

Together

Volume 30, Number 14

July 30, 2010

HEADLINE NEWS

American Spirit FCU Provides First Credit Union SBA Loan

American Spirit FCU joined Gladys and Eustace Kumanja in celebrating the opening of their own business aided by a federally guaranteed loan.

Queen Bee Beauty Salon was the recent recipient of the first Small Business Administration (SBA) loan offered by a credit union in Delaware. The \$250,000 SBA 7(a) loan provided American Spirit with a 90% SBA guarantee and saved the beauty supply business \$5,940, through the elimination of loan fees under the American Recovery and Reinvestment Act, according to the SBA's Delaware office.



Queen Bee actually opened for business on April 5, but July 23 was the official ribbon cutting. Gladys and Eustace Kumanja are pictured cutting the ribbon. To the right of Mrs. Kumanja is American Spirit FCU CEO Maurice Dawkins; Jayne Armstrong, SBA Delaware district office director; and Steve Keplinger, American Spirit FCU board chairman. Pat Mahaney and Jane Bailey from the League attended the event along with local and state political leaders.

Originally from Kenya, the Kumanjas were denied loans by three commercial banks because of insufficient capital and inexperience in the business. They approached American Spirit, where Mrs. Kumanja had a personal account, and the CU decided to make Queen Bee its first official commercial loan recipient.

“Our goal is to help as many people as possible realize their dreams, and we are convinced that they’d be successful,” said American Spirit FCU CEO Maurice Dawkins. “Business lending is important and plays a key role in the economic recovery and growth by creating new jobs.”

“Credit unions will play an important role in SBA and small business lending in the near future, and this loan represents the industry’s strong support of start-up small businesses,” commented Jayne Armstrong, district director of the SBA’s Delaware district office.

For more information about the Small Business Administration loan program, contact Jane Bailey at the League office.

President Signs Historic Financial Regulation Reform

President Barack Obama on July 21 officially signed legislation that introduces a series of sweeping regulatory reforms that substantially restructure financial regulations and provides consumers with new protections.

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.

The legislation makes permanent an increase in federal deposit insurance to \$250,000 per account and extends on an equal basis for credit unions and banks unlimited federal insurance for non-interest bearing accounts. The legislation also establishes a consumer financial protection bureau, and credit unions with assets under \$10 billion will not be examined by the new bureau once it is established.

A similar \$10 billion credit union exclusion applies to rules that allow the Federal Reserve to set interchange fees for debit cards. The interchange legislation was strongly opposed by the Credit Union National Association (CUNA) and credit unions.

Several other reforms are also of interest to credit unions. One such reform is the inclusion of the National Credit Union Administration (NCUA) Chairman on a proposed financial stability oversight council. CUNA continues to analyze the impact that the regulatory reform provisions will have on credit unions.

Resources for Credit Unions: Impact of the Legislation

The Delaware League has provided several resources for credit unions regarding the financial reform law:

- Managers/CEOs have received a detailed summary of the key provisions of the law that affect credit unions and their implementation.
- The League is offering a special morning webinar (11 a.m.-12:30 p.m.) on "Financial Regulatory Reform: The Impact on Credit Unions," on Friday, August 13. The cost of the presentation is \$189 for internet connection or a CD-Rom or \$219 for both. Enroll with Bernadette Hines no later than August 6.

[NCUA NEWS](#)

Share Insurance Amount Made Permanent

As a result of the signed Dodd-Frank Wall Street Reform and Consumer Protection Act, the NCUA share insurance maximum of \$250,000 is permanent.

The standard maximum share insurance amount was temporarily increased back in 2008 and extended until December 31, 2013 in May of 2009. Passage of the new Consumer Protection Act now makes the \$250,000 coverage permanent.

As a reminder, stickers, downloads, and other resources are available at the [NCUA Consumer Share Insurance Tool Kit](#).

It is a good time to brush up on the basic rules of appropriate signage and update as necessary.

Display of Official Sign

Each insured credit union must continuously display the official sign:

- At each station or window where insured account funds or deposits are received;
- In the credit union's principal place of business;
- In all its branches; and
- On its Internet page (website) where it accepts deposits or opens accounts.

The official sign must be legible in all places displayed. Failure to comply is subject to a penalty of \$100/day.

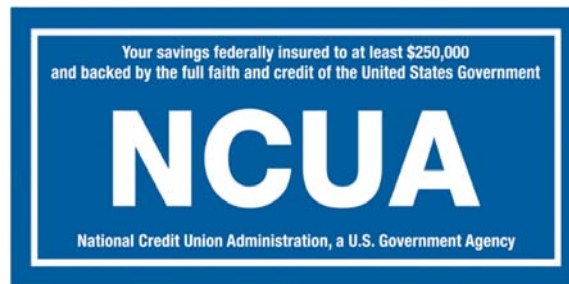
Official Advertising Statement

Generally, each insured credit union must include the official advertising statement in all of its advertisements, including on its main Internet page.

CUs can use any of the following verbatim:

- The official advertising statement “This credit union is federally insured by the National Credit Union Administration”;
- A shortened form, as follows: “Federally insured by NCUA”; or
- A reproduction of the Official Sign.

The advertising statement must be in a size and print that is clearly legible.



NCUA Cautions CUs on Home Equity Schemes

NCUA in Regulatory Alert #10-RA-09 warned credit unions of potential red flags for home equity fraud schemes. The NCUA release, which mirrors a recent advisory from the Financial Crimes Enforcement Network (FinCEN), advises credit unions to specifically include the well-defined Home Equity Conversion Mortgage (HECM) program in the narrative portions of any relevant Suspicious Activity Reports (SARs) that are forwarded to authorities. To see the alert, go to:

<http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2010/10-RA-09.pdf>.

Final SAFE Act Rules for Registration of Mortgage Lenders

CUNA has released a final rule analysis on the final rules for implementing the *Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act*.

The *SAFE Act* requires residential loan originators that work for financial institutions that are regulated by the NCUA and other federal financial institution agencies to register with the Nationwide Mortgage Licensing System and Registry. These employees will also be required to maintain this registration.

Financial institutions that are covered under the Act will also be required to adopt and implement written policies and procedures to ensure compliance with these requirements. The *SAFE Act* also requires lenders to tailor these policies to best meet the nature, size, complexity, and scope of their mortgage lending activities.

The final rules take effect on October 1, 2010. Registrations will begin in January 28, 2011.

NCUA will provide an advance announcement of the date when the registry will begin accepting federal registrations.

The Federal Register notice and final rules can be found online at:

<http://www.ncua.gov/Resources/RegulationsOpinionsLaws/final/741-761-75fr44656-201-18148.pdf>.

CUNA's rule analysis can be found online at:

http://www.cuna.org/reg_advocacy/member/analysis/ncua_061410.html. You will need a password to access the site.

[CU SYSTEM NEWS](#)

BSA E-Filing Announces New Toll Free Number and Email Address

The Financial Crimes Enforcement Network (FinCEN) announces a new toll free number and email address for the Bank Secrecy Act Electronic Filing (BSA E-Filing) Service Desk.

Effective **July 31, 2010**, the BSA E-Filing Service Desk toll free telephone number and email address has changed. The new number is **1-866-346-9478 (Option 1)** and the new email address is **BSAEFilingHelp@fincen.gov**. The old number was disconnected on July 31, 2010, and a recording announcing the new number will not be available if this number is called.

The Help Desk hours and days of operation will remain the same: Monday through Friday 8 a.m. to 6 p.m. East Coast Time. [Click here for the BSA E-Filing homepage.](#)

Discover Your Potential at the 2010 VLC

If you're set on bettering yourself as a credit union leader, there's something you should know. Most leaders want to stay ahead of their competition by keeping themselves informed.



Take the opportunity to do just that at the 2010 Volunteer Leadership Conference October 22-24 at the Clarion Fountainebleau Hotel in Ocean City, Maryland. Speakers will offer unique perspectives on topics that range from where credit unions stand to how credit unions can make an impact in the financial marketplace. Customize your training with breakout tracks designed for board members, management staff, and supervisory committees. In three days' time, gain power-packed leadership insight and discover your potential.

Informational brochures about the conference are being sent to CU CEOs, board chairs, and supervisory committee chairs. The information is also available on the Delaware League website at www.dcul.org. Click on the VLC button on the right side of the home page.

Dover FCU Joins in Recognition of Former CUNA CEO Dan Mica

Outgoing CUNA CEO Dan Mica turned over a symbolic key to successor Bill Cheney at the historic joint conference of CUNA and the World Council of Credit Unions in mid-July in Las Vegas.



In recognition of Dan Mica's 14 years of service at the helm of CUNA, the National Credit Union Roundtable's Bill Raker, president/CEO of U.S. FCU in Burnsville, Minn., read a proclamation lauding Mica's contributions. He also presented CUNA's former CEO with an oversize check representing a \$222,650 contribution on Mica's behalf to Credit Union House in Washington, D.C.

The donation was made up of contributions from the 100 largest U.S. credit unions that make up the CU Roundtable. Dover Federal Credit Union, who is Delaware's representative to the Roundtable, made a \$2000 contribution to Credit Union House in recognition of Mica's leadership of CUNA.

Dan Mica passes along CUNA key to Bill Cheney (right) – WOCCU picture

An acknowledgement letter to Dover Federal from Sue McCue, Credit Union House manager, stated, "Your support ensures that Credit Union House will always remain a symbol of the strength and permanence of the credit union movement in our nation's capital."

Shared Branching Network Continues to Grow

The League is pleased to announce that Delaware First Federal Credit Union is joining the shared branching network in August 2010 as an issuer and acquirer. The credit union's two offices, one is located in Wilmington and the other in Middletown, will be acquirer locations for other shared branching members to use when performing transactions.

This will bring the number of participating Delaware credit unions to five. Currently, nationwide there are over 1,627 issuer credit unions who are part of the shared branching network. There are over 4,126 locations nationwide where these credit union members can perform transactions on their credit union accounts.

For more information on how to become a part of shared branching, contact Jane Bailey, DCUL, jane@dcul.org, or Sandy Shenk, PaCUSC State Coordinator, 800-932-0661, ext. 5267; e-mail: sandy.shenk@pcua.coop.

[DELAWARE NOTES](#)

The Delaware Credit Union League's 2009 CU Day Supplement, *Your Money, Your CU*, won an honorable mention in CUNA's Pro/Blockbuster Communications Awards Contest. Plans are already underway for the 2010 CU Day Supplement. All Delaware credit unions have received information about pricing for advertising in the supplement to be published again by the News Journal Company. If you have any questions about the supplement, please contact Jane Bailey or Alice Smith. With increased CU participation, we are hoping to publish 20 pages in October.

DOVER FCU has announced that Rob Easton has joined the Board of Directors as an Associate Director. As an Associate Director, he will have the opportunity to deepen his understanding of the credit union philosophy while learning first hand the responsibilities of the board. Mr. Easton, a member of Dover Federal since 2003, has served on the Supervisory Committee for the past year. He also has over ten years of progressive experience in accounting and financial analysis and is currently employed as comptroller at Dover Pool and Patio.



HR Position Available

Del-One (Delaware FCU) is seeking an individual to manage the day-to-day human resource functions of the credit union. The work requires extensive knowledge of performance appraisal, benefits and compensation programs. These characteristics are normally acquired through completion of a bachelor's degree in human resource management or a related course of study. Please send resume with cover letter (including salary requirements) to Human Resources, Del-One, 270 Beiser Boulevard, Dover, DE 19904 or email to humanresources@del-one.org. A full job description is found on the CU's website: <https://www.del-one.org/careers.html>.

Printers for Sale

Sussex County FCU has used printers for sale:

- Four Epson LQ 590 printers @ \$100.00 each, two or more \$75.00 each, or best offer.
- One Epson LQ 570 and one Epson LW 870 printer @ \$50.00 each or best offer.

Contact Allen Riley, vice president of operations, at 302-629-0100, ext. 107, or send an email to ariley@sussexfcu.com.

EDUCATIONAL OPPORTUNITIES

August/September QuickBites Teleconferences

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

- 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
- 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.:

- 8/11 How to Increase Loan Approvals
- 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 Webcasts

- 8/04 Your Credit Union's Responsibilities & Liability When Check Fraud Occurs
- 8/11 UCC Issues: What Every Lender Should Know
- 8/13 Financial Regulatory Reform: Impact on CUs (Time: 11 a.m.-12:30 a.m.)
- 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)

- 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

The webcasts 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" webcast 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.

**Coming September 22: ALM Workshop for Management and ALM Overview Session
for Volunteers**

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).