

# Together

Volume 30, Number 9

May 30, 2010

## **HEADLINE NEWS**

### **National Call to Action on Interchange**

Credit unions and their members across the country are being urged to contact their members of Congress to fight the Senate-passed interchange amendment which, if enacted, could be devastating to credit union debit card programs.

The interchange amendment was added to the Senate's version of the Financial Regulatory Reform Bill. The House also passed, by a narrow margin, a financial reform bill in December 2009 (which did not include any language on interchange). The two chambers will meet in the coming weeks to reconcile the differing bills by conference committee.

The consequences of this amendment are serious – to the point that merchants could unfairly discriminate against credit union debit cards and credit union members. The Senate-passed interchange provision reduces merchants' financial responsibility for the benefits received from the card payment system.

**Members and credit union staff are urged to send a message to members of Congress urging them to oppose inclusion of the Senate-passed interchange provision in the financial reform bill. A prewritten letter is available for use at the Credit Union Grassroots Action Center at <http://capwiz.com/cuna/home/>.**

If interchange fees are reduced, CUs and other small financial institutions would be forced to raise rates and fees for card services, or even curtail debit and credit card services for members. Furthermore, there is no evidence to suggest that merchants would pass along any savings resulting from lower interchange to consumers.

*Look for more information on how to participate in this grassroots effort on the League's website: [www.dcul.org](http://www.dcul.org).*

### **Delaware Credit Unions Get Youth in Saving Habit**

Although the results of the National Youth Saving Challenge fell short of the outstanding record set in 2009, this year's event was a success considering the economy. The challenge itself is a great accomplishment in teaching young members to develop a saving habit.

During April, young members deposited \$24,811,741 into their saving accounts and CDs. The 348 participating credit unions across the country reported receiving deposits from 168,438 young members, including 10,385 who opened new accounts. The results average out to \$147 deposited per child. Last year's \$26+ million savings total averaged \$190 deposited per child.

Six Delaware credit unions registered for the Saving Challenge: American Spirit, DEXSTA, Dover, New Castle County School Employees, Preferred Financial, and Wilmington Postal. Deposits from 853 young members during the Challenge totaled \$144,733.95.

Congratulations to Dover FCU member Raqueice, age 11, who was one of 10 young members nationwide who received \$100 in a random drawing by CUNA.

The following credit unions reported how they celebrated Savings Week:



- Four lucky elementary classes won the 2010 **Del-One** National Credit Union Youth Week essay contest that earned them an all-inclusive field trip to the credit union. On Wednesday April 21<sup>st</sup>, over 100 students from Star Hill, Clayton Elementary, and Smyrna Elementary enjoyed a tour of Del-One's West Dover branch along with an interactive presentation and game. Mrs. Patten, Mrs. Carter, Mrs. Kassner and Mrs. Shalks' winning classes learned about services available to help them save. The field trip ended with a magic show and lunch. *Picture: Students of Mrs. Patten & Mr. Hill's Third Grade - Star Hill Elementary Class*

- **DEXSTA FCU** gave out free collector quarter sets to young members who opened a new Bill & Penny or \$tash savings account with a minimum deposit of \$50.00. Members were also eligible to win an Apple iPod Nano or one of three iTunes gift cards. A prize wheel was located at the Prices Corner, Middletown and Foulk road branches with special Youth Week giveaways and prizes.



April 1 marked the first anniversary of DEXSTA's new teen savings account program for members ages 13 through 17 called *\$tash*. DEXSTA's *\$tash* web page features a free interactive website for both middle school and high school students, including free online interactive financial tutorial "Guides to Independence™" where teens can learn about buying their first car, saving for something special, or how to make wiser everyday financial decisions. They'll also receive a free eMusic® download at the completion of each course. DEXSTA also has a savings program, Bill & Penny, for youth members ages 6 through 12, which features a movie punch card reward program and treasure chest giveaways.

- **Dover FCU** celebrated the entire month of April and gave out small toys all month. Total savings deposited during period was \$112,859.50.
- **Eagle One FCU** celebrated during the week of April 19 through the 24. The credit union gave away a free gift to anyone who opened or made a deposit into a youth account during that week. Gifts included pencils & magnets, "Fun With Money" activity books, and "Treasure Map to Savings" puzzles with \$10 bills prints on the back.
- **Louviers FCU** offered flash drives for opening a new account, gave wallets for deposits in existing accounts, and had other general handouts from CUNA – magnetic bookmarks, skittles, coloring pages/crayons.
- **Sussex County** hosted its 2nd Annual Youth Week Carnival on April 17 from 1:00 to 4:00 p.m. in Seaford. Members munched on hot dogs, popcorn, snow cones and other snacks and refreshments. Young members enjoyed a moon bounce, face painting, a money cube (wind machine), and various other games and activities. Member service reps were available to open kids' club and student savings and checking accounts.

## **NCUA & COMPLIANCE NEWS**

### **NCUA Sounds Alarm on Fraudulent Email to CU Members**

It's always "phishing" season, and the National Credit Union Administration (NCUA) has issued an alert about a new scam targeting CU members.

The agency warned of fraudulent emails pretending to come from the NCUA and asking credit union member participation in an "Online Survey" or "Member Survey." The emails even promise \$40 in compensation as an inducement to respond to the email.

The emails are fraudulent, the NCUA warns, and may be an attempt to obtain confidential member information. The agency does not solicit such information from credit union members.

"This is a phishing activity with no NCUA activity or approval. If you have received these emails, please do not respond. If you have any questions or concerns, please email NCUA" at this address, [pacamail@ncua.gov](mailto:pacamail@ncua.gov), an agency alert said.

### **New Edition of NCUA Regulations**

NCUA has released the revised edition of the *NCUA Regulations*, dated March 2010. The resource can be found online at:

[http://ncua.gov/Resources/RegulationsOpinionsLaws/rules\\_and\\_regs/2010NCUARegulations.pdf](http://ncua.gov/Resources/RegulationsOpinionsLaws/rules_and_regs/2010NCUARegulations.pdf).

NCUA also has all its Letters to Credit Unions posted on its website as well. That way you do not need to keep so many paper copies. However, make sure that you visit the site to find out where this information is found, just in case an examiner would ask if your CU is aware of the most recent NCUA letters. The letters can be found at <http://ncua.gov/Resources/LettersCreditUnion2010.aspx#top>.

### **Comment: NCUA Small Loan Plan**

Comments on the NCUA proposal that would permit federal credit unions to charge higher interest rates on short-term, small dollar loans must be submitted to the agency by July 6. The NCUA has also stated that credit union members would only be permitted to take out one loan at a time, and that the maximum lifespan of that loan would be six months. The loans, which are consistent with the *Federal Credit Union Act*, would not roll over. However, late fees and default fees would be permitted.

### **Question: Which New Rules Apply to Branded Gift Cards**

Recent Federal Reserve amendments to Regulation E that restrict dormancy, inactivity and service fees and expiration dates that apply to store gift cards also cover card network-branded gift cards, according to the Credit Union National Association (CUNA).

In the May edition of CUNA's compliance challenge, CUNA advises credit unions that the same rules that apply to gift certificates and general use prepaid cards that are used for personal, family or household purposes will also apply to branded cards, which are linked to companies such as Visa and Mastercard and are redeemable by retailers that accept the card brand. These cards are sold by many credit unions.

The new rules governing gift cards will be implemented alongside a number of other provisions set forth by the Credit Card Accountability Responsibility and Disclosure Act of 2009. Under the CARD Act, gift cards that are sold on or after August 22 must "fully comply" with the new rules.

All CU CEOs have been mailed a copy of May's compliance challenge.

## **Avoid Lawsuits With Proper ATM Fee Disclosure**

Consumers continue to file lawsuits against financial institutions and ATM owners, including credit unions, for failing to disclose fees as required by Regulation E. If you operate an ATM and charge consumers fees for balance inquiries or electronic funds transfers (cash withdrawal, transfer, etc.), be sure all ATMs, including any located in the lobby, comply with the fee disclosure requirements in Regulation E.

Here are a few tips from CUNA Mutual Group:

- Post a sign on or near every credit union ATM stating that fees will/may apply. If you choose to state the amount of the fee on your signage, procedures should be in place to ensure the accurate charge amount is always reflected on the signage.
- Rely on the ATM screen to state the actual amount of the fee. Once notified, consumers must be able to cancel the transaction and avoid the fee if they choose.
- Disclose the fee on the receipt.
- Credit unions should adopt procedures for inspecting their ATMs to ensure that the required signage/notices are present, current, and have not been altered.

## **CU SYSTEM NEWS**

### **CUNA Management School in July**

CUNA Management School is celebrating its 56th year. This program continues to challenge credit union leaders to be outstanding in what they do. Designed as a high-level executive education program, the program caters specifically to CU management professionals and volunteers who aspire to achieve senior-level management and leadership positions in credit unions.

The school will be held from July 11-23 at the University of Wisconsin in Madison. The tuition for all three years is \$2,399. A full program and registration brochure can be found online at [http://training.cuna.org/download/CMS110\\_brch.pdf](http://training.cuna.org/download/CMS110_brch.pdf).

### **CUNA Announces New Pressing Economic Issues Series**

CUNA has launched a new Pressing Economic Series, presented by leading CUNA economists Bill Hampel, Mike Schenk and Steve Rick, that provides 30-minute monthly updates on current economic issues facing credit unions.

The series focuses on keeping credit union board members, management team, and staff informed on the most current issues impacting credit unions. In a 30-minute update on the first week of each month, the CUNA economists will share their perspectives on the current economic environment delivered via a recorded presentation.

“CUNA’s panel of economic experts is the most reliable source of up-to-date information on the economic issues facing credit unions,” said Todd Spiczenski, vice president of Center for Professional Development. “Their expertise will allow credit unions to stay on top of this ever changing economic environment without having to sift through countless websites and stacks of literature.”

Credit unions can subscribe to this 12-session series for one year for \$499, which allows unlimited users to share one subscription. A discount is available for credit unions under \$20 million in assets. Recorded individual sessions are available for purchase each month for \$99 each. Enroll at [http://training.cuna.org/pressing\\_econ\\_issues.html](http://training.cuna.org/pressing_econ_issues.html). An earlier March session is available for preview free of charge at that same site.

## **DELAWARE NOTES**

In news first reported in *Together* in February, **DOVER FCU** has been recognized as the first credit union in Delaware to grow past the \$300 asset milestone. According to the credit union, the growth is a sign of confidence that more than 36,000 members have in the credit union's strength and ability to meet their financial needs in a time of economic uncertainty, the credit union said. "For more than 50 years our members have trusted us to provide smart financial solutions and that confidence has allowed the organization to truly excel even during tough times," said David Clendaniel, president/CEO. "And we are proud to say that this growth has been without a single penny of TARP (Troubled Assets Relief Program) funding," he added.

**EAGLE ONE FCU** held its 75<sup>th</sup> annual meeting in Philadelphia on Sunday, April 25. Newly re-elected Board President Dennis Palandro presided over the meeting which was attended by over 150 members. CEO John King said, "Our 75<sup>th</sup> anniversary is a time to celebrate all of the hard work put forth by our founders, board members, staff and management teams. Eagle One remains strong. As we begin the next 75 years, we remain committed to keeping Eagle One on the cutting edge and providing our members with the financial services they deserve."

The 2010 Hispanic Expo and Job Fair was held April 18 at the Delaware State Fairgrounds. Visitors enjoyed music, entertainment and contests while receiving bi-lingual information on products, services and opportunities that exist within the Delmarva region. Guests to the **DEL-ONE (Delaware FCU)** booth received information on financial education and career opportunities, while families enjoyed the credit union prize wheel and the opportunity to earn a chance to win a 22" HDTV/DVD combo.



*Pictured left to right: Sherry Carlisle, winner of a 22" HDTV/DVD TV; Flo Jaquezr, Nationwide Insurance; and Ruby Herrington, Del-One branch manager*

## **EDUCATIONAL OPPORTUNITIES**

### **June QuickBites Teleconferences**

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

- 6/02 Reg E
- 6/16 Cell Phones: Our Future Wallets
- 6/22 Professionalism in the Workplace
- 6/30 Key Financial Ratios Everyone Including the Board Should Know

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

### **June Webcasts**

- 6/09 Resolving the New Account Dilemma: Compliance/Security vs. Sales & Service
- 6/10 Remote Deposit & Risk: New FFIEC Exam Procedures
- 6/16 Safe Deposit Fundamentals
- 6/18 The *Revised* BSA Exam Manual: April 2010 Changes\* **Time change: 11-12:30 a.m.**
- 6/23 Preventing Losses to the Frontline & Call Centers
- 6/30 Handling the Right of Set Off: What You Need to Know
- **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**

**Date Change. 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: June 15.**

**Robbery Prevention Training** – Two sessions:

- Tuesday, June 15 at Delaware CU League, New Castle. 5:30-7 p.m. – light meal at 5 p.m.
- Wednesday, June 16 at Delaware State Police FCU, 700 North Bedford, Georgetown. 5-6:30 p.m. – light meal at 4:30 p.m.

Led by Chetta Hebron-Byrd of CUNA Mutual, this session will cover prevention and post robbery procedures. Fee: \$55 per person. **Regis. deadline: June 8.**

**TOGETHER** is published on the 15<sup>th</sup> and 30<sup>th</sup> 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](http://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](mailto:alice@dcul.org)).