

Together

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HEADLINE NEWS

CUNA Welcomes Cheney as President/CEO, Debuts New Website



The Credit Union National Association (CUNA) enjoyed the recent holiday weekend by welcoming a series of changes to its team and informational output. William "Bill" Cheney officially became president/CEO of CUNA on July 5 and visitors to the official CUNA website enjoyed a newly redesigned and revamped layout one day later (www.cuna.org).

Cheney embraces his new position in a significant time of credit union hot-button issues such as interchange and member business lending. He promises a smooth transition at the helm and a steadfast dedication to assisting credit unions through these difficult times. Cheney told CUNA's *News Now* that advocacy will serve as CUNA's first priority.

With an encompassing 20 years of credit union experience, including nine as CEO and the previous four as CEO of the California and Nevada Credit Union Leagues, Cheney brings a vast knowledge and listing of achievements to fill the position formerly held by exiting CEO, Dan Mica.

Additionally, CUNA's website experienced a significant redesign that took months of planning to orchestrate. The restructuring of the most visited website in the credit union industry has been in development for the past six months. "We have used survey feedback from our readers to guide a series of design improvements that will make our site easier to use, quicker to navigate, and more visually appealing," said Kevin Knope, CUNA director of web-based systems and support, who spearheaded the redesign effort.

The site now features easy-to-use tabs and prominent lists bringing the most up-to-date information to the forefront. The site also makes it easier for visitors to follow the organization on Twitter, fan them on Facebook, or join the conversation on the CUNaverse blog.

According to *News Now*, the website enjoys more than 100,000 visitors monthly with 45,000 page views daily, and the newest features are sure to draw an even larger credit union audience with features including:

- Better navigation. Content is now grouped under four major categories: Issues & Advocacy; Regulation & Compliance; Education & Training; and Products & Services, with drop down menus delineating the specific content in each area for faster navigation.
- Audience differentiation. The new site also takes greater account of the different audiences that it attracts, using tabs to more clearly identify specific destinations of interest to different groups.
- Improved integration. The site has added more links from informational pages to product and services pages, and vice versa, making it easier for visitors to find what they are looking for.

- Increased automation. System generated lists highlighting recent additions and popular pages keep the *cuna.org* fresh and help visitors stay on top of what's new and what's of current interest.
- Faster performance. Enhancements to the underlying technology of the site enable pages to offer more interactive features and still display faster than in prior versions of the site.
- Streamlined appearance. A more attractive and contemporary design presents a stronger initial impression of CUNA and the credit union movement.

(Source: *CUNA News Now*, July 6, 2010)

COMPLIANCE UPDATE

NCUA Releases Guidance on Voluntary Mergers, P&As

The National Credit Union Administration (NCUA) has released a letter to all federally-insured credit unions #10-CU-11, providing information on how the agency selects merger and purchase & assumption (P&A) partners. The letter also includes information related to other business combination alternatives.

The letter addresses several topics involving mergers and P&As including:

- An explanation of the P&A process and the various types of mergers;
- The criteria used to evaluate mergers and P&As;
- The identification of merger and P&A partners; and
- The selection of an acquirer in the limited circumstances when NCUA is involved in making the choice.

You will find a copy of the letter at: <http://www.ncua.gov/news/express/xfiles/10-CU-11.pdf>.

Review Disaster Plans and Prepare for Hurricane Season

NCUA has sent a notification to credit unions as a reminder to review disaster preparedness and response plans in preparation for the 2010 hurricane season and for ongoing readiness to respond to other incidents.

The National Hurricane Center (NHC) predicts one of the most active hurricane seasons on record for the six-month season from June through November, 2010. The greater risk of storms brings greater risk of landfall. A copy of letter 10-CU-10 can be found on NCUA's website at: <http://www.ncua.gov/news/express/xfiles/10-CU-10.pdf>.

Resources for Disaster Preparedness & Response

CUNA Posts Analysis of Fed Final CARD Act Rule

CUNA has issued an analysis of the last final rule that implements provisions of the Credit Card Accountability, Responsibility and Disclosure (CARD) Act.

The CARD Act was enacted last year to prohibit and restrict a number of credit card practices. This final rule implements provisions, effective August 22, intended to protect credit card users from unreasonable penalty fees and that require card issuers to reconsider interest rate increases every six months after an increased rate becomes effective.

Among other provisions, the final rule:

- Limits penalty fees to \$25, unless there are repeated violations or the issuer can demonstrate that a higher fee represents a reasonable portion of the cost it incurs as a result of these violations;

- Prohibits card issuers from charging penalty fees that exceed the dollar amount associated with the violation. For example, if the minimum payment is \$20, the late payment fee can no longer exceed \$20;
- Bans inactivity fees or fees for closing and terminating the account;
- Prevents card issuers from charging multiple penalty fees based on a single violation;
- Implements requirements that card issuers inform consumers of the reasons for a rate hike; and
- Requires that for rate increases since January 1, 2009, issuers must review these increases every six months and reduce the rate if the reasons for the increase no longer apply.

The rule applies to credit cards, but not to home equity lines of credit accessed by credit cards or to overdraft lines of credit accessed by debit cards.

For more on the Fed's final rule, use this link:

http://cuna.org/reg_advocacy/member/analysis/fed_070710.html.

FedACH Same-day Service: CUNA Analysis

On August 2, credit unions and other depository institutions can use a new Federal Reserve same-day automated clearinghouse (ACH) service, but they must opt-in to participate. To opt-in, depository institutions must execute a participation agreement with the Fed.

The Fed said that FedACH customers may opt-in to the service, which will “be limited to transactions arising from consumer checks converted to ACH and consumer debit transfers initiated over the Internet and phone.”

The debit transfers will post to institutions' Federal Reserve accounts at 5:00 p.m. ET and same-day return debit transfers will post at 5:30 p.m. ET.

Use this resource link (requiring a password) for more CUNA analysis of the Fed rule:

http://cuna.org/reg_advocacy/member/analysis/fed_070710_2.html.

CU SYSTEM NEWS

Mid-Atlantic Corporate Moves Ahead With Plans for the Future



Mid-Atlantic Corporate FCU announced in a letter to members that it is building on plans to ready itself for new regulatory realities and other marketplace changes.

Mid-Atlantic has been providing regular communication to members to inform and prepare them for the corporate's planned changes. Jay Murray, President/CEO, and other senior managers held a series of town hall meetings during the first quarter and have spoken on the topic of “what's next for corporates” at several events, including Mid-Atlantic's recent annual meeting.

Step one for Mid-Atlantic was to introduce a new membership plan requiring a level of capital commitment as a condition of continued member-ship. To date, Murray says the corporate has received commitments from 637 members totaling \$116.8 million in capital.

Mid-Atlantic's strategy for achieving and maintaining the regulatory “well capitalized” designation includes monitoring its total deposits and introducing a maximum deposit limit for each member.

As part of its planned changes, Murray announced last week that the corporate is realigning staff and consolidating some departments, resulting in a 16 percent reduction in full-time employee positions.

“We’re adjusting staff levels to meet business levels – a necessary step to ensure Mid-Atlantic’s continued strength and efficiency, as well as our ability to deliver the services credit unions need,” Murray said. “At the heart of the staff repositioning is making sure we have the right people in the right places.”

Murray noted that in recent years Mid-Atlantic’s team has become known for product and service innovation, especially in the payments arena. “That capability, combined with our sensible approach to asset/liability management and careful eye on expenses, will remain vitally important going forward. The changes we’re making today will hold Mid-Atlantic in good stead as the new regulation takes effect,” he said.

CUNA Community CU Growth Conference October 6-9

A vital component to every credit union’s success is being able to continually grow its membership through innovative strategies and market focuses. For many credit unions, the most challenging piece of the puzzle is when it comes to strategies for bringing new members through the doors.

This year’s 2010 CUNA Community Credit Union & Growth Conference is focused on putting all the pieces together to grow membership and revenue. The conference registration fee is \$895 per person (\$1,095 after Sept. 7). CUNA Council members receive \$100 discount. To learn more about the 2010 CUNA Community Credit Union & Growth Conference and to register, visit http://www.cuna.org/training/on_site/community_2010/.

CUNA Fuses Branch Managers’, Business Development Schools

CUNA is fusing its Branch Management Institute and Business Development School into one event – CUNA FUSE 2010: An Institute for Branch Managers and Business Development School. The new fused school will meet October 25-28 in San Antonio, Texas.

CUNA FUSE 2010 will offer business development, branch management and leadership topics. The closing general session will help attendees create a personal action plan to implement when they return to their credit unions.

“Over the last few years we have seen an increase in the number of branch managers taking on business development responsibilities and attending our Business Development School,” said Meghann Dawson, CUNA instructional design manager. “The same is true for business development professionals attending our Branch Management Institute. Aligning the two programs to address the evolving responsibilities of both professions is the best solution in helping them achieve their goals and exceed expectations.”

The cost of the program is \$1,295 (\$1,395 after September 12, 2010). For more information, go to <http://www.cuna.org/training-education/event/FUSTN10>.

DELAWARE NOTES

Congratulations to the members, staff, and volunteers of **EAGLE ONE FCU**, as the credit union celebrates 75 years of service on July 26.

DEXSTA FCU now offers education loans for students and families to help navigate the financial path to achieve their educational goals. The program encompasses an affordable loan option for college, graduate, and private K-12 schools. “We are happy to add the DEXSTA private student loan program to our portfolio of products and services. With this addition, not only are we able to help finance college tuition, but families with children in private K-12 schools can also benefit,” says Jerry King, President/CEO of DEXSTA FCU

DPL FCU CEO Tony Hinds attended the 1 Credit Union Conference in Las Vegas from July 11-14.

DOVER FCU was recently recognized as Corporation of the Year, an Excellence in Business Award, by the Central Delaware Chamber of Commerce. Amidst sweeping reforms in the financial services industry, Dover Federal has been recognized for its great service, sound business practices, and strong leadership. “The honor bestowed by the Chamber has confirmed the success of our credit union in having members and their financial success as our top priority,” commented David Clendaniel, President/CEO of Dover Federal Credit Union. “An award that recognizes our commitment to serving our members with excellence is gratifying and an acknowledgement of the incredible team we have across the organization!”

Delaware Governor Jack Markell (right) presents the proclamation of Dover Federal’s Nomination for Corporation of the Year to David Clendaniel



During the past school year, **DEL-ONE** has had expanded its relationship with local schools through a variety of financial literacy programs. Del-One staff has presented financial education programs, providing lesson plans and handouts to teachers through its partnership with Internal Training Services, while also offering financial awareness through field trips to the credit union’s branches and scholarship opportunities for students throughout the state of Delaware. The credit union successfully provided 35 financial education and literacy presentations to approximately 1,047 students in six different schools.

EDUCATIONAL OPPORTUNITIES

July/August QuickBites Teleconferences

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

- 7/27 How to Attract Young Members
- 8/05 Growth Strategies: Retention is the New Acquisition
- 8/18 Lending to the Self-Employed
- 8/24 How to Outsell What Your Competitors Can’t

The 1½ hour session runs from 11a.m.-12:30 p.m.:

- 7/21 Safe Deposit Security, Liability, & Self Service Boxes

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

- 8/11 How to Increase Loan Approvals

The fee for the one-hour sessions is \$99; the 1½ hour session is \$129; and the two-hour session is \$169. The deadline to register with Bernadette Hines: one week before the session.

July/August Webcasts

- 7/21 Early Warning Signs of Problem Loans
- 7/28 Vendor & Third Party Due Diligence
- 8/04 Your Credit Union’s Responsibilities & Liability When Check Fraud Occurs
- 8/11 UCC Issues: What Every Lender Should Know
- 8/18 Opening Deposit Accounts Online
- 8/19 New Head Teller Development
- 8/25 Credit Reports & Scores: Using Them Legally & Effectively
- **Reg CC Check Holds Webinar – CD only** (available until August 31)

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.

NorthLegal Webinar: Completing the Latest Bankruptcy Reaffirmation Documentation – July 22, 1-2:30 p.m. Are you using the correct bankruptcy reaffirmation forms and are you completing them properly? After making significant changes to the official reaffirmation forms in December 2009, the court system **changed some (but not all) of the forms again in April 2010 and withdrew the December forms**. The April forms fixed some of the defects in the December forms but other errors remain. The April forms also **make it easy for a creditor to make errors** that could cause it to lose some or all of its claims! Fee: \$125. For more information, go to www.culaw.com.

At Your Service

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League Activities in June 2010

LEAGUE SERVICES

Business Mixer Golf Outing. The 3rd Annual Business Mixer for Education Golf Outing is set for October 1, 2010, at the Deerfield Golf & Tennis Club in Newark. Business partners and members are submitting their sponsorship requests and foursomes are beginning to register. This outing is sponsored by Louviers FCU and the Delaware League with proceeds being split between our scholarship funds.



New Partners, New Savings. More than 200,000 new vehicles have been sold through this exciting program, and now you can save on other types of products and services as well. New partners have been added, including DIRECTV and ShopAmerica. Visit LoveMyCreditUnion.org for complete details.

Obtaining Member Opt-ins Can Be Quick and Easy. With the final Regulation E deadlines just around the corner, do you have the tools you need to increase member opt-ins to your overdraft program? Credit unions have until August 15 to receive opt-in confirmation from existing members (for new members the deadline passed on July 1), or they will be prohibited from charging fees for overdrafts on ATM and one-time debit card transactions. Even if you don't currently offer a formal program, you will be affected by the new restrictions on Force Post or Pre-Authorized debit transactions. Remember, when explaining your program to your members, opting-in is a simple process that can be accomplished whenever they are in the lobby, over the phone, by mail, or electronically. John M. Floyd & Associates (JMFA) can be a valuable resource for dealing with Reg E requirements. With more than 30 years of overdraft experience, JMFA provides you with a written 100% compliance guarantee for all overdraft regulations and the expertise to ensure your program provides a valuable service for your members. For more information, contact Greg Stumler, JMFA regional director, at Greg.Stumler@JMFA.com or (877) 817-7652.

2010 News Journal CU Supplement. The League will again be producing a credit union supplement to be distributed by the News Journal on International CU Day, October 21. Delaware credit unions have supported this supplement by purchasing ads since 2002. Jane Bailey will send out information about the cost of marketing your credit union in the supplement in the next few weeks. Alice Smith will be responsible for content.

CUNA has mailed the International Credit Union Day brochure with the poster inside to affiliated credit unions. [Posters](#) should arrive in the mailboxes of Marketing Directors or CEOs shortly. Meanwhile, the shopping pages are live on the newly designed CUNA.org site. Visit cuna.org/icuday to see what's new this year.



COMMUNICATIONS/PUBLIC RELATIONS

Bernadette Hines Organizes Shipment to Haiti. During the Delaware Credit Union League's annual meeting, the League collected unused canvas bags, pens, folders and papers from our vendors and staff to donate to a Haitian orphanage. Bernadette Hines, education director, and her daughter Natalie, a rising high school senior, also donated gently used children's clothing and small trinkets for the children. They combined all of the items and shipped three boxes to a convent in Gallitzin, Pennsylvania. The sisters are coordinating a sea container shipment in October to Carmelite nuns in the small village of Pandiassou who will distribute the items to the orphanage.

Delaware League News and Risk Alerts. In June, the League emailed 25 news updates. Sixty percent dealt with political advocacy around interchange fees and member business lending. The remainder gave compliance information and good news stories about credit unions in publications such as the *New York Times*, *Washington Post*, and *Wall Street Journal*. There were two risk alerts in June: one on counterfeit checks and one on scams related to senior citizens.

GOVERNMENTAL AFFAIRS

Legislative Update. By the time this issue is published, the U.S. Senate may have taken a final vote on legislation to overhaul the financial system. Sixty votes are needed to pass H.R. 4173, the *Wall Street Reform and Consumer Protection Act*, and it is believed that the votes have been secured for passage of the bill.

The 2,300-page bill aims to address regulatory weaknesses blamed for the 2008 financial crisis that fueled the worst recession since the Great Depression.

CUNA and credit unions oppose H.R. 4173, the regulatory reform bill, because it includes an interchange provision that allows the government to set the cost of interchange fees, a rule change that CUNA argues will harm both credit unions and their members.

The *Small Business Lending Fund Act* (H.R. 5297) is also closer to a vote. Sen. Mark Udall (D-Colo.) has introduced an amendment that would increase the credit union member business lending (MBL) cap to 27.5% of total assets, up from the current 12.25%. CUNA and credit unions have worked in support of this change, which CUNA notes could add \$10 billion in credit for the country's struggling small businesses and add more than 100,000 new jobs – at no cost to taxpayers.

CUNA President/CEO Bill Cheney urges credit unions to keep up their grassroots action. "Credit union voices must continue to be heard on Capitol Hill about these important pieces of legislation as they move toward a vote in the Senate," Cheney said and urged credit unions to light up the Capitol switchboard (202-224-3121) to reach their senators.

EDUCATION

Distance Learning. The Delaware Credit Union League is proud to offer access to a series of web-based education seminars during 2010. We have partnered with Financial Education and Development Inc. to offer this training to Delaware credit unions. These affordable, convenient offerings cover key topics for credit union staff. We 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. League education director Bernadette Hines sends out a list of course offerings to credit unions through email and direct mail.

June Education Sessions

Date	Title		# Individuals	# CUs
06/15/10	Robbery Prevention	Chetta Hebron-Byrd	41	6
06/16/10	Robbery Prevention	Chetta Hebron-Byrd	9	3
06/22/10	Collection Council	Bel Air Auto Auction	8	7

	Quickbites and Webinars			
06/16/10	Safe Deposit	Webinar	1	1
06/22/10	Professionalism in the Workplace	Quickbite	1	1

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