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HEADLINE NEWS

Delaware Credit Unions Celebrate with Advertising Supplement

Credit unions in Delaware helped to celebrate Credit Union Week by publishing their ninth Credit Union Supplement in *The News Journal*, Delaware's statewide newspaper. The 20-page, full-color supplement was paid for with advertising from Delaware credit unions and was inserted in the October 21st *News Journal*.

Using the International Credit Union Day theme for its cover, the issue highlights the difference between banks and credit unions and directs consumers on how to find a credit union to join. Credit union member testimonials underscore the value of belonging to a credit union.



According to League communications director Alice Smith, "This year's supplement contained a wonderful human interest story regarding a member of Seaford Federal Credit Union. One reader from Pennsylvania was so impressed that she called the credit union directly."

The publication was underwritten by the advertisements of 13 credit unions and features a directory of all 28 credit unions in Delaware. The following credit unions supported the supplement with advertising: American Spirit, Chestnut Run, Del-One, Delaware Alliance, Delaware State Police, DEXSTA, Dover, DPL, Eagle One, Louviers, New Castle County School Employees, Sussex County, and Wilmington Postal.

Over 200,000 copies of the supplement were printed and inserted into the paper. If you did not receive a copy in the October 21 paper, please call Jane Bailey at (302) 322-9341.

VLC Draws Record Crowd - Participants Should Look for Follow-up Survey

The 14th Annual Leadership Conference, sponsored jointly by the Delaware Credit Union League and the Maryland/DC Credit Union Association, attracted well over 200 participants last weekend at the Clarion Hotel in Ocean City, Maryland. This annual event featured an impressive list of speakers including CUNA President Bill Cheney (pictured at right), NCUA Board Chair Debbie Matz, and Mid-Atlantic Corporate CEO Jay Murray. Breakout sessions included BSA training, board governance, financial liability issues for boards, social



media, credit union philosophy, and duties and audit responsibilities for supervisory committee members.

One popular session was a panel discussion featuring the topics of board governance, board education, associate and emeritus board members, and board committees. Russell McCready, past board chairman of Dover Federal, was one of the three panel members, who provided very good information to the audience.

Thanks to those credit unions and business partners that sponsored the annual event through scholarships and door prize donations: CUNA Mutual, Mid-Atlantic Corporate, PaCUSC Shared Branching, Rowles & Company, Chestnut Run FCU, Del-One, Delaware Alliance FCU, Delaware State Police FCU, Dover FCU, Eagle One FCU, New Castle County School Employees FCU, Provident FCU, and Sussex County FCU.

Attendees will be emailed a follow-up online survey to gauge their satisfaction and preferences for next year's content. If you have questions, please contact Alice Smith at the League.

[NCUA NOTES](#)

NCUA Board Cuts Several RegFlex Exemptions; Introduces Merger Registry

The National Credit Union Administration (NCUA) took several significant actions during its October meeting. The Board approved an amendment to its Prompt Corrective Action rule that will assign a 0% risk weight for the newly-issued NCUA Guaranteed Notes, which will allow all federally-insured credit unions to invest in the corporate legacy bonds being sold on Wall Street.

The Board also rescinded four of 10 RegFlex exemptions for member business lending, fixed asset holdings, outside discretionary control of investments, and stress testing of investments, acknowledging that these areas have been a focus of growing credit union losses.

NCUA also launched an assisted merger partner registry that will allow credit unions to express their interest in acquiring troubled credit unions. NCUA staff updated the Board on the National Credit Union Share Insurance Fund (NCUSIF) public education campaign and the latest reports regarding the NCUSIF and Temporary Corporate Credit Union Stabilization Fund.

NCUA Guidance for Credit Unions on STS Loan Rules

Via a regulatory alert, NCUA issued a series of questions and answers to assist federal credit unions in setting up short-term, small amount (STS) lending programs. The NCUA last month made final an interim rule that allows federal credit unions to offer STS loans to their members as an alternative to predatory payday loans that are offered by other financial service providers.

The final rule allows federal credit unions to charge an interest rate that is a maximum of 10 percentage points above the established usury ceiling at that time. A \$20 application fee may also be charged. The loans may total as high as \$1,000 and may last for as long as six months, the NCUA added in the release. The loans will not be permitted to rollover. The new rule will go into effect on October 25.

Regulatory Alert 10-RA-13 can be found on at: <http://www.ncua.gov/news/express/xfiles/10-RA-13.pdf>

[COMPLIANCE RECAP](#)



Compliance: CUNA Lays out Timeline for ADA-ATM Compliance

By now, most credit unions have heard about the Department of Justice's (DOJ) update to the accessibility standards governing the construction and alteration of facilities covered by the *American with Disabilities Act (ADA)*.

The 2010 ADA standards address both physical access and communication-related elements to make ATMs usable by individuals who are visually impaired, as well as those who have mobility challenges.

According to the DOJ, compliance with most of the regulation's provisions is required on March 15, 2011. However, the mandatory compliance date for the 2010 accessibility standards is March 15, 2012.

Any ATMs that are newly installed or altered on or after March 15, 2012, will be required to comply with the 2010 accessibility standards.

However, there is a safe harbor for ATMs that are in compliance with the original 1991 ADA accessibility standards. These ATMs will not need to be modified unless they are altered on or after March 15, 2012.

ATMs that do not comply with the 1991 standards must be modified to comply with either the 1991 or 2010 standards before March 15, 2012.

The 1991 standards required that instructions and all information for use be made accessible to and independently usable by persons with vision impairments. So, practically speaking, most ATMs will still need to be speech enabled in order to meet either the 1991 or 2010 standard for independent usage.

Credit unions should review Section 707 of the Access Board's Accessibility Guidelines and consult with their ATM service providers to determine what changes will need to be made to their ATMs.

More information regarding this rule can be found in the October issue of "Compliance Recap," which is sent to all CU CEOs.

[CU SYSTEM NEWS](#)

State Offers Financial Literacy Grants

Last year Governor Markell signed Senate Bill 108 which provides consumers with more protections in title loan transactions, where a consumer uses their car as collateral on a short term loan. SB 108 also charges title and pay day lenders a short-term consumer loan licensing fee (\$1500 per branch) that is dedicated for the purposes of boosting financial literacy.

The goal of the new Financial Literacy Education Fund (FLEF) is to provide financial and economic literacy to adults and youth so residents can learn more about protecting their money. The state plans to award at least \$280,000 in competitive grants to community based organizations and schools that are working to boost financial literacy. Applications for competitive grants for the new FLEF account are available today on the website of the Delaware Department of State: www.sos.delaware.gov.

In addition to providing funds for K-12 school programs and conventional adult education, the fund will also be used this year for targeted programs that address the current debt crisis and help consumers exercise their rights with special emphasis on reaching out to seniors, the military and minority communities. We all hope that the efforts in our neighborhoods and schools stemming from this new fund will serve to provide the foundation and knowledge our Delaware residents need to make wise decisions and protect their financial futures.

Interesting and Inspiring Speakers at the 2011 GAC

CUNA's 2011 Governmental Affairs Conference will feature four general sessions with keynote speakers, as well as a variety of breakout sessions. This year's event will be held on February 27 – March 3, 2011.

Popular seventies group Three Dog Night will headline the kickoff concert February 27. From 1969 through 1974, no other group achieved more top 10 hits than Three Dog Night. Since 1986, it has performed more than 2,000 shows, including two Super Bowls. Today, as it marks 40 years on the road, the band continues to top the list of artists with the best "Billboard Top 100 Chart" average.



Three Dog Night to perform at GAC

The opening keynote will be delivered by Chesley B. "Sully" Sullenberger, III, the heroic pilot who landed US Airways Flight 1549 on the Hudson River and saved the lives of 155 people. Captain of what has been dubbed the "Miracle on the Hudson," Sully is an aviation safety expert and accident investigator who also serves as the founder and chief executive officer of Safety Reliability Methods, a consulting company dedicated to management, safety, performance and reliability consulting.

To deliver the point-counterpoint discussion, join Arianna Huffington, the co-founder and editor-in-chief of The Huffington Post, and Mary Matalin a celebrated conservative voice and political contributor for CNN. Additional speakers will be announced as they are confirmed.

For more information on CUNA's 2011 GAC, visit <http://www.cuna.org/events/gac11/>.

CUNA Mutual Celebrates 75th Anniversary of First Claim

Seventy-five years have passed since CUNA Mutual Group paid its first claim of \$40 on the death of a Milwaukee Road switchman.

Today, CUNA Mutual pays daily claims worth almost \$3.4 million. In 2009, it disbursed \$851 million to policyholders.

Since it was founded in 1935, CUNA Mutual has paid out more than \$28 billion in life, health, property and casualty insurance benefits. Other claims facts:

- By 1972, CUNA Mutual reached \$1 billion in claims paid.
- Total claims paid in 1935 were \$1,653.
- The company's total premium earned in its first month of 1935 was \$145.22.

[DELAWARE NOTES](#)

Credit Union Positions Available

Longer descriptions of each position on League website: <http://www.dcul.org/jobs.htm>.

EVP of Finance and Information Systems. Responsible for assisting the credit union President/CEO in the overall management of the credit union specifically related to the functions of accounting, information systems, and collections. Makes recommendations relating to budget preparation, income forecasts, and operational changes as needed. Bachelor's degree in accounting, business, or a related field and at least five years of experience in an accounting or other relevant financial position and employee supervision required. Please send resume with cover letter (including salary requirements) to Human Resources, Del-One, 270 Beiser Boulevard, Dover, DE 19904 or email to human.resources@del-one.org.

VP of Administration and Lending. Responsible for assisting the President/CEO in the overall management of the credit union, specifically related to the functions of lending, marketing, and human resources. Work requires extensive know-ledge of financial institution operations (functions and processes). Knowledge of the credit union movement and credit union policies and procedures preferred. Bachelor's degree in business, finance, or a closely related field and at least five years of experience in operations or other relevant management position and employee supervision required. Please send resume with cover letter (including salary requirements) to Human Resources, Del-One, 270 Beiser Boulevard, Dover, DE 19904 or email to human.resources@del-one.org.

Part-time Teller. Chestnut Run Federal Credit Union has a part-time teller position available in their Glasgow Office. Previous teller experience is preferred. Please send resume and salary requirements to: Chestnut Run Federal Credit Union, HR Dept., P.O. Box 5037, Wilmington, DE 19808-0037.

EDUCATIONAL OPPORTUNITIES

Educational Sessions

- 11/17 IRA Essentials. 9 a.m.-4:30 p.m. both days
- 11/18 IRA Advanced. Fee for either day: \$250

Council Meetings

- 11/10 Financial Council: Economic Overview
- 11/16 Marketing Council: Financial Literacy
- 12/01 Cards Council: Topic to be determined

All council meetings are held from 10 a.m.-noon. Council members: no charge; Non-members: \$100. Meetings are held at the League office. Registration deadline is one week prior to each meeting.

October QuickBites Teleconferences

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

- 11/09 Red Flags of Internal Fraud
- 11/18 Secrets of Boomer Retirees Revealed
- 11/23 Sub Prime Lending Solutions/Alternatives

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

- 11/16 Employee Handbooks

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.

October Webinars

- 11/03 Internal Fraud Hotspot Awareness
- 11/10 Basics of Reg B: Equal Credit Opportunity Act
- 11/17 Business Accounts: Who Is Authorized to Open, Close, and Transact?
- 11/18 Your CU Business Documents: Retention/Destruction for Accounts Payable, Vendor Records, Invoices, and More

- 11/30 Mail Risks & Rules, Records and Regulations

The webinars are 90 minutes (3-4:30 p.m.). The \$189 registration fee is for EITHER the “live” webinar or an archived on-demand web link and free CD-ROM of the complete session. The \$219 registration fee will now cover all three options.

CU Asset-Sized Roundtables

- 11/4 CUs under \$20M – Lamberti’s at Price’s Corner, Wilmington, 5:30 p.m.
- 11/9 CUs between \$20-80M – Lamberti’s, 5:30 p.m.
- 11/16 CUs over \$80M – Dover Downs, 5: 30 p.m.

NCUA Small CU Workshop – November 13 at 8727 Colesville Road Silver Spring, MD from 8:00 a.m. to 3:30 p.m. No charge. To obtain more information and to register, go to: <http://www.ncua.gov/Resources/CreditUnionDevelopment/Events.aspx>.

At Your Service

League Activities in September-October 2010

LEAGUE SERVICES

Jane Bailey Attends Paws for People Event. League executive vice president Jane Bailey (shown here with the Chick-fil-A cow) promoted credit union membership at the PAWS for People™ Wag-‘n’-Walk at Glasgow Park for Make a Difference Day on Saturday, October 23. The event included a 5k run, a dog walk, games for children, vendors, picnic and various other contests. Funds raised at the event will support PAWS for People™, a non-profit organization whose mission is to lovingly provide elders, children and folks with disabilities individualized, therapeutic visits with a gentle, affectionate pet.



Delaware Shared Branching Outlets Continue to Increase. American Spirit Federal Credit Union opened its branch at 58 Carver Road in Dover as an outlet on the shared branching network. The

hours of operation are Monday, Tuesday, and Thursday 9:00 a.m. to 4:30 p.m., Wednesday 10:00 a.m. to 4:30 p.m. and Friday 9:00 a.m. to 6:00 p.m. There are currently 13 shared branching outlets in Delaware, serving members of participating credit unions. Nationally, there are 4,146 locations. Contact Jane Bailey (jane@dcul.org) if you would like more information on how to become a part of shared branching.

Delaware Credit Unions on Sprint Program. The following credit unions – Chestnut Run, Delaware Alliance, Delaware First, DEXSTA, Louviers, New Castle County School Employees and Seaford – are now earning noninterest income by telling their members they qualify for Sprint discounts. Jane Bailey is again the contact for this program.

CU Roundtables Planned. The League is again hosting asset size roundtables in November.

1. Small CU Roundtable (under \$20M in assets) – Thursday, November 4, at 5:30 p.m., at Lamberti's Restaurant (in the shopping center with the Acme and DEXSTA FCU near Prices Corner). The dinner is covered by the scholarship fund. Call Jane Bailey to see if space is still available.
2. Medium CU Roundtable (\$20-\$80M in assets) – Tuesday, November 9, at 5:30 p.m. at Lamberti's Restaurant. Cost: \$30 per person. The registration deadline is **November 4**.
3. Large CU Roundtable (over \$80M in assets) – Tuesday, November 16, at 5:30 p.m. at Dover Downs. Cost: \$30 per person. The registration deadline is **November 9**.

COMMUNICATIONS/PUBLIC RELATIONS

DCUL Participates in Region II NCUA Meeting. League president Pat Mahaney and executive vice president Jane Bailey joined leaders from our region to meet with NCUA Region II Director Jane Walters and her staff for a dialogue session regarding the credit union state of the region. Among the topics discussed were corporate credit unions, exam/examiner procedures, Region II trends, NCUA Region II staffing, mergers, CUSOs and participation loans.



L-R: Jim McCormack/PA, Rob Ulmer/MDDC, Paul Gentile/NJ, Rick Pillow/VA, Jane Bailey/DE, Ken Watts/WV, Jane Walters/NCUA, Pat Mahaney/DE, Lucy Ito/CA, Rick Wargo/PA, Jennifer Simmons/MDDC, Kelly Lay/NCUA, Mike Ryan/NCUA

Corporate Stabilization Resource Center. On September 24, the National Credit Union Administration took steps to further help stabilize the corporate credit union system. The Delaware League, using resources provided by the Credit Union National Association, added information to the League's website to assist credit unions in remaining up to date on developments related to this action. The specific portion of the League website can be found at:

http://www.dcul.org/creditunions/safety_soundness/CorpCUs/CCU_Info_Ctr.htm. This link provides talking points that can be used when talking to members, staff, boards, sponsor organizations, and

the media. There are also links to NCUA's corporate system resolution website. Similar information was also shared with each credit union CEO/manager through the League's email list serv.

Delaware League News and Risk Alerts. In September, the League sent out 11 news updates regarding compliance, economic matters, taxation issues, corporate issues, and member business lending advocacy. There were two risk alerts in September regarding an advance fee fraud scam from Tanzania.

League Visits. Pat Mahaney and Jane Bailey attended Milford Memorial's member fair in September. Pat also visited ICI America FCU and Wilmington Police and Fire FCU. Pat and Maurice Dawkins attended a meeting hosted by Senator Chuck Schumer (NY) at Credit Union House. At that time, they updated Congressional candidate Chris Coons on credit union issues, including many of the pressing issues facing the credit union in today's economy.



Pictured left to right: American Spirit CEO Maurice Dawkins, CUNA vice president of political affairs Trey Hawkins, CUNA president/CEO Bill Cheney, and Delaware Credit Union League president Patrick Mahaney

COMPLIANCE

InfoSight/Policy Pro Compliance Update. The League continues to send out weekly InfoSight newsletters and monthly CU PolicyPro operational notes. We are able to track the number of "hits" by individual credit unions each month. The InfoSight usage jumped considerably in August (201) and September (171), as compared to 65 hits in July. The League is one of the biggest users, in addition to the following credit unions: Chestnut

Run, Del-One, Delaware Alliance, Delaware First, DEXSTA, Edge Moor DuPont, New Castle County DE, New Castle County School, Provident, Seaford, Sussex County, U-Del, and Wilmington Postal.

On October 19, Elaine Royer and Joe Giammatteo came to Delaware to present a half-day compliance training update. At that time, they reviewed the features of InfoSight, and Elaine did a brief training on CU PolicyPro in the afternoon for those credit unions who attended the conference.

GOVERNMENTAL AFFAIRS

League Governmental Affairs Committee Meets. Eight members of the League's GAC met on October 20. During the meeting, they approved disbursements from the League's GAC fund, discussed Delaware participation in CUNA's Governmental Affairs Conference to be held in Washington on February 27-March 3, and approved a trip to Credit Union House in November. The

committee elected Dawn Sutcliffe as committee chair and Maurice Dawkins as vice chair for 2011 and encourage other credit unions to send a representative to this important group who deals with political activity on behalf of credit unions in Delaware. Allen Riley was thanked for serving as committee chair for over three years.

CUNA and CUNA Mutual Urge CUs to Stand up to the Fed on Reg Z, Truth in Lending. In recent proposed amendments to Regulation Z, the Federal Reserve Board (FRB) is pursuing additional disclosures for payment protection products, including credit life, credit disability, and debt cancellation (including guaranteed asset protection) and debt suspension. According to CUNA and CUNA Mutual, the proposed regulatory language casts the products in a strictly negative light and strongly discourages the purchase of these products.

According to a letter sent to credit unions by CUNA and CUNA Mutual, "The proposed disclosures misrepresent the purpose and value of payment protection products to credit union members," and will likely "have a significant negative impact on members who would benefit from these products and on credit unions' non-interest income and loan portfolio risk profile," the letter added.

The Federal Reserve Board allows a 90-day comment period on draft regulations, which in this case concludes on December 23, 2010.

The letter asks credit unions to do the following:

- Learn more about the proposal and what you can do to have your voice heard on this important issue. CUNA Mutual and CUNA are holding a series of webinars in October and November to explain the proposed regulations in detail.
- Spread the word to other credit union professionals.
- Take action **before December 23, 2010**. 1. We need *you* to join us in the response to the FRB. Go to the "Take Action Now" portal: <http://capwiz.com/cuna/issues/alert/?alertid=18902551>. We've made it easy for you to make a difference by contacting the Federal Reserve Board with your comments and concerns.

Capital Reform for Credit Unions. CUNA's Governmental Affairs staff recently addressed the issue of alternate or supplemental capital for credit unions. They brought this issue up in part because the next Congress will address the broader issue of financial institution capital adequacy in light of the financial crisis and the recently proposed Basel III international capital standards. To take advantage of Congress's heightened interest, CUNA is laying the groundwork to make this one of their major issues in the coming Congress.

CULAC Fundraising. Thirteen credit unions are participating in the CULAC candy sale this year. This fundraiser brings in about 1/3 of Delaware's annual CULAC goal. We will need to make a final push in order to go over the goal in the next two months. Our goal is \$5,537.93, and at the present time we have raised \$3,322.49. Several Delaware credit unions have held dress down days and continue quarterly deduct-a-buck contributions, and the candy sale should net \$1728. That leaves about \$300 to raise before year-end. We are hoping that individual credit union staff members (or even volunteers) will make contributions also. If you are willing to make a contribution, contact Alice Smith at the League office.

EDUCATION

Past Training Sessions. Pat Mahaney presented *Board Fundamentals* to credit union volunteers on September 14. The session included board responsibilities, keys to be an effective board member, current pressures and director's liabilities.

On September 22, afternoon and evening sessions were presented by Bruce Six, SVP Investments/CIO, Mid-Atlantic Corporate. An *ALM Workshop for CU Management* was held in the afternoon and *ALM Overview for Volunteers* was held in the evening.

The Lending Council met on September 29, which included four presentations from council members. Maurice Dawkins, CEO, American Spirit FCU, spoke about working with the Small Business

Administration for small business loans. Dee Chimenti, Lending & Collections Manager, DEXSTA FCU, reviewed their indirect lending program. Sue Hoefs, Chief Lending Officer, Sussex County FCU, shared information on their risk-based lending program. Bob Walls, Director of HR and Special Projects, Louviers FCU, discussed their credit union's experiences with their private student loan program.

Complimentary Webinars. The following council members will receive a complimentary webinar from those offered by the League: Cards Council – Nancy Kitzinger, Chestnut Run; Collections – MaryLynn Minckler, DPL; Financial – Annette Garofalo, Wilmington Postal; Human Resources – Donna Stotz, DPL; Lending – Savannah Jarrell, Delaware Alliance; Marketing – Carole Langiu, Dover; and Mortgage – Sue Hoefs, Sussex County.

September Education Sessions

Date	Session	Speaker	# Individuals	# CUs
09/14/10	CU Volunteer Board Fundamentals	Pat Mahaney	13	8
09/21/10	CU Board Chairman Meeting	Pat Mahaney/Alice Smith	5	5
09/22/10	ALM Workshop for CU Management	Bruce Six	11	7
	ALM Overview for CU Volunteers	Bruce Six	15	7
09/29/10	Lending Council	Bob Walls Maurice Dawkins Dee Chimenti Sue Hoefs	14	10
	Webinars			
9/09/10	Writing FACT Act Policy	Fin. Education & Dev. Inc.	2	1
9/24/10	SAFE Mortgage Licensing	Fin. Education & Dev. Inc.	9	4
9/29/10	Social Media	Rory Rowland	1	1

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