



2010 CALENDAR:

Mark your calendar!

October 1

3rd Annual Business Mixer
Golf Outing for Educational
Scholarships
Deerfield, Newark

October 21

Credit Union Day

October 22-24

Volunteer Leadership Conference
Clarion Hotel, Ocean City, MD

November 17-18

IRA Essentials and IRA Advanced
League Office

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Register Today for Volunteer Leadership Conference, October 22-24



The Delaware Credit Union League and the MD/DC Credit Union Association will host new CUNA President/CEO Bill Cheney and NCUA Board Chair Debbie Matz at the 14th Annual Volunteer Leadership Conference (VLC) October 22-24 at the Clarion Fontainebleau Hotel in Ocean City, Maryland.

Cheney will open the VLC on Friday afternoon with *A Conversation with Bill*

Cheney, as he provides his initial insight as new CUNA CEO on where credit unions are — and where they are going. Matz, who will update volunteers on the regulatory environment on Saturday, heads another exceptional line-up this year with topics and appearances by:

- **Corporate Stabilization Update** — *Jay Murray*
- **Best Practices in Board Governance** *David Gilbert & panel including Dover Federal*
- **Social Media & The Path to Your Younger Members** — *Kerri Smith*
- **Financial Liability & Boards** — *Jim Sherrill*
- **National Credit Union Foundation and Credit Union Philosophy** — *Tom Decker*
- **Bank Secrecy Act Training** — *Andre Lucas*
- **Audit Update** — *Chris Feathers* (Supervisory committee track)



Bill Cheney



Debbie Matz

continued on next page

Credit Union House

The stately presence of Credit Union House on Capitol Hill, just two blocks north of the U.S. Capitol, reflects the permanence of the American credit union movement. With a century of service behind them, credit unions have established their place in the country.

Credit Union House provides a home away from home for credit union people visiting Washington, D.C., as well as first-class event space for seated meals, cocktail receptions, and town hall meetings. Credit Union House serves as a central point for education seminars, legislative briefings, and strategy sessions. It provides this movement with a tangible and visible presence in our nation's capital, serving as a symbol of the strength and permanence of credit unions.

While initial investments from the American Association of Credit Union League and individual leagues provided the funding for the land and construction of the facility, ongoing operational expenses (including ever-increasing property taxes and the costs associated with maintaining a top-notch events facility) are funded through sustained annual giving from credit unions.

Just as with cooperatives, the more members involved with Credit Union House, the stronger it becomes. With 100% participation from the credit unions of each state, each credit union's share falls to only about \$60 a year. Right now, a small percentage of credit unions provide a majority of



the sustained annual giving. Your involvement will help spread this financial responsibility more evenly and will help our state reach its annual fundraising goal.

In 2009, the following individuals and credit unions contributed \$3,950: Del-One, American Spirit FCU, Chestnut Run FCU, DEXSTA FCU, DPL FCU, Delaware Alliance FCU, ICI America FCU, New Castle County Delaware Employees FCU, Provident FCU, Seaford FCU, and Joel and Louisa Romaine.

Why not invest in your home away from home on Capitol Hill today? Sponsorships are open to individuals and credit unions with contribution levels designed to fit any size budget.

Friend Level = \$25 - \$249
Bronze Level = \$250 - \$499
Cornerstone Level = \$500 - \$999

Silver Level = \$1,000 - \$2,499
Gold Level = \$2,500 - \$4,999
Platinum Level = \$5,000 - \$9,999
Chairman Level = \$10,000 - \$14,999
Patron Level = \$15,000+

Contact Alice Smith at the League office for an official contribution form. Please note that contributions to Credit Union House are not tax deductible as charitable contributions.

Register Today for Volunteer Leadership Conference, October 22-24 (Continued)

- **Supervisory Committee Duties & Responsibilities** — *Jim Sherrill* (Supervisory committee track)
- **Holistic Leadership & The Board of Directors** — *Celeste Cook*

Explore issues facing credit unions at the 2010 Volunteer Leadership Conference. Discover solutions that will help you navigate these uncertain times. Speakers will offer unique perspectives on where credit unions stand and how to make an impact in the financial marketplace. This is also an excellent opportunity to network with your peers in Delaware, Maryland and D.C.

The League will mail a brochure to all CEOs, board chairs, and supervisory committee chairs. Information can also be found on the League website, www.dcul.org. For more information, contact Alice Smith.

CUs Find Ways to Cut Health Care Plan Costs

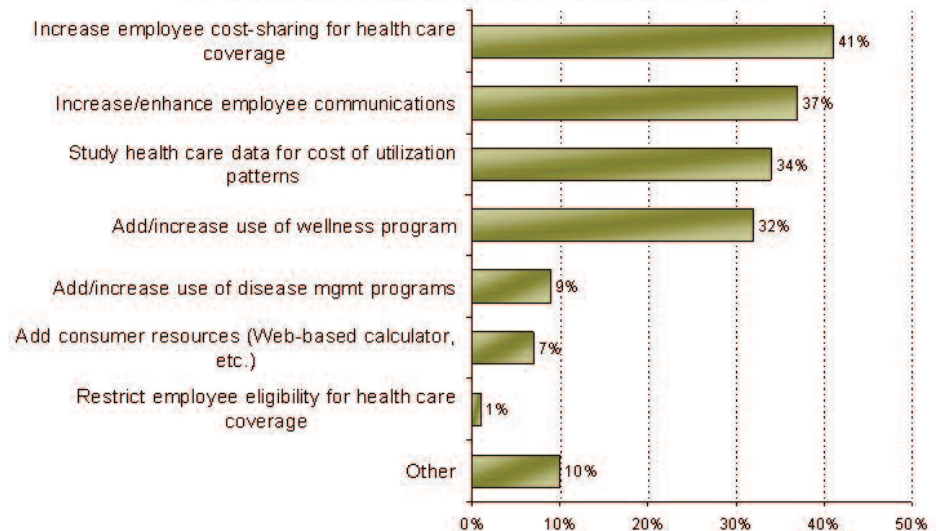
Despite tight budgets from the economy and the escalating costs of providing health care coverage, credit unions continue offering this prized employee benefit. Like past years, 65% of credit unions provide health insurance to their employees — and nearly all credit unions with \$50 million or more in assets offer it, according to the Credit Union National Association's (CUNA) *2010-2011 Credit Union Staff Benefits Report*.

The full impact of health care reform on health care coverage as an employer-provided benefit is not yet clear. However, employers currently providing this benefit will continue to face challenges fairly soon, with percentage cost increases projected to return to double-digit levels in 2010 and 2011.

Half of credit unions saw 2010 health insurance costs increase at least 10% over 2009 costs. Credit unions trying to reign in costs are most likely to increase employee cost-sharing for health care coverage, increase/enhance employee communications, study health care data for cost of use patterns, or add/increase use of their wellness program.

"It's encouraging that credit unions are finding ways to reduce costs and persist in providing health care insurance as an employee benefit," said Beth Soltis, senior research analyst for CUNA.

Changes Made to 2010 Health Care Plan to Reduce Health Care Plan Costs



Source: CUNA's 2010-2011 Credit Union Staff Benefits Report

Note: Based on credit unions that provide any type of health insurance to employees.

"The employee benefits package is an essential recruitment and retention tool, and health care insurance is arguably its most crucial component," she said. "It is vital for credit unions to understand the impact of health care reform and monitor cost trends in order to maintain a cost-effective health care plan and preserve its place in the employee benefits package."

The survey provides nationwide data on benefit trends, costs, and program structures for health care coverage, wellness programs, retirement/savings plans, life and disability insurance, work/life and ancillary benefits, and paid leave. The report is available in print or Adobe PDF format.

For more information or to order the print or PDF versions of CUNA's *2010-2011 CU Staff Benefits Report*, call CUNA at 1-800-356-8010, press 3. Ask for item 29015; the cost of the book is \$285.

Interview With League Chairman Jerry King

Jerry King was elected to serve as the chairman of the Delaware Credit Union League's board of directors at the 2010 annual meeting. He has been active in the credit union movement for over 22 years and was elected to the League board in 2008. Communications director Alice Smith interviewed Jerry as he begins his term in office.

1. What experiences have you had (past and present) in the credit union movement?

I have been involved in the credit union movement for over 22 years. Over the years, I have experienced many challenges and opportunities. Challenges include:

- The passing of HR 1151 – The Credit Union Membership Act
- The expansion of products and services credit unions can offer such as debit cards, credit cards and mortgages
- Credit union mergers
- Credit union charter changes
- Facility expansions
- Core processor conversions
- Numerous regulatory changes
- Corporate stabilization

There have been opportunities also:

- Served as the Association of DuPont Credit Union Scholarship Committee Chairman
- Served on NAFCU's Nominating Committee and Advisory Council
- Served on Mid-Atlantic Corporate FCU's Liquidity Advisory Team



Jerry King

- Serving on the Delaware Credit Union League Board
- Serving on the Mid-Atlantic Corporate FCU Supervisory Committee

2. What is it that you like about the credit union movement? The camaraderie. It is truly an industry of "people helping people." Networking with fellow credit union leaders is invaluable. I believe that this is a unique characteristic of our industry.

3. Why did you agree to serve as board chairman? What skills do you bring to the position? I believe in the League. I think it is important that Delaware credit unions maintain their representation. As board chair, my knowledge and experience enable me to work well with my fellow board members in addition to League management.

4. What are some of the challenges that you see for the future of the League? Membership. As the economy and regulatory changes become more challenging for us, some credit unions simply may be unable to sustain themselves.

5. What challenges do you see for the credit union movement in general, especially Delaware?

The biggest challenge facing the movement is the ability for credit unions to be profitable while maintaining capitalization. Credit union revenue is greatly impacted by the NCUSIF premium assessments, regulatory constraints, and allowance account provisions.



Check Out the New Findacreditunion.com

With credit unions getting positive media coverage nationwide and financial experts recommending that people join a credit union, now is the perfect time to make it even easier for potential members to find YOUR credit union with the revamped FindACreditUnion.com, the national online credit union finder.

The site has been recently redesigned to include:

- Fresh design that complements the site's new streamlined structure
- Simplified ZIP code-only search option
- Ability to do advanced searches based on affiliation (e.g. employer, school)
- Google mapping of search results
- Enhanced reporting and statistics to monitor site usage and
- Online support and training resources to help you properly update your credit union's information.



All current administrative IDs and passwords remain the same; a new feature is credit unions can now have one (1) administrator and other users attached to its profile to update information. For credit unions that had previously entered information into Find a Credit Union, all data has been transferred to the new Find a Credit Union site.

Frequent user Carole Langiu, marketing director at Dover FCU, is delighted with the redesigned site, especially since the credit union now has about 350 select employee groups listed. "Find a Credit Union is very user friendly! Once you log in, you simply make a few clicks, and you can edit your list of groups just by typing them in — no complicated codes or lengthy forms to complete. Adding or changing a name is fast

and easy — so is deleting one, but we don't like have to do that! If you do happen to need a little more help — the people there are super! Quick response time and knowledgeable about their site. It would be great if all my sites were this easy to update!"

As a member of the Delaware Credit Union League, you have access to this valuable tool as a dues supported service at no additional cost to your credit union. The Delaware League is excited about the redesign of the site and hope that this will make it even easier for potential credit union members to find your credit union!

If you have any questions regarding Find a Credit Union, please contact Charles Jenkins at the League office at 302-322-9341 or email Charlie@dcul.org. Charlie can also help smaller credit unions enter information about their field of membership.

3RD ANNUAL BUSINESS MIXER GOLF OUTING FOR EDUCATION

*Sponsored by Louviers FCU & Delaware
Credit Union League Scholarship Funds*

Friday, October 1, 2010
**Deerfield Golf &
Tennis Club**

507 Thompson Station Road,
Newark, Delaware 19711

- An 18-hole scramble format
- 1st, 2nd, & 3rd place foursomes
- Prizes: Closest to the pin; straightest drive; longest putt
- Hole-in-one contest; door prizes and more!

Registration: 8:15 a.m. at the Grille Courtyard — 9:00 a.m. Shotgun Start

Included: Continental Breakfast — 7:30 a.m. - 9 a.m.; beverage tickets for cart or grille; picnic barbecue lunch & awards presentation. Complimentary range time; personalized bag tags; locker room and shower access; valet bag service; sleeve of balls

Cost: \$125 per golfer or \$400 per foursome — All ability levels welcome!

Golf Hole Sponsorships — \$100

Business Sponsorships —
Contact: Jane Bailey, jane@dcul.org
or 302-322-9341

Deadline: Limited to the first 100 registrants by Friday, September 24, 2010

For more information, contact:
Bob Walls, rwalls@louviers.com or
302-733-0426, ext. 208.

Delaware League Annual Meeting Credit Union Photo Gallery



American Spirit FCU



Del-One FCU



Eagle One FCU



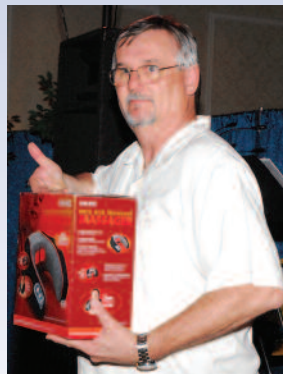
The Winwards - Wilmington Postal FCU



Provident FCU



George and Kathy Bush contributed these items for the Children's Miracle Network



Big Kahuna Pat Mahaney



DPL CEO Anthony Hinds takes the CUNA Mutual quiz as observed by Sterling Nowka

continued on next page

Delaware League Annual Meeting Credit Union Photo Gallery *(Continued)*



Award winners: Dona Palermo, Outstanding CU Employee; George Leathrum, Spirit of Service Award, and Russell McCready, Outstanding Volunteer



Wanna know a credit union secret?



Paul Butler of CUNA Mutual Group with American Spirit's Bob Watson (right)



Dover FCU



DEXSTA FCU



New Castle County School Employees FCU



ICI America FCU moves to the groove



Louviers FCU

Foundations Created by Delaware Credit Unions

Two Delaware credit unions have formalized their contributions to the community by creating a charitable foundation to facilitate charitable giving. Del-One (Delaware FCU) and Sussex County FCU have both set up charitable foundations to provide an institutional structure for their charitable giving and to facilitate long-term charitable objectives in the community.

The Sussex County Federal Credit Union Foundation was established and began accepting members in May 2009. The foundation's mission is geared to helping individual children in need with food, clothing, medical aid, etc. The foundation has partnered with several Sussex County middle schools to provide support where needed. "In reaching out to the middle schools,

we hope to fill a void that seems to exist for that particular age group. We've been touched to see the dedication of school representatives in trying to help their kids," said Ashley Tyre, a representative of the foundation.

In addition to providing support to individual children and families in need, the foundation is committed to supporting programs aimed at improving the lives of disadvantaged children including food banks, camp programs, school supply programs, and financial education programs.

The foundation is controlled by a member-elected board of directors. Currently the board consists of staff members Pam Fleurette, Sherry Shockley, and Ashley Tyre. Though the foundation is a separate entity,

the credit union board of directors generously provides staff time, space from which to operate, and the commitment of a monthly donation. The Sussex County FCU Foundation raises funds through donations, events, and dues of \$10 per year. Membership is open to anyone interested in the mission of the foundation.

The Better Life Association, Inc., doing business as the Del-One Foundation, is "basically the formalization of our community outreach initiatives," according to Sharee Coleman, Del-One's vice president of marketing. It was formed as a nonprofit organization that anyone can join with annual dues of \$12 and is governed by a board of seven

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NCUA Regulations Regarding Foundations

Charitable contributions made by federal credit unions are clearly within their incidental powers, according to the National Credit Union Administration (NCUA). NCUA has long recognized a federal credit union's (FCU's) authority to make charitable contributions and donations under conditions set forth in the agency's charitable donations rule, 12 C.F.R. §701.25.

The regulations state that an FCU may make donations to nonprofit recipients that are located in or conduct activities in communities in which the FCU has a place of business or that promote and develop credit unions. 12 C.F.R. §701.25(a). An FCU's board may only approve donations that are in the best interests of the FCU and are reasonable

given the size and financial condition of the FCU. 12 C.F.R. §701.25(b).

According to NCUA, by creating a nonprofit charitable foundation, an FCU can charter a foundation focusing specifically on the FCU's charitable goals, while promoting the FCU's name in the community and generating goodwill.

NCUA cautions that credit unions may subject themselves to operational and reputation risks that are involved in establishing and maintaining a charitable foundation, including conflicts of interests and self-dealing concerns. NCUA expects an FCU to provide information about and access to records of the foundation as necessary to ensure that the operations of the foundation comply with applicable law and do not impair the integrity of the FCU's

operations. As such, NCUA may ask to review the foundation's policies, assess the adequacy of controls, and verify its financial statements or annual reports to determine the degree of risk the foundation may pose to the FCU.

In addition, the foundation is expected to maintain its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and a separate corporate existence from the FCU. The FCU's board must ensure that less than a majority of the FCU's directors serve as directors on the foundation's board so that a majority of the FCU's disinterested directors can approve any contributions to the foundation, including the sharing of FCU employees. Otherwise, conflicts of interest issues arise if FCU directors vote to authorize donations to a foundation for which they serve. See FCU Bylaws, Art. XVI, Section 4.

Louviere FCU Student Branch a Success

Students across the nation are getting hands-on financial experience through credit unions and banks operating in schools, and now Delaware can report success in the opening of its first in-school credit union branch.

Louviere Federal Credit Union opened the first credit union branch inside a state school at Newark High School in November, 2009. Working in partnership with the Business Technology Department of Newark High School, Louviere operated the student-run credit union branch for on-campus students, staff, and faculty at the Newark school.

The branch, run by six Newark High School students and supervised by Louviere marketing coordinator Faith Simpers, was opened for business on Monday, Wednesday and Friday from 10:30 a.m. until 12:30 p.m. During the period from November to June, 36 new accounts for students, staff and faculty were opened. The branch is closed for the summer and will reopen at the beginning of the 2010-2011 school year.

Working with schools is an opportunity to promote financial literacy states Faith Simpers. "It fits Louviere FCU's vision of improving the financial lives of our members and our community," she said. "We have developed a good partnership with the school, its staff, faculty, and student body. We have worked with the student tellers in teaching them to work in and run their credit union. They also publicized the credit union by making in-class and on-air presentations, not only about

the credit union, but also about students being financially literate and taking responsibility for their own financial future."

Newark High School Principal Curtis Bedford agrees with this assessment. "I would just like to comment on the first year of this partnership. From NHS's perspective, I found it to be a big success. The credit union will

undoubtedly grow next year with it being up and running at the beginning of the year. Faith did a tremendous job of building a positive rapport with our staff and students. In the long run we all know this will benefit our students in a very positive way."

Even though the branch is closed for the summer, Louviere FCU is still busy

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Louviere FCU student branch staff: Front row (l. to r.): Faith Simpers and Jauquese Napier. Back row – Kameron Catron-Mitchell, Akeem King-Barnes, and Mike Mene

Foundations Created by Delaware Credit Unions (Continued)

directors, which is comprised of staff members and headed by board president Megan Seaser.

Any monies collected from dues go to the charities the foundation supports — like the American Cancer Society, Ronald McDonald House, and March of Dimes to name a few. Members of the foundation receive electronic updates on charitable events and fundraising initiatives, plus they automatically qualify for credit union

membership, according to Coleman. The Del-One Foundation reported that a total of \$17,753.02 was raised during 2009.

In both cases the foundations have been organized to qualify as tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code. In addition, most individuals can qualify for membership in the two credit unions through joining the foundation.

Everything You Ever Wanted to Know About Exam Appeals

For NCUA's mission to succeed, agency staff must communicate effectively and display fairness and consistency when supervising credit unions. All levels of NCUA management continually reinforce the importance of staff interacting with agency stakeholders in a professional, results-oriented manner. However, as in any business environment, exceptions can occur. To address this possibility, NCUA provides credit union officials formal and informal avenues of recourse for registering objections about NCUA's supervision process.



A credit union official who disagrees with a report issued by NCUA's field staff can request the appropriate regional director review the concerns. To exercise this option, he or she should submit the request for review in writing to the appropriate regional office within 30 days after receiving the final report. The regional director will review concerns in detail, provide a written response, and, when necessary, initiate appropriate corrective action. NCUA's experience

indicates credit unions and agency staff are able to resolve most disagreements informally and expeditiously because the concerns originally stemmed from a breakdown in communication.

ROLE OF THE SUPERVISORY REVIEW COMMITTEE

If a credit union official remains dissatisfied after receiving a response from the regional director; or, if the regional director does not provide a written response within 60 days of receiving the request for review, the complainant may submit an appeal to NCUA's Supervisory Review Committee under certain circumstances.

Specifically, NCUA's Supervisory Review Committee reviews concerns relative to material supervisory determinations as defined by Interpretative Ruling and Policy Statement (IRPS) 95-1, as amended by IRPS 02-1. IRPS 95-1, which indicates supervisory determinations, are limited to decisions NCUA staff makes concerning: (1) composite CAMEL ratings of 3, 4, and 5 and all component ratings of those composite ratings; (2) adequacy of loan loss reserve provisions; and (3) loan classifications on loans that are



National Credit Union Administration

significant as determined by the appealing credit union. In addition, IRPS 02-1 indicates credit union officials may appeal a regional director's decision to revoke any portion of a credit union's RegFlex authority.

The Supervisory Review Committee consists of three regular members of NCUA's senior staff appointed by the NCUA Chairman. None of the members shall currently serve as a regional director, associate regional director, executive director or executive assistant to a Board member. The NCUA Chairman designates one committee member as chairperson.

SUBMIT AN APPEAL

The board of directors of the appealing credit union must authorize filing of the appeal. Appeals must be submitted in writing and mailed or delivered to: Chairman, Supervisory Review Committee, NCUA, 1775 Duke Street, Alexandria, VA 22314-3428.

File appeals in writing and include the name of the appellant credit union, the material supervisory determination being appealed and the reasons for the appeal. Credit unions should submit all information and supporting documentation relevant to the matter

continued on next page

Everything You Ever Wanted to Know About Exam Appeals *(Continued)*

in dispute. Appellants are entitled to a personal appearance before the Committee. The Committee chairperson reserves the right to attempt to work out the dispute through teleconference.

APPEAL TIME FRAMES

After receiving an appeal, the Supervisory Review Committee considers the facts in detail. The committee may request additional information from the appellant and/or the regional director within 15 days receipt of the appeal. Requested information must be submitted within 15 days of receiving the request. The committee will make a determination within 30 days receipt of the appeal or 30 days receipt of requested additional information. Time requirements can be adjusted by the committee on its own, or at the request of the appellant or the region involved. After completing its review, the committee will make a final decision. Within 30 days of receipt, the decision is appealable to the NCUA Board.

When a matter is under review by the Supervisory Review Committee, the material supervisory determination remains in effect. The appeal does not prevent NCUA from taking any action, either formal or informal, that it deems appropriate during a pending appeal. [This article appeared in the March 2010 edition of *The NCUA Report*.]

Louviers FCU Student Branch a Success *(Continued from page 9)*

making plans for the new school year to continue the branch's first year success. According to Simpers, "We will have meetings with faculty during the summer to discuss and work on improvements for the next year. We will also attend pre-school functions, such as orientation and open house, to inform the incoming students as well as their parents about the existence of and benefits of membership in their credit union."

NATIONAL STATISTICS

Last year 232 credit unions nationwide maintained branch offices in 824 schools, reports the Credit Union National Association. "Convenience has always been a primary concern for members. Putting a credit union branch in a school is the same as putting one in the adult workplace — it becomes a handy and routine money management option," said Philip Heckman, director of youth programs in CUNA's Center for Personal Finance. "Having a credit

union presence where students spend one-third of their waking hours makes it much more likely that they will come to see how important and easy it is to make smart financial decisions on a daily basis. It also gives the credit union message and the credit union brand special power."

Heckman noted that these numbers are self-reported from participating credit unions and leagues, and therefore likely to be understated. He urged credit unions everywhere — especially in the 11 states with no reported in-school branches — to report this activity and update their records at least annually, using CUNA's online report form at http://finlit.cuna.org/youth/youth_form.html. He said, "The credit union movement is rightfully proud of its financial literacy efforts. But to be able to quantify that involvement is vitally important in convincing lawmakers that credit unions are, indeed, different and uniquely committed to improving members' lives."



DEL CU NEWS

An official publication of the Delaware Credit Union League

Mailing address:

4 Quigley Boulevard
New Castle, DE 19720

Published by the Delaware
Credit Union League, *Delcu*
News welcomes submissions of
news items and photographs of
Delaware credit unions and their
members. Mail to *Delcu News* at
the above address.

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