

Together

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HEADLINE NEWS

Hill Visits Educate Legislators on Interchange Fees

Four Delaware credit union leaders spent a long day in Washington, D.C., on June 9, visiting with Delaware's three Congressional offices. League president Pat Mahaney, Savannah Jarrell (Delaware Alliance FCU vice president of operations), Steve Cimo (CEO of Delaware State Police FCU), and Allen Riley (Sussex County FCU vice president of operations) educated staffers on interchange fees and urged Delaware's members in Congress to remove the Senate's proposed interchange amendment as it would be detrimental to credit unions and consumers.

Senator Carper was able to attend the briefing for a short time. Delaware is very fortunate in that Senator Tom Carper and Senator Ted Kaufman both voted against the Durbin amendment on changing the interchange fee system. In addition, Congressman Mike Castle also voted against the House financial regulatory bill. Castle has also agreed to sign a bi-partisan letter in support of an effort to urge financial regulatory reform conference committee members not to include language on interchange fees in the final legislative package.

The League sincerely thanks everyone for their participation and efforts in contacting their elected officials. CUNA reports 528 Delaware contacts to Congressional offices, which includes 9 toll-free calls. This adds to the national response of close to 525,000 contacts. "We need to keep the momentum going; the battle is not over," states League president Pat Mahaney.

Please continue to call and write Congressional offices. Go to the League website – www.dcul.org – and click on the "Call to Action" button on the right side of the opening page to send an email or make a toll-free call. Or go directly to http://cuna.org/pol_affairs/dec_interchange.html.

Mid-Atlantic Corporate Membership Agreements Due

The membership agreement forms that were sent to Mid-Atlantic Corporate FCU members in January 2010 are due to Mid-Atlantic by June 30, 2010. If you are not sure whether your credit union submitted these forms or if you never received a packet, please contact your Corporate Account Manager.

Within the packet, member credit unions need to select a new membership level – platinum, gold, silver or bronze – from the selection form. Then, sign the Perpetual Contributed Capital (PCC) and/or the Nonperpetual Capital Account (NCA) agreement form, depending on your membership level, and mail the forms back to Mid-Atlantic prior to the June 30 deadline.



NCUA Video Explains Corporate Crisis in Plain English

The National Credit Union Administration (NCUA) has posted on its website the first of three videos to help credit unions understand the corporate credit union crisis. [Track No. 1](#), which covers the history and services of corporate credit unions, is available at the link found in Chairman Matz's report. Track No. 2 will describe types of corporate credit union investments, how the investments were affected by financial market declines, and how problems with investments affected corporates and threatened the credit union system. Track No. 3 will focus on NCUA's 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. When all three tracks are posted online, NCUA will send a free DVD of the tracks to all federally insured credit unions.

COMPLIANCE RECAP

Red Flags Rule Extended

At the request of several Members of Congress, the Federal Trade Commission is further delaying enforcement of the "Red Flags" Rule through **December 31, 2010**, while Congress considers legislation that would affect the scope of entities covered by the rule. The announcement and the release of an Enforcement Policy Statement do not affect other federal agencies' enforcement of the original November 1, 2008 deadline for institutions subject to their oversight to be in compliance. In the interim, Federal Trade Commission staff continue to provide guidance through materials posted on www.ftc.gov/redflagsrule.

Regulatory Flexibility

Since March 1, 2002, RegFlex (see Part 742 of the *NCUA Rules and Regulations*) has exempted qualifying FCUs with strong net worth and consistently strong CAMEL ratings from certain NCUA regulations, in whole or in part. Included in the exemption are certain investment limitations. In January of 2006, the NCUA amended the qualifications for an FCU to be eligible for RegFlex.

If a credit union qualifies for RegFlex, it may adopt investment policies and practices that include expanded authority. The credit union may continue to abide by these expanded authorities as long as the credit union continues to qualify for the designation or until notified otherwise by the NCUA.

The following questions can be answered by visiting the Regulatory Flexibility topic on the "Investment Channel" of InfoSight. Visit InfoSight today at the Delaware League website – www.dcul.org. Each credit union has received a password to log in.

- What are the benefits of being a "RegFlex qualified" FCU?
- How does a credit union qualify for RegFlex?
- What does a credit union need to do if the credit union does not automatically qualify for RegFlex?

Regulation Z: Open-End Credit Rule

July 1, 2010 is the deadline for compliance with new open-end credit rules under Regulation Z. Is your credit union ready? The final rule includes comprehensive changes to the format, timing, and content requirement for five main types of open-end credit disclosures that are required under Regulation Z, the Truth in Lending Act (TILA). The changes include:

- Credit card application and solicitation disclosures;
- Account-opening disclosures;
- Periodic statements;
- Change-in-terms notices; and
- Advertising provisions.

For a comprehensive review of the categories listed above, [click here](#) or go to the following link (a password is required) to review CUNA's final rule analysis dated February 9, 2009: http://www.cuna.org/reg_advocacy/member/download/finalanalysis_fed_020909.pdf.

Gift Card Regulations and Network-Branded Gift Cards

Q. Will the new gift card regulations apply to network-branded gift cards sold by many credit unions?

A. Yes. The Federal Reserve Board amended Regulation E in order to implement the gift card provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009. The revised regulation will restrict dormancy, inactivity and service fees and expiration dates that apply to gift cards, certificates and general use prepaid cards that are sold or issued to consumers primarily for personal, family or household purposes. This includes network-branded gift cards (e.g., Visa, MasterCard) that are redeemable at any merchant that accepts the card brand. The regulation also applies when a physical card is not issued if the device or means of access otherwise acts as a gift card, such as when funds are accessible via an account number, code, or embedded computer chip. Gift cards sold to consumers on or after August 22, 2010, must fully comply with the new requirements.

CU SYSTEM NEWS

Date of 2011 League Annual Meeting Announced

The 2011 Delaware League convention and trade show will be held next year on April 14-16. The event will be held at Dover Downs Hotel and Casino, and the theme will be "Going the Extra Mile for Members." Event organizer Jane Bailey comments, "You'll experience the thrill and competition of a NASCAR race without leaving the hotel. The 2011 convention will be different, daring, distinctive and definitely exciting!" Details will come out in early 2011. In the meantime, save the date.

Annual Reports Available Online

- CUNA Mutual Group's 2009 Annual Report is available online. The 75-year anniversary-themed report shows CUNA Mutual enhanced its financial strength in every key capital measure compared to 2008. Go to www.cunamutual.com/annualreport.
- Mid-Atlantic Corporate's 2009 annual report can be found at www.midatlanticcorp.org under "Corporate Financials." The corporate's 2009 audited financials are also posted on the website.

2010 International CU Day Theme



This is the theme for International Credit Union Day (October 21). Given the resiliency that credit unions and other cooperatives worldwide have shown throughout the economic recession, this year's theme focuses on credit unions' trusted, community-focused approach to member service. Financial cooperatives around the globe will celebrate their successes and heritage with common themes and poster campaigns throughout October.

Official ICU Day graphics are available to download on WOCCU's website at www.woccu.org/icuday. Promotional materials, such as sample advertisements and speeches, will be available soon. A variety of promotional products also will be available for purchase on CUNA's website.

Shop America Pays Your Members to Shop Online

Most shop online these days. Why not help your members to save and get money back when they shop? Invest in America wants to reward them with discounts and cash back just for shopping at their favorite online stores.

Through Shop America, your members will have access to more than 1,200 online retailers, including some the largest and most popular like Target, Macy's, Best Buy and Apple, giving them major discounts when they shop. And every time they earn \$10 or more in cash back from their purchases, they get a check from Shop America as a thank you!

Don't let your members lose out by not hearing about this fantastic rewards program from your credit union. Use all of the available marketing materials to get the word out to them. Go to www.lovemycreditunion.org/Shop_America_585.html for details on Shop America and the other Member Rewards partner offers from Invest in America.

New Community CU White Paper

CUNA's Community Credit Union Committee released the first in a series of four complimentary white papers. The first release is titled *Best Practices in Credit Union Efficiency*. The white paper focuses on how community credit unions can generate adequate returns by:

- Setting high-level objectives as part of the strategic planning process;
- Utilizing benchmarking data to assess efficiency across all areas of the credit union and report these measurements regularly;
- Setting accountabilities and incentives around efficiency improvement at all levels of the credit union;
- Establishing a culture of continuous process improvement to drive new efficiencies with disciplined project management;
- Leveraging growing self service channels (phone, Web, mobile, cards) to deliver financial services in a less labor-intensive manner and actively manage channel delivery costs;
- Utilizing sophisticated data mining and contextual marketing strategies to lower the cost of member acquisition, cross sell and retention; and
- Developing stronger profitability reporting information at the branch, product and member level and driving management decisions around this profitability information.

To download a complimentary copy of *Best Practices in Credit Union Efficiency*, go to: http://www.cuna.org/download/Efficiency_BestPractices.pdf.

DELAWARE NOTES

Congratulations to the members, staff, and volunteers of **DELAWARE STATE POLICE FCU**, which celebrated 50 years of service on June 13.

LOUVIERS FCU partnered with The Challenge Program in motivating and rewarding students at Newark High School. Two students from each class who worked hard in the classroom and the community were given the chance to earn a cash reward. On May 25 and 26, Louviers FCU's Marketing Coordinator Faith Simperts, along with Barbara Grandinetti of The Challenge Program, presented awards of \$250 to each of the recipients for most improvement, best attendance, most community service, and best overall GPA. It was the school's and Louviers' first experience with this program. **DOVER FCU** also participates in this program.



Left to right: Barbara Grandinetti, student award winner, and Faith Simperts



Newark High School senior award winners with Faith Simperts

DEL-ONE (Delaware FCU) sponsored its annual Ridin' in Style high school limo package giveaway. Two lucky high school seniors won a free limousine ride, with the opportunity to arrive at their high school prom or graduation in style. Iesha Jones of Caesar Rodney High School (*picture on left*) and Temy Swinford of St. Thomas Moore High School (*picture on right*) were the winners of a three-hour limo ride with Racing Limos of Dover.



SEAFORD FCU recently began using Mid-Atlantic Corporate FCU's asset-liability management services.

Position Posting

Marketing Coordinator. Sussex County FCU is seeking a full or part-time marketing coordinator. The position includes advertising, writing promotional literature, market research, along with planning future marketing strategies for new product launches or special events under the direction of a department head. Either 3+ years of relevant experience or a marketing degree with some work experience required. Resumes may be directed to the HR Manager, Sussex County Federal Credit Union, PO Box 1800, Seaford, DE 19973 or e-mail to atyre@sussexfcu.com.

EDUCATIONAL OPPORTUNITIES

June/July QuickBites Teleconferences

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

- 6/16 Cell Phones: Our Future Wallets
- 6/22 Professionalism in the Workplace
- 6/30 Key Financial Ratios Everyone Including the Board Should Know
- 7/27 How to Attract Young Adult Members

Two 1½ hour sessions are from 11a.m.-12:30 p.m.:

- 7/08 The Hispanic Opportunity
- 7/21 Safe Deposit Security, Liability, and Self Service Boxes

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

- 7/14 Collections: Taking It to the Next Level!

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.

June/July Webcasts

- 6/18 The *Revised* BSA Exam Manual: Changes* **Time change: 11-12:30 a.m.**
- 6/23 Preventing Losses to the Frontline and Call Centers
- 6/30 Handling the Right of Set Off: What You Need to Know
- 7/07 When Do We Have a Legal Loan Application Under the Revised Regulation Z and RESPA Rules
- 7/13 Processing Federal Government ACH Payments: Getting It Right
- 7/14 Frontline Compliance 101
- 7/21 Early Warning Signs of Problem Loans
- 7/28 Vendor and Third Party Due Diligence
- **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.

June Live Training/Meetings

Collection Council: “Inside Look at the Auto Auction” – Thursday, June 22. Field trip to the Bel Air Auto Auction in Bel Air, Maryland. 9 a.m.-1 p.m. Lunch provided. Free to council members; all others \$100. **Regis. deadline: Call to see if there is still space.**

At Your Service

At Your Service

League Activities in May 2010

LEAGUE SERVICES

Shared Branching: Currently, Delaware has six credit unions on the network: American Spirit, Chestnut Run, Delaware State Police, Sussex County, Delaware First, and Eagle One which has a branch in our state. DPL FCU is starting implementation, and several other credit unions have asked for information.

MDDCCUA Marketing Awards: League executive vice president Jane Bailey was a judge for the Maryland & DC Credit Union Association’s Trailblazer Marketing Awards, which promote excellence in marketing.

CURE: Jane is also working with Holly Herman, executive director of Credit Union Retired Executives (CURE), to promote this service to Delaware credit unions. The CURE network connects credit union professionals with the nation's finest retired credit union executives. Credit union staff and volunteers can access the CURE network online anytime they have a question or want feedback, and they’ll get confidential advice and information for free. Some of the CURE advisors are JoAnn Johnson, former chair of NCUA, David Chatfield, retired CEO of California League, Juri Valdov, retired CEO of Northwest FCU and former CUNA chairman, and Bill Brooks, retired credit union CEO.

CUs Launching League Programs:

- DEXSTA has launched its private student loan program with Education Loan Source (ELS). The credit union is offering a K-12 student loan program, in addition to the higher learning loan program. An article submitted by ELS and loan processor Cology contains an announcement of DEXSTA’s program and appears on msn.com:
http://articles.moneycentral.msn.com/news/article.aspx?feed=PR&Date=20100609&ID=11581786&topic=TOPIC_LICENSEING_MARKETING_AGREEMENTS&isub=1.

- Louviers is marketing their private student loan program which launched in April 2010 with ELS. The credit union is now on the preferred lender list for the University of Delaware’s Executive MBA Program and at Wilmington University. Louviers’ program coordinator Bob Walls has been chosen by Education Loan Source to discuss the credit union’s student loan program on a syndicated show called “Today in America” hosted by Terry Bradshaw. The show will film in July and will focus on family financial issues like the cost of education. This show runs on CNN and Fox News networks.

- Louviers is promoting Acre Mortgage's loan products to enhance the credit union's existing mortgage program. The following credit unions are also using Acre Mortgage: New Castle County School Employees, Delaware Alliance and Chestnut Run.
- Delaware First will be live on shared branching in early August.
- Louviers has ordered GPS units from 3SI Security Systems to be installed at teller windows at each of its branch locations. These units are imbedded in bait cash bundles and track the robber as he/she leaves with the stolen cash. Imagine the robbers' surprise when the cops show up on their doorstep!

COMPLIANCE

InfoSight/Policy Pro Compliance Update. The League continues to send out weekly InfoSight newsletters and monthly CU PolicyPro operational notes. In May, InfoSight recorded 130 hits from Delaware, compared to 78 hits in April. Since January, there have been 1432 visits to the site (some of these from League staff). Here are the credit unions that visited InfoSight in May: Chestnut Run, Delaware Alliance, DEXSTA, Edge Moor DuPont Employees, New Castle County Delaware Employees, Seaford, Sussex County, and Wilmington Postal.

COMMUNICATIONS/PUBLIC RELATIONS

Delaware League News and Risk Alerts. In May, the League emailed 19 news updates. The majority dealt with compliance matters, NCUA news, positive press for credit unions, and political action alerts on the interchange issue. There were four risk alerts in May which included fraudulent check notices, unauthorized business account risk, phishing of NCUA site and fraud committed through the shared branching network.

GOVERNMENTAL AFFAIRS

Interchange Fee Legislation Action Call. The Credit Union National Association initiated a grassroots campaign comparable only to that in 1997 for HR 1151, this time in hopes of changing legislation that threatens credit unions' card programs and would likely mean added fees for consumers. The campaign, which the Delaware League helped to coordinate, had three primary objectives over the several weeks following Memorial Day:

1. Keep up calls, e-mails, and online messaging (<http://capwiz.com/cuna/issues/alert/?alertid=15068616>)
2. Visit members of Congress on June 9. [See *first article in this newsletter*]
3. Provide support resources for use in generating staff, volunteer and member action. The League posted a link to CUNA's resources on our website (www.dcul.org). The resources included a phone script for the toll-free number, a credit union poster to promote the toll-free number, and talking points.

At the last count, Delaware had recorded over 530 email messages and letters sent to our members in Congress. Kudos to those credit unions **who reported their activity to the League**, including all five members of the League staff: Betsy Cole, Dawn Sutcliffe, Savannah Jarrell, and at least one staff person of Delaware Alliance FCU, John Watson of Seaford FCU and calls from his branches, David Clendaniel of Dover FCU and some board and staff; Allen Riley of Sussex County FCU; Kathy Faries of U-DEL FCU; Sharon Schaeffer of Delaware First; and Steve Cimo at Delaware State Police FCU. This is a key fight for credit unions, and we appreciate your help.

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.

May Education Sessions

Date	Title		# Individuals	# CUs
05/12/10	Reducing Losses in Bankruptcy	David Reed	16	13
05/18/10	BSA Overview	Andre Lucas	57	12
05/19/10	BSA Extended Session	Andre Lucas	16	12
05/19/10	Supervisory Committee Duties & Responsibilities	Kirk Fox	14	9
05/26/10	Cards Council - "Card Act 2009"	Sheba Wallish	7	10
	Webinars			
05/13/10	Performing ACH Risk		2	1

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