



DELFCU News

SEMI-ANNUAL NEWSLETTER

NEWS FROM THE DELAWARE CREDIT UNION LEAGUE • www.dcul.org

FALL/
WINTER
2010-2011
ISSUE

2011 CALENDAR:

Mark your calendar!

April 14-16: DCUL Annual Meeting & Convention — *Dover Downs*

May 17-18: Bank Secrecy Act Training — *League*

June 6: Key Strategies for Growth & Retention Seminar — *League*

June 7: Successful Lending Strategies Seminar — *League*

November 4-6: Volunteer Leadership Conference — *Ocean City, MD*

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Only a Few Days Left to Register for the League Annual Meeting

March 31st is the deadline to register to attend the Delaware Credit Union League's 53rd Annual Meeting and Trade Show, which will be held on April 14-16, 2011, at Dover Downs Hotel & Casino in Dover, Delaware.

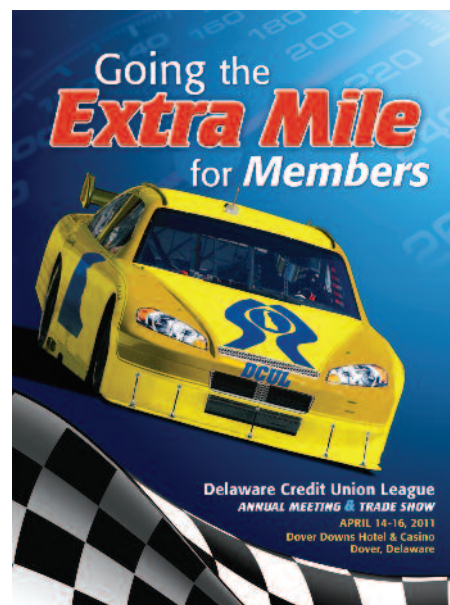
This year we're putting you in the driver's seat! Our slogan is, "Going the Extra Mile for Members." We feel this slogan exemplifies our credit unions' efforts to serve their members, which reaches far beyond the normal "required" limits.

We'll kick-off our convention with the Decision-Makers Reception with our exhibitors on Thursday evening.

Our main education speaker on Friday will be Rory Rowland, who will discuss "**Top 100 Credit Unions in Membership Growth.**" You'll learn the strategies of America's fastest growing credit unions. You'll discover how the best credit unions boost their loan-to-share ratio, while keeping safety and soundness in focus.

This year's break-out sessions include:

- "**12 Trends That Will Impact Your Credit Union.**" Presented by Rory Rowland, this session will reveal the technology trends over the next five years. It will look at demographic trends and the competition and explain how to use fee income to fill the net income gap.
- "**NCUA Hot Topics.**" Region II supervisory examiner Dan Sciorillo will examine the hot buttons NCUA will be focusing on in the coming year.



Only a Few Days Left to Register for the League Annual Meeting



Rory Rowland

League Annual Meeting *continued from previous page*

- **“Redefining Risk in 2011.”** Ken Otsuka, risk manager for CUNA Mutual, will provide an overview of the most prominent, costly, and growing credit union risks, plus executive-level guidance for key steps in managing them.
- **“Basic Issues in Business Lending and Loan Participation.”** Led by Attorney Christopher Pippett, Fox Rothschild LLP. Whether your credit union is making business loans directly to your members or through a CUSO or participating with other credit unions, you must address critical legal, due diligence and underwriting issues in order for this to be an effective product from both the credit union’s and the member’s perspective.

As the schedule continues, after a gourmet dinner Friday evening, you may choose to enter (or just watch) our Credit Union 500. You’ll



Paul Gentile

experience the thrill of fast car racing without ever leaving the ballroom. The Credit Union 500 is 1/10 scale Mini Stock Car Racing with all the excitement of being the driver of your own car. Root for your favorite exhibitor-sponsored race car or drive one yourself. Don’t miss this unique event!



On Saturday, our keynote address will be delivered by New Jersey Credit Union League President Paul Gentile. Prior to his role with NJCUL, Paul served as the editor and publisher of *Credit Union Times*, a national weekly publication covering the credit union movement. His topic will be **“Credit Unions Face More ‘External Factors’ Than Ever Before.”** Whether dealing with new regulations and laws, the economy or demographic shifts, credit unions have a lot of “external factors” to contend with to be successful.

After our annual business meeting, enjoy a delicious land and sea luncheon followed by the timelessly popular game of Bingo.

We hope you will be able to join your Delaware colleagues at this important annual event. For questions and information regarding the convention, contact Jane Bailey at (302) 322-9341 or jane@dcul.org.

Two Low Digit Credit Union Tags to Be Auctioned at the Annual Meeting

The family of the late Ruth Lawley, former DCUL executive assistant, has donated her CU 3 tag to the League in her honor. This is the lowest-digit tag number available as CU 1 and CU 2 are permanently owned.

In addition, Delaware credit union specialty tag CU 24 is available and will also be auctioned off at the Delaware Credit Union League’s 53rd Annual Meeting and Trade Show in April. If you are a fan of NASCAR driver, Jeff Gordon, you may want to display his number “24” on your vehicle.

The tags will be auctioned off live on Saturday, April 16, at the close of the DCUL Annual Business Meeting held at Dover Downs. Proceeds from this auction will benefit the League’s scholarship fund.

If you haven’t purchased your CU tag yet or would like to change to this low number, you’ll want to attend the auction.

This specialty license plate has been approved by the Delaware Division of Motor Vehicles for display on your car, SUV or pick-up. This is not a novelty plate or a vanity tag. It can be displayed instead of or with your current tag. You must be a credit union member with a Delaware-registered vehicle to obtain the tag. Other tag numbers are available on a first come, first served basis by contacting Charlie Jenkins at the League office.

CUNA Issues Examination Rights Guidance

As part of its comprehensive guidance to member credit unions regarding supervisory and examination trouble spots, the Credit Union National Association (CUNA), in conjunction with state league and credit union leaders, developed two documents.

A special working group has been compiling information on credit unions' examination concerns, which were shared through a survey response form on CUNA's website, and developing resources to assist credit unions when supervisory problems arise.

Supervisory Issues and Examinations: Guidance for Credit Unions During the Current Economic Times and Beyond is a 64-page discussion of the duties of examiners and the role of credit unions in the examination process. It provides a summary of the preliminary findings from the CUNA survey mentioned above and discloses how credit unions can appeal when disputes with examiners, or other supervisory issues, arise. Credit unions can download this document at the following link http://cuna.org/reg_advocacy/member/hot_topic/exam_supervisory_resc.html. Alice Smith at the League office can also provide you with a copy of the document.

A Credit Union Bill of Examination Rights. This additional document, though not legal advice, informs credit unions that in the examination process, they have the right to:



1. Manage risk without being directed by examiners to eliminate it.
2. Respectful conduct from their examiner.
3. Be examined by well-trained, competent examiners who understand the unique characteristics of credit unions.
4. Meet and discuss examiner findings, conclusions, directives and administrative actions with the examiner.
5. Question, and seek corrections to, examiner findings, conclusions, and directives.
6. Provide alternative and/or additional data, conclusions, and solutions to address problems identified by the examiner.
7. Know the specific authority or legal basis for an examiner's directive.
8. Receive clearly written examination reports, notices, etc., on a timely basis.
9. Receive exam reports, findings, directives, and administrative actions that are based on all relevant facts.
10. Be evaluated on their own strengths and weaknesses and not solely on the basis of regulator concerns about trends.
11. Be evaluated for progress toward objectives that are realistic and achievable, proportionate to the risk presented.
12. Examination findings and directives that are risk prioritized.
13. Appeal examiner findings, conclusions, or directives without retaliation from their regulator.
14. Have instructions on how to appeal, detailed on every exam report form provided to credit unions.
15. Record meetings with examiners and other agency personnel.
16. Have a representative, such as an attorney, present during meetings with the examiner and other regulatory personnel.

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Directors and Officers: Six Questions to Answer About Managing Your Litigation Risk

Few credit unions have extensive experience defending their directors from charges of a failure to carry out fiduciary duties. But board members must understand that they can be held personally liable—and lose personal assets—if they are sued in their capacity as a director or officer. And, as with all financial institutions today, credit union boards are under heightened scrutiny from regulators and the general public.

Many credit union leadership teams are strengthening their boards' training in response to NCUA's rule regarding the fiduciary duties of federal credit union boards.

In addition to training in financial management and regulatory compliance, board members need to answer some important questions about managing their exposure to litigation risks:

1. Where am I likely to find my credit union's indemnification policy?

Review these four documents, where indemnification is typically described:

- The credit union bylaws.
- The credit union articles of incorporation.
- A board resolution regarding indemnification between the director and the credit union.
- A contractual indemnification between the director and the credit union.



Bylaws or articles of incorporation are the most common places to find board indemnification details. However, it's important to consult an attorney to ensure that the correct document describes your indemnification, given your credit union's charter, and any state laws pertaining to indemnification.

2. What is the difference between mandatory indemnification and permissive indemnification?

The main difference is that permissive indemnification provisions afford a credit union the power—but do not impose a duty—to indemnify its directors and officers. Mandatory indemnification is generally recommended. If your credit union has permissive indemnification, you should have a clear understanding why.

3. What kind of insurance do I need?

Directors and Officers (D&O) insurance protects directors and

officers from lawsuits arising from errors, omissions, misleading statements, breach of fiduciary duty, and other management issues. D&O is typically divided into three coverage sections. The section that most pertains to an individual director or officer is "Side A–Individual," which applies when the credit union is unable to indemnify you due to insolvency, liquidation, or legal restrictions.

4. Is a standard D&O policy all I need?

Strongly consider a "Side A–Difference in Condition" (DIC) policy in addition to D&O. Also known as the "Management Umbrella," DIC covers directors and officers against some otherwise non-indemnifiable losses.

DIC is the last-resort coverage if a director's assets are at risk because the credit union can't provide additional funds for D&O insurance (due to insolvency, liquidation, or legal restrictions). It provides broader coverage by removing many common exclusions found in traditional D&O policies. It supplements a credit union's insurance program and has a feature that will serve as primary coverage if certain triggers are met.

5. Aside from performing my fiduciary duties in good faith, what are the basic things that I should do to protect myself?

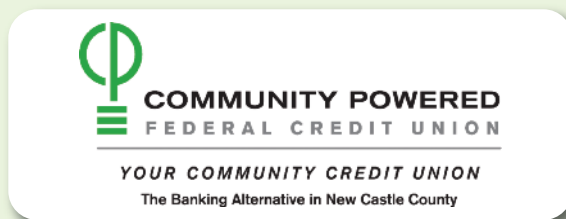
- Disclose any potential conflicts of interest.

Playing The Name Game

There's an old vaudeville joke that tells of a man before the judge requesting permission to change his name.

“What’s your name now?” asked the judge.
 “My name is Charley Sykkunkiasaskwaskky.”
 “I understand your concern,” said the judge,
 “and what did you want to ask
 to change it to?”
 Answered the man, “Sam
 Sykkunkiasaskwaskky.”

Approximately 430 credit unions have changed their names in the last three years. Most recently in Delaware, DPL Federal Credit Union changed its name to Community Powered Federal Credit Union. According to CEO Anthony Hinds, “The name change to Community Powered FCU is intended to accomplish two initiatives. First, it will tell the New Castle County community that they are welcome to enjoy the benefits traditionally experienced by Delmarva Power, Hercules and News Journal employees, retirees and their families. Secondly, the word ‘Powered’ is intended to honor our original and core members who are still very important to us. It is our way of embracing our legacy while reaching out to serve the community at large.”



Here is a list of reasons for credit union name changes, followed by reasons why a name change may backfire.

REASONS TO CHANGE NAME

- **To better reflect the membership.** Many credit unions bear the name of their original sponsor, but the original sponsor may no longer exist, and most credit unions have added many more groups since their

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Managing Your Litigation Risk

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- Be sure the board has written corporate governance guidelines and designate a director or committee to take the lead on corporate governance.
- Be sure that your due diligence responsibility is met through reasonable inquiry and discussion of all matters brought before the board before votes are taken.
- Be especially cautious if your credit union is considering a merger or charter conversion, as these transactions tend to spawn lawsuits. For example, know whether or when a vote by members is required for a merger.

6. What can the credit union do to proactively reduce risk exposures for directors?

Review policies and procedures for lending, employment, collections, etc., and document that the board is performing its due diligence. Understand that anything that might trigger a member or employee to sue a credit union might also prompt action against board members.

For more information about liability management, CUNA Mutual customers can visit the Protection Resource Center at www.cunamutual.com for the Loss Prevention Library, a Webinar Library, and more.

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Playing The Name Game *continued from previous page*

original sponsor. This is the case of most Delaware credit unions that have made a name change (*see boxed list on page 7*).

- **To be more inclusive.** The credit union feels its name is geographically limiting and/or exclusive to certain types of people. For example, Pipefitters Federal Credit Union became Preferred Financial Federal Credit Union to serve the needs of other trade unions.
- **To market more effectively.** It's all about marketing these days. Some credit union names are just too long, laborious or boring to be marketed effectively. Many credit unions are changing to catchy names that they think will stick in people's minds.



In the case of Delaware Federal Credit Union, they decided in 2006 to introduce a new trade name. The new name, Del-One, was chosen to help differentiate the CU from other financial institutions and to alleviate confusion with other Delaware-based credit unions.

The adoption of a trade name reflects NCUA's policy on charter names as set forth in the NCUA *Chartering and Field of Membership Manual*. A federal credit union can have only one charter name, which must be used on all official or legal

communications or documents. However, as discussed in an opinion letter dated September 22, 1997, a federal credit union may use a trade name in advertising, which is what Del-One represents.

- **To honor an outside request.** Although this has not happened in Delaware, sometimes a primary sponsor will request the company name not be used by the credit union any longer, or another financial institution may assert trademark rights.

REASONS NOT TO CHANGE NAME

- **Emotional attachment to the name.** Older, pioneering members who have been with the credit union for many years may be offended by a new name. They may think the credit union is trying to alienate its roots, and often these roots helped build the credit union.
- **Costs.** Firms, sometimes known as "identity firms," charge handsomely to come up with a new name, slogan, and identity. Changing all of the things that bear the credit union's old name to the new name can be costly. Things like letterhead, signage, statements, brochures, credit union clothing, plastic cards, etc., must be changed. Notification of the name change is also necessary for government agencies, credit unions, banks, insurance companies, and vendors — everyone with your credit union name on its mailing list.

- **Sponsor pride.** Most credit unions have added groups since their original sponsor and may be tempted to find a name that better reflects its membership. But the original sponsor can still account for a large percentage of the credit unions' members, and changing it may not go over well with them.

NCUA'S ROLE IN NAME CHANGES

The National Credit Union Administration, the regulatory agency for credit unions, must approve all credit union name changes. Credit unions should review NCUA's published guidelines on name selection before proceeding too far with the name change process. It is your credit union's responsibility to ensure that the federal credit union's name does not constitute an infringement on the name of any corporation in your trade area.

According to NCUA's *Chartering and Field of Membership Manual*, NCUA will ensure, to the greatest extent possible, that the credit union's new name:

- is not already being officially used by another federal credit union;
- will not be confused with NCUA or another federal or state agency or with another federal credit union; and
- does not include inappropriate or misleading language.

Credit union requests for name changes should be made to the Office of Consumer Protection of the National Credit Union Administration at 703-518-1140 — ask for an analyst in the Division of Consumer Access.

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Playing The Name Game *continued from previous page*

In the end, the most important factor in any name change is maintaining member/customer confidence. Delaware credit unions have changed their names to more accurately reflect what they have become — full-service, professional, innovative financial institutions with personal service. Service keeps members coming back — no matter what the credit union's name.

Delaware Credit Union Name Changes

The accompanying chart shows Delaware credit unions that have changed names in the past decade.

FORMER NAMES

Chryco Newark FCU
 Delaware State Employees FCU
 DPL FCU
 Health and Social Services FCU
 GEMCO Employees FCU
 Getty-Delaware FCU
 Pipefitters FCU
 Jell-O Employees FCU
 Nylon Capitol FCU
 Wilmington Public Safety FCU

CURRENT NAMES

American Spirit FCU
 Del-One (Delaware FCU)
 Community Powered FCU
 Delaware Alliance FCU
 Delaware First FCU
 First State Refinery FCU
 Preferred Financial FCU
 Provident FCU
 Sussex County FCU
 Wilmington Police & Fire FCU

Guidance Issued on Financial Literacy Requirements for FCU Directors

The National Credit Union Administration's (NCUA) finalized rule, *701.4 General authorities and duties of Federal credit union directors*, has been the topic of much discussion among credit union volunteers and management lately, specifically the provisions addressing the financial literacy requirements for FCU directors. To help clarify the requirements and expectations, NCUA recently issued a *Letter to Federal Credit Unions 11-FCU-02*, "Duties of Federal Credit Union Boards of Directors." The letter discusses the financial skills requirements of the rule and provides details on the specific skills that a director should have.

WHY IS THERE A FINANCIAL LITERACY REQUIREMENT FOR FCU DIRECTORS? DO WE REALLY NEED MORE RULES?

In short, this stuff is important! As you know, the board of directors of a federal credit union is charged with the general direction and control of the institution. NCUA feels a credit union's financial statement is the key measure of its success or failure, which is why a director must understand these financial statements to participate in a meaningful manner in the direction and control of the institution. As indicated in the letter, NCUA understands that directors are, generally, uncompensated volunteers

who have other important demands that compete for their time, but the decision to serve as a director is a commitment which includes understanding the financial statements, risks and controls of the credit union so as to properly exercise authority over the credit union's direction.

DOES THE CURRENT REQUIREMENT ALSO INCLUDE SUPERVISORY OR CREDIT COMMITTEE MEMBERS?

Although the rules do not mention committee members, it would be wise to offer this same training to those volunteers as well.

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Guidance Issued On Financial Literacy Requirements *continued from previous page*

WHAT SPECIFICALLY DO DIRECTORS NEED TO KNOW?

It depends. The level of financial skills that a credit union director should have will vary according to the size and complexity of the credit union operation they serve. However, NCUA has set forth some *minimum* expectations for all FCU directors, and all directors must have the ability to read and understand the credit union's balance sheet and income statement. Further, a director should be able to examine the credit union's balance sheet, income statement and be able to answer the following questions:

- What does this line item mean?
- Why is it important to the credit union?
- Is the value of the line item changing over time? If so, what does that change (either positive or negative) mean?
- Is the change important to the credit union?

A director must also understand the specific activities in which his or her credit union engages, how these activities generate revenue for the credit union, and the various risks associated with these activities that could lead to financial loss. It is essential that directors understand the risks found in depository institutions — credit, liquidity, interest rate, compliance, strategic, transaction, and reputation risk — and directors must understand the internal control

structures at the credit union that limit and control these risks.

WHAT DO WE NEED TO DO TO BE IN COMPLIANCE?

The answer to this question depends on when the director was appointed and the level of financial skills the director currently has.

- Directors who were elected or appointed on or after January 27, 2011, and who come to the position without the requisite financial skills will have six months from the date of election or appointment to acquire the enumerated skills.
- Directors who were appointed or elected before January 27, 2011, and do not have these skills, have until July 27, 2011 to satisfy the minimum financial standards.
- Current directors who already understand their federal credit union's financial statements and risk controls will not have to do anything further to meet the financial requirements of NCUA's directors' duties rule.

DO LARGER, MORE COMPLEX CREDIT UNIONS HAVE MORE EXTENSIVE REQUIREMENTS?

Yes, according to Credit Union National Association (CUNA) Senior Vice President of Compliance Kathy Thompson. Larger, more complex federal credit



Kathy Thompson

unions may need to demonstrate a higher level understanding of financial risk to be in compliance. Thompson suggested that training policies for more complex credit unions should include specifics on more unconventional activities and should specifically state that their board will be trained on the financial risks raised by those activities (e.g. member business loans, indirect lending, etc.) and the steps that the credit union takes to "limit and control" those risks. A credit union's training policy should also reflect a commitment to additional training to address new situations that may arise if and when that credit union adds a new product or service that is expected to impact its business practices.

WHAT ARE EXAMINERS GOING TO LOOK FOR?

NCUA's intent is to ensure that all federal credit union directors have a basic understanding of their credit union's finances. As such, examiners will evaluate whether the credit union has a policy in place to make available the appropriate training to enhance the financial knowledge of the directors. It is also suggested that boards record in its minutes all individuals who have received training each month. A file should also be maintained with certificates or other evidence of attendance.

WHAT SHOULD WE HAVE IN OUR POLICY?

As outlined in the letter, the policy should provide:

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Guidance Issued on Financial Literacy Requirements *continued from previous page*

- Opportunities and funding for directors to acquire the skills needed to evaluate the credit union's finances. Some directors may come to the director position with the necessary financial knowledge. Other directors may obtain the necessary financial skills through internal credit union training, external training, self education, on-the-job experience, or a combination of these activities.
- Education alternatives for directors commensurate with the size and complexity of the credit union. (Examples: training provided by vendors or trade associations; college/university courses or other programs; NCUA's training programs.)
- The timeframes for training.

GUIDANCE ON OTHER DIRECTOR DUTIES: YES, THERE'S MORE...

The final rule also addressed other associated duties of FCU directors, including:

- Paragraph 701.4(a): Management of a Federal Credit Union provides, in part, that “while the board may delegate execution of operational functions [to management], the ultimate responsibility for [the credit union’s] direction and control is not delegable.”
- Paragraph 701.4(b)(1): Duties of Federal Credit Union Directors, which provides that “[a] director must carry out his or her duties in good faith, in a manner reasonably believed to be in the best interests of the membership of the credit union, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.”
- Paragraph 701.4(b)(4) provides that a director must “direct management’s operations of the Federal Credit Union in conformity with the requirements set forth in the Federal Credit Union Act, NCUA’s rules, other applicable law, and sound business practices.”

For further information on these other duties, please read the complete letter; every credit union CEO should have a copy or contact Alice Smith at the League.

WHERE CAN WE GO FOR HELP?

The League has a variety of educational resources available to help directors meet these financial literacy requirements, including an upcoming seminar on Tuesday, May 3, from 5-8 p.m. at the League office. For more information, email Bernadette@dcu.org or call 302-322-9341. League education director Bernadette Hines can also provide directors with information about training through the Volunteer Achievement Program or through archived webinars.

[Adapted from the Louisiana League newsletter]

New Web Tool Will Help CUs Grow Membership

CUNA-League partnership builds website, aSmarterChoice.org, with all-inclusive CU locator.



CUNA has unveiled a new web-based tool that will help tell the credit union story and encourage consumers nationwide to join credit unions.

The new site, aSmarterChoice.org, went live February 28 during CUNA’s Governmental Affairs Conference in Washington, D.C. It’s being developed through a partnership between CUNA and state credit union leagues/associations, with development and maintenance costs borne entirely by the state associations.

There’s no charge for consumers or credit unions to use the website. Here are some key elements:

- **Find a Credit Union** locator includes *ALL* credit unions, regardless of charter, size or affiliation. Based on the “Find a Credit Union” locator maintained by League InfoSight, this easy-to-use interface is the most comprehensive search tool in the movement today — and has the

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Education Honor Roll

The awards listed below represent certificates earned by credit union staff, management and volunteers during the 2010 calendar year.

Staff Training and Recognition Program (STAR)



Chestnut Run FCU

Michelle I. Cross	Consumer Lending Certificate CU Security Certificate
Sarah E. Fox	CU Security Certificate Member Services II Certificate Washington Award Lincoln Award
Jean A. LaPenta	CU Security Certificate
Dorma Spencer	CU Security Certificate Washington Award

Del-One (Delaware FCU)

Maureen A. Haut	Member Services Certificate
Deborah D. Maull	CU Security Certificate

DEXSTA FCU

Joyce A. Bright	Member Services Certificate Consumer Lending Certificate
Denise Burns	Member Services Certificate
Shanel L. Johnson	CU Security Certificate Washington Award
Donald McInnes	Professional/Career Dev. Certificate
Carol Mantei	Consumer Lending Certificate
Tara J. Merwin	CU Accounting Certificate
Heather M. Nasatka	Consumer Lending Certificate
Alia Parvin	CU Sales Certificate CU Technology Certificate CU Security Certificate Savings Plus Certificate
Christina Zampini	Member Services II Certificate Washington Award

New Castle County School Employees FCU

Monica Dudley	Member Services Certificate
Nathan Folwell	Member Services Certificate
Dorothy M. Kenney	Consumer Lending Certificate Advanced Lending Certificate Savings Plus Certificate
Colin B. MacArthur	CU Accounting Certificate Advanced Lending Certificate
Stephanie J. Mitchell	CU Accounting Certificate
Laura L. Saxfield	Jackson Award Grant Award Franklin Award

Wilmington Postal FCU

Amy Day	Member Services II Certificate Loan Officer Certificate Financial Management Certificate Washington Award
Emma White	Member Services Certificate Consumer Lending Certificate Credit Union Sales Certificate Credit Union Security Certificate Member Service II Certificate Financial Management Certificate Washington Certificate Lincoln Certificate

CU Advance Chestnut Run FCU



Sarah E. Fox	Introduction to Credit Unions Module The Critical Role of Technology in Credit Unions
Pamela Cline	Introduction to Credit Unions Module
Kim Novello	Frontline Basics Module

Education Honor Roll *continued from previous page*

Wilmington Postal FCU

Emma White	Introduction to Credit Unions Module
	Business Math: Share and Deposit Accounts Module
	CU Sales Module
	Professional Member Services Module
	Spanish for Tellers Module

Management Enrichment Training Program



Del-One FCU

Marlena R. Bateman	CU Management Award
Iurina Foxwell	Sapphire Award
	Ruby Award
Tara B. Owens	CU Management Award

Volunteer Achievement Program



New Castle County School Employees FCU

Terri Keene	Supervisory Committee II
Jean Moore	Supervisory Committee II

New Web Tool *continued from page 9*

commitment and resources to remain that way and make aSmarterChoice.org a vital tool for credit unions.

- **Spotlight** on aSmarterChoice.org will focus on the latest “good news” stories about credit unions from across the nation — which serve as “feeder” ideas, through social media, to spread the word within the burgeoning youth market about credit unions.
- **Testimonials** from consumers themselves about what they like about credit unions, how they fit into their lives as financial institutions that meet the needs of their members. Contributed by consumers, the testimonials will be “curated” by aSmarterChoice.org to focus on the positive aspects of credit unions.
- **All about credit unions** installs in one place on aSmarterChoice.org the very basic and important

uniform descriptions and facts of what credit unions are, what they do and how they do it, for consumers and the press.

- **Portable content** in “widgets” — simple software devices that can be placed on League, credit union and other websites — offer tools from aSmarterChoice.org for consumers to use to find a credit union they can join, see the differences between banks and credit unions and much more.

According to League president Pat Mahaney, “aSmarterChoice.org is a great opportunity for credit unions to use the latest technology to increase membership.” Watch for future communications that will give you the steps to add your credit union to the site.

Examination Rights *continued from page 3*

17. Have any published orders—such as consent orders—address only facts and not conjecture or speculation by the examiner.
18. Have confidential, non-discoverable communications with their legal counsel regarding examination issues.
19. Develop and use “high-level” policies, which should be separate and distinct from detailed procedures.
20. Have a lead examiner that is state or federal, consistent with the credit union’s charter type.
21. Know the timing of when NCUA will publish a Letter of Understanding and Agreement.
22. Defer to their CPA if there is a disagreement between the officials and their regulator regarding issues related to U.S. generally accepted accounting principles.
23. Have communication (i.e., discussion of draft findings) with their examiner prior to final issuance of the examination report.
24. Have directives from examiners (including verbal and written comments) be consistent with regulatory requirements, policies, and Letters to Credit Unions. For example, there were inconsistencies noted between how examiners treated the assessment’s effect on credit union earnings and an NCUA letter to credit unions on the subject.

The list of rights was developed in conjunction with CUNA’s extensive study of credit union frustrations with the examination process that resulted in a 64-page document providing guidance for CUNA member credit unions on examination and supervisory issues.

DEL CU NEWS

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