relief fund via www.CUAid.coop.

"This isn't just from organizations, either," said Jill Stephenson of NCUF's marketing and communications department. "Donations from credit union employees, volunteers and members are coming in online via www.CUAid.coop in \$10, \$25, \$50, \$100 and up. The outpouring of support warms the heart," she told *News Now*. DPL FCU was the first Delaware credit union to report contributing \$500.

CUNA Mutual Group announced that it is contributing \$20,000 and said it would match employees' donations up to \$5,000.

Three Ways to Donate to Disaster Relief

There are three options to donate to the Haiti earthquake relief program through the National Credit Union Foundation:

By Visa or MasterCard: If you wish to make a donation using your credit card, you may do so online at www.cuaid.coop and click the "donate now" button.

By Mail: If you wish to mail a share draft or money order donation, please make it payable to the following address:

National Credit Union Foundation, Inc.
For: National Disaster Relief Fund
PO Box 78880
Milwaukee, WI 53278-0880

By Wire: If you wish to donate by wire transfer, please contact Tom Candell at 800-356-9655, ext. 4398, or via e-mail at tcandell@ncuf.coop. Please indicate the disaster relief fund the donation is for.

If you have questions regarding this donation, please contact Lauren Pan at 800-356-9655, ext. 4979, or via e-mail at lp@ncuf.coop.

League Offers Exciting New Compliance Programs

No, that's not a misprint...we used the words "exciting" and "compliance" in the same sentence. But by the time you finish reading this page, we think you'll agree that it's an accurate representation of two new services the Delaware Credit Union League will offering in 2010.



Compliance InfoSight will quickly become your first stop when searching for compliance answers. Think of it as an online compliance manual at your fingertips, containing federal and Delaware-specific content that is accurate, concise, and detailed, on a wide range of topics and issues. There are easy-to-read summaries, checklists, direct links to laws and regulations, frequently asked questions, and links to additional important resources including CUNA's "E-Guide" online compliance resource.

There are currently 31 state credit union leagues and CUNA that participate in InfoSight, which is not only a vast repository of completely searchable federal compliance information, but also a storehouse of state-specific data. Each state league creates and updates their information, and what makes it even more valuable is that every participating state has access to the information from all the other states. So if your credit union has members living in Maryland, Pennsylvania, New Jersey, or any of a dozen other InfoSight states, your credit union will have instant access to compliance laws that apply to their home state as well as Delaware. [*The Delaware League will be working on adding the state specific rules soon.*]

InfoSight provides many compliance subjects, called "channels." An Advisory Council, comprised of compliance experts from larger leagues, meets monthly to review and revise content on the system, as well as examine usage metrics and discuss future offerings.

The service also includes a weekly newsletter that provides timely updates on changing compliance issues, analysis of NCUA opinions and regulations, and more. It is currently distributed to thousands of credit union professionals around the country. Newsletters are archived on the InfoSight website.

So now that you've read through the commercial, you're waiting for the catch...how much is this going to cost? Well, we've saved the best news for last. Every affiliated Delaware credit union will be able to access InfoSight as part of the benefits of being League member.

The Delaware Credit Union League is excited to bring such an affordable, valuable, and needed service to our member credit unions in 2010 and beyond. We believe that Compliance InfoSight will help our credit unions stay on top of the most important issues on which regulators and examiners focus. The League will begin contacting each credit union with your password to access InfoSight in the next week.

Another Service: CU PolicyPro



Is your credit union getting bombarded with new regulations, products, and policies? The Delaware League will be providing a new free service called CU PolicyPro to our affiliated credit unions. This secure interactive web-based service gives member credit unions access to more than 200 sample policies and procedures. These policies are written by regulatory experts and are updated twice a year.

A special feature of this program allows you to update your own policies and then upload them to a secure server for backup. CU PolicyPro also provides member credit unions with access to a monthly compliance and operational newsletter called *Ops Notes*, which covers current issues and explains how regulations impact operations. This program will require each CU to have a registered administrator. Alice Smith will be sending out further details by month end, and training will be provided.

COMPLIANCE RECAP

Fed Issues Final CARD Act Rules

The Federal Reserve Board has approved amendments to Regulation Z, Truth in Lending, which implement provisions of the Credit Card Accountability, Responsibility and Disclosure Act of 2009. The rules go into effect February 22.

Specifically, the new law and implementing regulations prohibit rate increases in the first year that a credit card account is active, require co-signors for credit card accounts taken out by an individual under 21 years of age, require that creditors obtain the consent of the cardholder before charging over the limit fees, and limit many of the fees associated with so-called “subprime” credit cards.

Other portions of the CARD Act will be implemented by the Fed in the near future and will become effective on August 22.

CUNA will be reviewing this rule closely to also determine the extent that they may impact 2009’s open-end Reg Z rules, including the upcoming July 1 compliance date for those rules. CUNA will also hold an audio call on the new rules in the coming weeks.

Clarification of RESPA Rules

Changes to the U.S. Department of Housing and Urban Development’s (HUD’s) implementing rules for the Real Estate Settlement Procedures Act (RESPA) went into effect Friday, January 1. CUNA recently clarified compliance requirements regarding home equity lines of credit (HELOCs) that have not changed in RESPA.

Addressing questions recently posed to CUNA, Kathy Thompson, CUNA’s senior vice president for compliance, offered the following guidance:

1. Have the RESPA rules changed on when credit unions need to supply HUD’s “Shopping for Your Home Loan: HUD’s Settlement Cost Booklet”?

Answer: No. HUD has updated its settlement cost booklet that has to be provided to consumers within three days of applying for certain mortgage loans. HUD has not made any changes to the section of the RESPA regulations that dictate when the booklet must be given (Section 3500.6). Therefore, for a HELOC, credit unions should continue to provide the Federal Reserve Board’s “When Your Home Is on the Line: What You Should Know About Home Equity Lines of Credit” to be in compliance with the RESPA rules. And the exceptions to providing the booklet for refinancings, closed-end subordinated loans, and reverse mortgages continue to apply.

While HUD’s booklet makes mention of home equity loans and refinancings – and cautions consumers about taking out such loans – the booklet is clearly oriented to a person buying a house, and it would undoubtedly be confusing to give the booklet out for all types of mortgage loans.

2. Do the RESPA amended rules now require the use of any new HUD forms for home equity lines of credit (HELOCs)?

Answer: No. While HELOC loans are “covered” under the general RESPA definitions, there are specific exceptions that HUD did not change when it revised its RESPA rules in November 2008.

HUD did not change the language of current Section 3500.7(f) [but did re-designate (f) as a new (h)], which states that if a lender provides the disclosures required by the Truth in Lending Act’s Regulation Z at the time the person applies for a home equity line of credit, then the lender isn’t subject to the general rule of providing a Good Faith Estimate (GFE).

Moreover, the revised Section 3500.8 on settlement statements continues to state: “The use of the HUD-1 or HUD-1A is exempted for open-end lines of credit (home equity plans) covered by the Truth in Lending Act and Regulation Z.”

Thompson said therefore, at this point, credit unions do not have to change their compliance procedures for closing HELOCs. She admonished, however, "Remember that the Fed has under consideration changes to its Regulation Z's rules on both closed-end mortgage loans and HELOCs (the comment periods for both proposals closed on December 24), and it has indicated its interest in trying to better coordinate disclosures under Truth and Lending and RESPA. So we will have to see what 2010 holds in store for further changes in lending disclosures."

The U.S. Department of Housing & Urban Development (HUD) has posted another update to its RESPA FAQ document. The update, which is dated 12/30/2009, includes several additions to the collection of questions from industry participants. The additions, scattered throughout the document, are highlighted in bold print. [RESPA FAQ](#)

[CU SYSTEM NEWS](#)

Fed Announces Final Transfer of Check Processing Operations

Effective February 27, 2010, the check-processing operations of the Federal Reserve Bank of Atlanta will be transferred to the Federal Reserve Bank of Cleveland. When this transfer is completed, Cleveland will be the nation's only paper check-processing site. There will no longer be any checks that are nonlocal.

This change will affect the initial funds availability disclosures of most financial institutions. Affected financial institutions will need to send notices to affected consumers. Credit unions should review their funds availability disclosure, update their disclosure as necessary, and send change notices to affected members. Another recommendation is to change the funds availability lobby posters, review hold notices, and make sure data systems are updated so that no checks are treated as nonlocal checks. Institutions are affected differently depending upon their delayed funds availability policy: immediate, same-day, or next-day availability.

NCUA Regulatory Alert on Red Flag Guidance

The National Credit Union Administration (NCUA) has issued a regulatory alert 09-16-RA to red-flag recent guidance by the Financial Crimes Enforcement Network (FinCEN) on determining a accountholders' eligibility for an exemption from Currency Transaction Report (CTR) requirements.

The NCUA issued the alert last month reminding credit unions that, under the Bank Secrecy Act (BSA), financial institutions must file a CTR on any transaction in currency of more than \$10,000. BSA rules do allow exemptions for certain members, or customers, and FinCEN issued the following guidance late last year on a rule that was actually effective January 5, 2009.

In that rule, the NCUA alert noted, FinCEN made the following changes to the previous CTR exemption system:

- Eliminated the designation and annual review requirement for most credit unions;
- Decreased the definition of "frequent reportable transactions" from eight to five transactions;
- Decreased the waiting time for CTR exemption eligibility from twelve months to two months; and
- Eliminated the CTR exemption biennial renewal requirement.

The FinCEN guidance (FIN-2009-G003) also addresses the most frequently asked questions regarding the CTR exemption.

Use the resource link below to access the NCUA regulatory alert on the CTR rules:

<http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2009/09-RA-16.pdf>

2010 HMDA Exemption Remains the Same

The Federal Reserve Board recently announced that the asset-size exemption threshold for depository institutions under Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), will remain \$39 million. As a result, institutions with assets of \$39 million or less as of December 31 are exempt from collecting data in 2010. Under HMDA, mortgage lenders in metropolitan areas are required to collect, report, and disclose data about applications for and originations and purchases of home purchase loans, home improvement loans and refinancing.

Mid-Atlantic Corporate FCU to Hold Town Hall Meetings

Mid-Atlantic Corporate FCU will be holding Town Hall Meetings throughout the Mid-Atlantic region during January and February to discuss future plans for membership and capital at the Corporate.

“With all that has gone on in the credit union industry in the past year, and with NCUA’s recent proposal for changes to Regulation 704, we felt it was important to meet with our members to discuss Mid-Atlantic Corporate’s plan for 2010 and beyond,” said Jay R. Murray, president/CEO of Mid-Atlantic Corporate FCU. “These meetings will give us a great opportunity to talk face-to-face with our members to discuss how we can continue to serve their needs well into the future.”

The meeting in Delaware will be held at the League office on Wednesday, February 3, from 9 a.m.-noon. There is no cost to attend, but CUs should register online with the corporate at www.midatlanticcorp.org.

DELAWARE NOTES

DEXSTA FCU participated in several community events during December. The CU held a holiday food drive in each branch location in November and December by collecting canned goods and other most-needed food items for the Food Bank of Delaware. A total of 528 pounds of food was donated. DEXSTA’s donation to the Ronald McDonald House will enable a family with financial need to stay free of charge for one week while their child is treated at the A.I. DuPont Hospital for Children. The credit union made an additional \$350 contribution, as well as Concord Pet gift cards, to the Delaware Humane Association to help families that are finding they are unable to care for their pets due to financial difficulty. The Santa Paws Workshop provided dog and cat food, medicine, supplies and other items to help families keep their pets at home for the holidays and beyond.



DEXSTA marketing coordinator Sherry Sawicki delivers donations to the Food Bank of Delaware



Karen Terry (right), DEXSTA marketing administrator, presents a check to the Delaware Humane Association

PREFERRED FCU held a Holiday Savings Palooza for members, ages 3-13, in December. Children making a deposit into their accounts participated in a “pick a pair” activity, where they had an opportunity to win prizes. Participating youth members added \$460 to their savings accounts and look forward to another event in 2010.



Two staff members at **DEL-ONE (Delaware FCU)** recently were recognized for achievements in the greater community. Vice president of operations **Judy Cook** was selected as one of Delaware’s Top Women in Business by *Delaware Today Magazine*. Judy is listed among the top 30 business women in Delaware who embody the modern concept of leadership.

Judy Cook



Congratulations also to **Ruby Herrington**, branch manager of Del-One’s Wilmington branch, for being one of 27 winners in the 2009 Delmarvalous Women Awards Program. Ruby was selected based on her extensive list of charitable organizations that she supports, as well as her commitment to fulfilling the lives of others. Ruby is pictured at the right with her daughter Devon.



On November 30, Del-One also sponsored the 3rd Annual Holiday Auction and Taste of Milford, raising over \$8,000 for the Greater Milford Chamber of Commerce and People’s Place.

Pictured left to right: Debbie Jewell (Del-One Business Development Manager); Brenda Beissel (Peoples Place); Barbara Steele and Jo Schmeiser (Chamber of Commerce for Greater Milford, Inc.)

[EDUCATIONAL OPPORTUNITIES](#)

[January/February QuickBites Teleconferences](#)

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

- 1/21 Creating ROI with Generation X & Y
- 1/26 Website Compliance
- 2/02 Sexual Harassment
- 2/18 Regulation Z
- 2/23 Fair Lending

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

- 2/04 Teller Regulations

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/February Webcasts

- 1/20 Mortgage Lending Compliance
- 1/27 New ACH Authorization & Return Rules (effective date March 19, 2010)
- 2/02 Auditing for RESPA
- 2/10 Notary Essentials
- 2/16 Regulation E Alert
- 2/17 Personal Tax Returns
- 2/23 FACT Act
- 2/24 New Member Account Review: Due Diligence and Customer Identification Program

The webcasts are 90 minutes (3-4:30 p.m.). 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. “Live” webcast registrants will receive handouts and login instructions 3 days prior to the session via e-mail.

CU Bowl – Friday, February 5, from 7-10 p.m. at Bowlerama in New Castle. \$45 per person, includes dinner, 2 hours of bowling, shoe and ball rental, and lots of fun and prizes. Register with Jane Bailey by January 22.

At Your Service
At Your Service

League Activities in December 2009

DCUL NOTICES: RESPONSE NEEDED

The Notice of Election of League Directors. 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.

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.

Last Chance to Sign up for League Professional Councils. January 30 is the deadline to enroll for the League’s professional councils. The following credit unions have already enrolled: Chestnut Run, Del-One, Delaware Alliance, Delaware First, Dover, Eagle One, Louviers, New Castle County School Employees and Wilmington Postal FCU. Contact education director Bernadette Hines for more information.

LEAGUE SERVICES

New Business Member. BSC America, a privately-held, family-owned and operated vehicle remarketing company, is a new League Business Member. The company has been in business for 62 years and specializes in working with credit unions. They provide a full menu of auction services for any vehicle anywhere in the United States. The League's next collections council session will be held on their site at the Bel-Air Auto Auction in Bel Air, Maryland.

Invest in America (IIA) has evolved to include more than just automotive discounts. With the IIA program, all eligible current and new credit union members also have access to valuable offers from Sprint, Thor RV, Allied Moving and Storage, FTD.com, CU Benefits Express (CU members receive up to 60% on medical and lifestyle products and services); and Complete Tax (CU members receive up to 56% on online tax services). Help your members get more for their money with FREE marketing materials from IIA. And be sure to visit often the Invest in America website - www.lovemycreditunion.org - for up-to-date information and current promotions like:

1. Chrysler – January 4 – March 1, 2010. Affiliate Rewards member-preferred pricing program has been expanded to include all 2010 model year vehicles. The incentives are valid through March 1, 2010.
2. GM promotion now through September 30, 2010
 - Purchase offers: Supplier Pricing on top of most current incentives when members purchase a new GM Vehicle
 - Lease offers: GM is offering members of participating credit unions Supplier Pricing + Lease Cash Back (up to \$3,300) on select 2010 vehicles

If your credit union isn't registered with Invest in America to receive updates on program benefits and changes, please contact Jane Bailey today.

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.

GOVERNMENTAL AFFAIRS

CULAC Contributions. Delaware surpassed our 2009 CULAC goal by raising \$5,655.15, surpassing our goal by 6%. Special thanks goes to those credit unions who sold candy bars, hosted Dress Down Day events, held special raffles, sold state quarters and presidential dollar coins to their members, or participated in Deduct-a-Buck. Individuals who made personal contributions, especially in the last month of the campaign, helped to take us over the goal. Our 2010 goal will be \$5,537.93.

Delaware Credit Unions Surpass CU House Goal. Delaware credit unions continue to show their commitment to the system's success on Capitol Hill by surpassing their 2009 fundraising goal for Credit Union House by raising \$3,950 last year. The contributions of 11 Delaware credit unions and individuals helped us obtain 233% of the state's annual goal of \$1,698. For more information, please visit www.cuhouse.com.

American Spirit FCU
Chestnut Run FCU
Del One (Delaware FCU)

Delaware Alliance FCU
 DEXSTA FCU
 DPL FCU
 ICI America FCU
 Joel and Louisa Romaine
 New Castle County Delaware Employees FCU
 Provident FCU

COMMUNICATIONS/PUBLIC RELATIONS

Delaware League News and Risk Alerts. In December, the League emailed eight news updates regarding end of the year legislative and lobbying activity, especially around member business lending. There were five scam alerts regarding debit card breaches, robbery schemes, and white powder envelopes being sent to financial institutions.

COMPLIANCE

InfoSight/Policy Pro Compliance Roll Out. (Refer to the first two articles in this newsletter.) League staff members Alice Smith, Jane Bailey, and Pat Mahaney have received training on these new programs. Technical support will be provided by Elaine Royer of the Pennsylvania Credit Union Association. Alice Smith will soon be contacting each credit union to provide passwords to InfoSight, your credit union’s online compliance resource, and a link has been established on the DCUL website. CU Policy Pro will go live at the end of January after the semi-annual update has been completed.

League Compliance Update. From September through December of 2009, League staff fielded 11 compliance calls. Topics included lending questions, escheat information, interstate mortgage lending requirements, foreclosure policies, and new account questions.

EDUCATION

Distance Learning. 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 Delaware credit unions. These affordable, convenient offerings will cover key topics for credit union staff. We 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.

December Education Sessions

Date	Title		# Individuals	# CUs
12/10/09	Financial Mgmt. Council/Economic Overview	Bruce Six	11	9
	Distance Learning			
12/17/09	10 Keys to Obtaining Reaffirmation Agreements	NorthLegal Webinar	Not available	

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).