



HEADLINE NEWS

Connect With Peers and Share Ideas at League Roundtables

The League's Roundtables have become a great resource for credit unions of all sizes to come together and share ideas and network on specific topics directly affecting them.

Roundtables provide an opportunity for attendees to discuss questions and issues that relate specifically to their position or credit union. To help credit unions take advantage of these valuable idea-sharing opportunities, the Delaware League has scheduled several Roundtables to take place before the end of the year.

- 1) CUs under \$20M – Brio Tuscan Grille at the Christiana Mall. Tuesday, November 1
- 2) CUs \$20-80M – Brio Tuscan Grille at the Christiana Mall. Tuesday, November 8
- 3) CUs over \$80M – Dover Downs Buffet. Tuesday, November 15.

All three roundtables will be held from 5:30-8:30 p.m. Each credit union may send two representatives to the meeting, possibly the CEO and the board chair. The fee is \$45 per person; there are scholarships available for credit unions under \$20M in assets. Please register at least one week before each dinner.

Take advantage of this opportunity to come together in a statewide forum to discuss topics affecting credit unions.

October 4 - Volunteer Leadership Conference Registration Deadline

Credit unions planning to attend this year's Volunteer Leadership Conference should make your hotel reservations no later than October 4. Any changes to the conference registrations may be made after this date by contacting Alice Smith at the League office. See the article below for more information.

Register for the 2011 Volunteer Leadership Conference, November 4-6 in Ocean City!

All credit unions have received information about the 2011 VLC, and we currently have eight credit unions that have registered. The conference agenda and forms are also available on the Delaware League website at www.dcul.org. Click on the VLC button on the right side of the home page (under CU PolicyPro). The registration deadline for rooms and the conference is **October 4, 2011**.

Board and supervisory committee members will garner valuable knowledge at the event, which is held at the Clarion Fontainebleau Hotel in Ocean City, Maryland. Speakers will include former NCUA director of public and Congressional affairs John McKechnie and strategic planning specialist Dr. Michael Hudson.

In response to comments from previous conferences, a third round of breakout sessions will be held, beginning on Saturday morning. In addition, we will continue the practice of holding a prequel to the conference for those attendees who can arrive in Ocean City on Friday afternoon. Jim Higbee from Rowles and Company will present financial literacy training, in response to NCUA's new director financial literacy regulation.

There will also be three breakout sessions especially designed for supervisory committee members and the annual Bank Secrecy Act training.

Registration fees will remain the same as last year: \$325 for conference registrants and \$100 for spouses/guest to attend all social functions and meals.

If you have specific questions about the conference, contact Alice Smith at the League. Scholarships are available for credit unions under \$20 million in assets, so every credit union should consider sending at least one person.

IRA Training Workshops – Essentials & Beyond



Choose your training level! The 2011 IRA Essentials and Beyond Essentials Training Sessions provide an opportunity for staff to improve member service and develop improved operational efficiency and help to ensure your procedures are compliant with IRS regulations.

IRA Essentials training builds a solid foundation of IRA knowledge. By participating in “real world” exercises, attendees will learn to work with IRA owners and process basic IRA transactions with confidence.

Beyond Essentials training begins on the second day of training and builds on the learners’ knowledge, addressing the more complex IRA issues faced by credit union staff. Choose to attend one or both days – it’s your choice.

The sessions will be held on the following dates:

§ **IRA Essentials – November 16**

§ **IRA Beyond Essentials –November 17.**

Both sessions will be held at the League office from 8:30 a.m.-4:30 p.m. The presenter is David Lubick, IRA Training Consultant with Ascensus – IRA Services. Participants should bring a basic hand-held calculator to both sessions. Early bird registration is \$199 per person per session by **October 14, 2011**. Registration received after 10/14/11 will be \$250 per person per session.

Registration forms have been mailed to all credit union CEOs. Additional information is available on the League website at <http://www.dcul.org/creditunions/IRACUNAbrochure2011.pdf>.

COMPLIANCE UPDATE

Regulation Z Clarification of Credit CARD Act Rules (14 Day Rule) - Effective Date October 1, 2011

As most of you know by now, the Federal Reserve's April 2011 Regulation Z final rule, that becomes effective **October 1, 2011**, requires credit unions to adopt reasonable procedures to insure that periodic statements for most open-end loans are mailed or delivered at least 14 days prior to the date on which the minimum periodic payment must be received in order to avoid being treated as late for any purpose and payments actually received on or prior to that date are not treated as late for any purpose.

Treating a payment as late for any purpose includes increasing the APR as a penalty, reporting the consumer as delinquent to a credit reporting agency, assessing a late fee or any other fee, initiating collection activities such as sending delinquency notices and making collection calls to the member, or terminating benefits (such as rewards on purchases).

What actions should a credit union take if it knows that it will not be in compliance with the 14-day rule by October 1, 2011?

Michael McClain of CUNA's Answer: If a credit union has not made the necessary changes so that it is in compliance with the 14-day rule by October 1, 2011, then it must not treat any account as late for a period of 14 days after the date it mails or delivers the September periodic statement. For example, ABC Federal Credit Union already has monthly (contractual) payments with no courtesy period, and it currently permits payment due dates every day of the month. In order to comply with the 14-day rule the credit union intends to move the payment due dates to the 25th of every month, but it hasn't sent a notice of change in terms to its members yet.

The credit union mailed its September statement on October 5th (its statements will never be mailed any later than the 5th of each month). In order to comply with the 14-day rule, the credit union must not treat any account as late for any purpose until the 20th of October. Therefore, loans with payment due dates from October 1st through October 19th must not be treated as late until October 20th, even if the payment is not made by the current due date. On October 20th, if no payment has been made on the loans with payment due dates between the 1st and the 19th, the credit union may charge a late fee, send a delinquency notice, have a collector contact the member or set off funds from a share account against the loan. Those loans, with payment due dates from October 20th through the end of the month, may be treated as late immediately, if payment hasn't been received by the due date, because the dates they would be treated as late are already at least 14 days beyond the date the statement was mailed.

The credit union must react the same each month until it has supplied the proper notice of change in terms, waited until the end of the notice period, and made the necessary changes (in this case moving the payment due dates to the 25th of the month).

Afterwards, based upon the reasonable procedures adopted by the credit union, statements are always mailed by the 5th of the month, and no account is treated as late for any reason during the 14-day time period after mailing of the statements.

Preferential Rates for Employees

Another significant change from the Federal Reserve Board's April 2011 Regulation Z final rule is the issue of Employee Preferential Rates. These rule changes become effective on **October 1, 2011**, and this specific change applies to all open-end loans except HELOCs. Many credit unions provide some form of preferential rates for employees whether it involves reduced interest rates on certain loans or increased dividend rates on certain share accounts. This CUNA Blog post reviews the Regulation Z changes required for employee preferential rates on open-end loans.

Usually, eligibility for preferential rates is conditioned upon the employee's continued employment with the credit union. Credit unions frequently disclose in their Account Opening Agreement that the

interest rate will increase from the reduced (preferential) rate to the higher standard rate once employment with the credit union is terminated.

When preferential rate information is disclosed in the initial account agreement, the final rule requires the preferential rate information to also be included in the Summary Table along with a brief description directly beneath the Table of the circumstances that may lead to the preferential rate being revoked. Additionally, credit unions must also disclose beneath the Table the rate that will apply after the preferential rate is revoked. Finally, the final rule makes it very clear that a 45-day advance notice of change in terms must be provided to the former employee before the preferential rate may be increased to the standard rate.

[CU SYSTEM NEWS](#)

League Charity Golf Tournament October 12: *Shotgun start and Hole 10 sport pigeon shoot!*

Enjoy a whole other caliber of golf at Hunters Oak Golf Club, co-hosted by the Delaware Credit Union League and the Maryland and DC Credit Union Association to benefit the DCUL Scholarship Fund and Credit Unions for Kids! The event will be held on Wednesday, October 12, at Hunters Oak Golf Club, River Plantation, 500 Amberly Farm Lane, Queenstown, Maryland. There will be a 12 noon shotgun start.

The day will include 18 holes of golf at one of the finest courses in the mid-Atlantic region. The registration fee is \$100 per person, which also includes a complimentary beverage cart and after-tournament cookout. Participants will also be able to take two shots at sporting pigeons at Hole 10, for a \$10 donation to the League's scholarship fund.

For more information or to obtain a registration form, contact Pat Mahaney at (302) 322-9341. To learn more about the Hunters Oak course, go to:

http://www.riverplantation.com/golf_eastern_shore_md/hunters_oak_golf_club.asp.

Inform Members About Ending Over-the-Counter Sales of Paper U.S. Savings Bonds

The U.S. Department of the Treasury announced in July that it will end over-the-counter (OTC) sales of paper savings bonds on December 31, 2011. While paper bonds will no longer be sold at financial institutions, electronic Series EE and Series I Savings Bonds remain available for purchase through TreasuryDirect (www.treasurydirect.gov, a secure web-based system operated by the Bureau of the Public Debt).

The Treasury Department is offering a free toolkit to help financial institutions easily communicate the change to members about the end of OTC sales of paper U.S. Savings Bonds. The toolkit contains:

- fliers for customers
- short messages for account statements
- frequently asked questions (FAQ) for employees
- web banners
- an article for employee newsletters or Intranet

All can be downloaded at www.treasurydirect.gov.

Financial institutions are asked to educate their customers about the change and to continue redeeming the more than 670 million paper savings bonds worth \$181 billion that are currently in the hands of the public. Discontinuing paper savings bond sales is expected to save taxpayers an estimated \$70 million over the next five years.

Ten Questions to Ask at Your Strategic Planning Session

By Mark Arnold

It's that time of year again: strategic planning sessions are in high gear. Many credit unions use September and the fourth quarter to plan for next year's objectives. Whether you use an outside consultant or your own executive team, planning sessions are critical to any credit union's success.

Many credit unions use the traditional SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). Regardless of the model you adopt, below are ten questions you should ask during your strategic planning session.

1. What new products or services are we going to introduce in 2012?
2. What initiative can we introduce next year to be more employee friendly? What can we do to help our staff do their jobs better?
3. How are we going to push the technology ball down the court in 2012?
4. What are we going to do to close the "back door" at our credit union and increase member retention?
5. We've talked for years about moving to a sales and service culture. What really needs to be done in 2012 to get us there?
6. We can't be all things to all people. What are our niches and what can we do to advance our brand?
7. What can we do to better engage our members?
8. What are we going to do differently in 2012? What issue is preventing us from being all we can be as an organization?
9. If Steve Jobs were running our credit union, what would he do?
10. When the calendar flips to December 2012, what do we want to say we accomplished this year?

Those are a few ideas to help you kick-start your strategic planning discussion. They are designed as open-ended questions to start your executive team and board of directors thinking. You can turn the answers you develop into your 2012 plan.

(Source: <http://blog.markarnold.org>)

DELAWARE NOTES



The Delaware credit union community lost two friends this month. Ray Christian, who served the **NEW CASTLE COUNTY SCHOOL EMPLOYEES FCU** for over 42 years, passed away on September 24. Ray came on the board in 1967 and served as secretary, vice president and then board president from 1974-March 2010. He also was honored as the Delaware credit union volunteer of the year in 2000.

Harry Curry, a former board member of **DEXSTA FCU**, also passed away in September. He was a credit union volunteer from 1977-1994.

LOUVIERS FCU sponsored the University of Delaware's football home opener this year and gave local high school students the opportunity to play along with a top-ranked Division 1-AA University Band at the annual Band Day event. Louviers again provided all participating band members with a complimentary yellow t-shirt and this year provided the first 3,000 UD students with complimentary cinch bags co-branded with the University logo. Three lucky students also won free downtown Newark gift cards. President and CEO Jim Everhart participated in the coin toss and received with a commemorative game ball.



Student baton twirlers and LFCU staff: Tania Peralta, Michele Winn and Kristen Gregory



Louviers FCU staff (l. to r.): Faith Simperts, Kristen Gregory, Michele Winn, Jim Everhart, and Tania Peralta

LOUVIERS FCU also participated in the City of Newark's Community Day held on Sunday, September 18. Credit union-related coloring books and crayons were handed out to children. In addition, pens, chap sticks, bookmarks, "Benefits of Membership" brochures, newsletters, CUNA's "Teach Children About Money" brochures and "Guide to Money" booklets were also available. Four drawings for movie tickets were held during the event, and winners were notified to pick up their tickets that day or they could go to the Elkton Road branch at another time.



Faith Simperts and Tania Peralta

Position Sought

Individual with 20 years of banking experience seeks credit union position. Experienced in processing daily settlement to general ledger work, including retirement savings payouts and ACH. Call the League and ask for resume #09-28-11.

EDUCATIONAL OPPORTUNITIES

October QuickBites Teleconferences

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

- 10/04 Creative Loan Modifications
- 10/13 Robbery Survival Training for Everyone
- 10/18 Decedent Accounts
- 10/27 ABCs of Financial Reports for Boards

Two-hour sessions run from 11 a.m.-1 p.m.

The fee for the one-hour sessions is \$99; the 1 ½ hour session is \$129; and the two-hour session is \$169. The deadline to register with Bernadette Hines: one week before the session.

October Webinars

The webinars are 90 minutes (3-4:30 p.m.).

- 10/04 Responding to Official Demands for Member Funds
- 10/05 Problematic Practices in BSA Audits
- 10/12 Employee Leave
- 10/13 Job-Specific BSA Training for Lenders
- 10/18 Compliance from a Distance: Managing Risk of Third Parties and Outsourced Processes
- 10/25 Lending to Members of Modest Means
- 10/26 Opening Personal Accounts
- 10/27 2011 FFIEC Authentication Guidance

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.

Upcoming Fall Training Sessions

Marketing Council. Thursday, September 29, from 10 a.m.-noon. Topics: Children's Miracle Network, Visions, Ink programs, financial literacy survey.*

Human Resource Council. Tuesday, October 11, from 10 a.m.-noon. Topic: Verifying Employees' Legal Status.*

Collection Council. Wednesday, October 19, from 9 a.m.-noon. Topic: Improving Delinquency Numbers: Cost Effective Collection Methods.*

Lending Council. Wednesday, October 19, from 1-4 p.m. Topic: Consumer Loan Underwriting & Decision Making: Tools to be a Better Lender.*

**These councils are held at the League office in New Castle.*

CU Roundtables (5:30-8:30 p.m.)

Each credit union may send two representatives to the meeting. The fee is \$45 per person; there are scholarships available for credit unions under \$20M in assets.

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Volunteer Leadership Conference. November 4-6 at the Clarion Hotel in Ocean City, MD. The deadline for hotel and conference registration is **October 4, 2011**. Registration fee is \$325 for each participant, and there is a \$100 spouse fee. Information now available on the League website at http://www.dcul.org/creditunions/2011_vlc/2011vlc.htm.

2011 IRA Workshops

- IRA Essentials – Wednesday, November 16
- IRA Beyond Essentials –Thursday, November 17.

Both sessions will be held at the League office from 8:30 a.m.-4:30 p.m. The presenter is David Lubick, IRA Training Consultant with Ascensus – IRA Services. Participants should bring a basic hand-held calculator to both sessions. Early bird registration is \$199 per person per session by **October 14, 2011**. Registration received after 10/14/11 will be \$250 per person per session. Registration forms have been mailed to all credit union CEOs. Additional information is available on the League website at <http://www.dcul.org/creditunions/IRACUNAbrochure2011.pdf>.

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