



Florida Credit Union News

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Senate candidate praises CU service

“ I want to commend you for your level of service to your communities.” So said Florida Treasurer and Insurance Commissioner Bill Nelson during a luncheon with a number of credit union CEOs on July 8. Nelson, an announced candidate for the United States Senate seat being vacated by Connie Mack, was invited by the Florida Credit Union League to the luncheon in his honor in order to give him a chance to express his views on credit unions.

Nelson told the gathering of CEOs he was familiar with the service credit unions provided, and he was particularly impressed with how they helped their members. “Your willingness to educate and assist your members makes all of you a valuable asset to each of your communities.”

Attending the luncheon were: Ray Cromer of North Florida Education Credit Union; Ron Fye of Florida Commerce Credit Union; Bob Beskovoyne, CCUE of Martin Federal Credit Union; Wendell A. “Bucky” Sebastian of GTE Federal Credit Union; Tom Dorety, CCUE of Suncoast Schools Federal Credit Union; James Weibert, CCUE of Community Educators’ Credit Union; and Randall J. Mims, CCUE of Florida State University Credit Union. FCUL President/CEO Guy Hood, Executive Vice President Aletta Shutes and Chief Operating Officer Marvin Garland also attended.

Nelson questioned the executives on the issues they felt were important and reiterated his strong support in the past for credit unions. He thanked the group for the opportunity to meet with them and said he would be happy to meet with them and their members at their credit unions during the campaign.



Bill Nelson, candidate for U.S. Senate, discusses credit union issues, during a FCUL sponsored luncheon, with Tom Dorety, CCUE , President of Suncoast Schools FCU and Bucky Sebastian, President of GTE FCU.

Laida Garcia, Vice President of Florida Central Credit Union in Tampa and 1st Vice Chair of the FCUL Board, was featured in the July/August issue of *Dimensions*. This is a publication from CUNA Mutual Group. In the article she is described as “cool under pressure, empathetic--adept at mastering a situation and moving forward.”

It's a wonderful article-- check it out.

FCUL Management Institute

Certainly it's important to train and groom good credit union employees for future management positions, but with the statistics just released from CUNA's 1999/2000 CU Environmental Scan that 20 percent of all credit union CEO/managers plan to retire within the next five years, and that the number of 35 to 45-year-olds is expected to drop in the next 16 years, the time to train these employees is now.

The 39th Annual Florida Credit Union League Management Institute will be held September 12-16 in Tallahassee at the Florida State University Center for Professional Development.

The objectives of the course are to provide participants with an advanced understanding of management functions; to offer solutions to the unique problems and challenges facing credit unions in today's changing financial environment; to promote the sharing of common experiences and concerns with others; and to provide the framework for a practical analysis of credit unions. Completion of FCUMI entitles each participant to 3.2 CEUs.

The brochures for the 39th Annual Florida Credit Union Management Institute were mailed out the last week of June. Registration is open to all League-affiliated credit unions and tuition for FCUMI is \$775 per person.

For more information about FCUMI, please contact the Education Department at (800)342-1266.

CUNA Board OKs National CU "brand" logo and slogan



The proposed credit union brand signature, slogan and strategy received unanimous and enthusiastic support from the CUNA Board of Directors in

June. The slogan "America's Credit Unions: Where people are worth more than money" and the new logo were introduced by Holly Herman, CEO of Kraft Foods FCU of White Plains, NY, and Chairperson of the National CU Brand Campaign advisory task force.

The signature and slogan are the first step in communicating the credit union brand proposition to consumers. Developed through consumer research last year, the brand proposition is most simply stated as: "Your credit union treats you with respect, as a valued member. You can trust your credit union to look out for your interests, because credit unions are founded on the principle of caring about people, not just money."

As Herman reported, "For members, the linked hands trademark symbolized people helping people, mutual support and humanistic principles, and the star image within reinforced the meaning of the name 'America's Credit Unions.' The selected slogan was preferred by focus group participants as the most direct and explicit representation of their relationship to their credit union."

The next step for the program is for CUNA to distribute the signature and slogan to the leagues and to credit unions as part of a brand launch kit later this summer. Along with artwork and graphic standards for the signature and slogan, the kit will include usage guidelines, an informational video and a brand strategy document that explains the importance of developing a strong credit union brand.

President's Column

What have we done for you lately?

The vote that you made at this year's Annual Meeting to raise your FCUL dues was indeed a momentous one.

Your vote was a message to all of us connected to the League that you want to continue to move this organization forward. You have said that you want this to be a first-class trade association. We got your message.

Last month the Board of Directors and the staff of the Florida Credit Union League met for three days in Orlando to plan the future direction of the League. Those three days were productive and constructive. Your League's Board of Directors and staff came away from those meetings with a sense of direction and purpose. And, I think you will be proud of what direction we intend to take.

The goal that everyone agreed on during the strategic planning meetings was to continue the advocacy and awareness efforts begun during the fight to pass H.R. 1151. What that means is that we will continue to retain several outside lobbying firms to represent the League in Tallahassee and Washington. It won't close the gap entirely on what the bankers are able to muster, but we believe those lobbyists are well-known and will help to establish the League as a force to be respected.

Next, we want to establish a world-class candidate training school. We want to start this training school this fall and help any candidates who might think of running

for public office with the necessary basics to become good candidates. We will look to potential candidates from the ranks of our credit unions at first, but in the future, we would like the school to be one which might attract nearly anyone who might like to run for office. This will certainly help establish ties to future members of the Legislature and Congress.

We intend to step up our communications efforts. We want you to be as informed as possible about

events affecting credit unions so that you will be able to react and plan at your level. In addition, we want to continue to establish awareness of credit unions and let the general public know that there is a real, genuine alternative to high-priced banks.

We also want to use our resources to reach out to areas that we haven't been able to reach before. That is why we will be sponsoring a Community Outreach Conference this October in Orlando. This two-day session will explore methods and ways credit unions can reach out to those segments of the community that have been traditionally denied financial services and have had to rely on so-called alternative banking.

Our meetings in Orlando set a huge agenda for your League. But, we promise to work as hard as possible to show you that your dues money will be well spent.



Guy M. Hood
President/CEO



John D. Deese, CCUE

Deese re-elected to CUNA Board

John Deese, CCUE, President/CEO of THE CU of Palm Beach County, has been reelected to the Credit Union National Association Board of Directors for a second term. Deese was automatically re-elected when no other candidate filed to run against him.

Deese represents Class A credit unions (all credit unions with up to 10,000 members) in District 3 (Southeastern United States). Deese was first elected to the CUNA Board in 1997. His new term will run until 2001.

League "advertorials" running monthly in Florida Trend

In case you haven't heard or haven't seen them, the League has begun an "advertorial" campaign in *Florida Trend* magazine that will last for the remainder of 1999. The ads are full-page and will be seen every month by the business and political leaders of Florida. The purpose of the ads is to continue to educate *Florida Trend's* readers on the credit union difference.

The League had run one ad in the February issue of the magazine and received such a favorable response to that ad, that the decision was made to place an ad monthly for the remainder of the year.

The most recent ad is entitled "Credit Unions: Have They Changed?" The ad speaks to the many changes that have occurred over the years at credit unions, including new services offered to members. It concludes by stating: "Credit unions have been good for America. They have financed numerous dreams of home ownership, uncounted college educations and millions of automobiles. They will continue to do what they have always done, i.e., serve their members."

The ad, although highlighting changes, ends by saying that although they have changed some, the basic purpose of credit unions is still unchanged.



Copy of the advertorial in the July issue of Florida Trend.

Checking penetration peaks at Florida's CUs

Florida credit unions supply share draft account services to more than half of the state's credit union members making it the top-ranked state in share draft penetration, according to a study by Callahan & Associates, Inc.

Of Florida's 3.6 million CU members, 52.58% use a credit union share draft account, nearly double the national average of 37.6%, Callahan reported. This statistic is significant because many CU managers view share draft penetration as one of the core indicators of membership usage of credit union products, Callahan's said in its analysis.

Florida CUs also reported double-digit loan growth and share growth in 1998.

article from *The Credit Union Journal*

Clarke American

Clarke American reduces credit unions' operating costs with unique program

Are you interested in reducing operating costs at your credit union while improving member service and revenue? If you answered "yes," then you should be turning to a true partner to handle your check-related calls.

Clarke American, check printer and long-time partner of CUNA Service Group, stands out in the credit union movement as a leader in providing this kind of service to credit unions and their members. Through a unique program called *ServiceLine PlusSM*, members can call a toll-free number to reach Clarke American directly with their check-related questions and reorders. Research shows that credit unions that have allowed Clarke American to handle calls on their behalf have seen an increase in member satisfaction, as well as a

reduction in order-related errors, thus eliminating a large number of repeat calls.

While taking costs out of your credit union branches and call centers by handling telephone and foot traffic to support check reorders and inquiries, Clarke American also provides added service and selling support to your members. Rather than just accepting and processing reorders, the company generates more revenue for your credit union by listening to your members and identifying additional product and service requirements that satisfy their wants and needs.

Clarke American's program is driven by a "triple-win" philosophy – *credit unions win* by freeing up staff from check-related calls while capturing additional revenue, *members win* by receiving service from prod-

uct experts during expanded customer service hours, and *Clarke American wins* by gaining brand loyalty through member satisfaction. There are no catches, only benefits when you choose a partner that you can trust to service your members in the same way that you do.

As we approach the new millennium, credit unions will be challenged to keep up with the higher-level of service and convenience that members have grown to expect. By partnering with companies like Clarke American, your credit union can focus its resources in the right direction and through these relationships, achieve the next level of member service.

For more information regarding *ServiceLine Plus* or any of Clarke American's premier services or products, call Regional Sales Manager Chet Panhans at (800)382-0818, extension 2837.

Clarke American's program is driven by a "triple-win" philosophy

Advocacy in Action

The 2000 campaign season is beginning to gear up and credit union representatives are making their presence known early.

Miami credit unions were well represented at a dinner honoring U.S. Rep. Lincoln Diaz-Balart (R-Miami) last month. Several hundred supporters were on hand to pledge their support for the work Diaz-Balart has done for his Miami constituents. Credit union leaders attending the fundraising dinner were: Leo Acosta, FEC Employees FCU; Mara Falero; FAA CU; Valorie Grant, CCUE, Miami Postal Service CU; Bill Gregg, FAA CU; Ray Jones, FEC Employees FCU; Sandra Switzer, Miami Postal Service CU; and Jim Wagy, Tropical FCU. Dianne Jones, FCUL's Political Action Coordinator accompanied the Miami representatives.

Congressman J.C. Watts, Jr. (R-OK), currently serving in the House Republican Leadership as the Conference Chairman, was the keynote speaker for the evening. Other VIPs attending the dinner were Congresswoman Ileana Ros-Lehtinen (R-Miami),

Representative Willie Logan (D-Opa Locka) and Senator Kendrick Meek (D-Miami).

The Florida Democratic Party recently held its 1999 Jefferson Jackson Dinner in Ft. Lauderdale featuring the former governor of Texas the Honorable Ann Richards. Attending on behalf of the Broward Chapter of Credit Unions were Gary Noe and Cecilia Pittman, both employees with City County Credit Union. Gary and Cecilia took full advantage of this opportunity to network and get to know several lawmakers from across the state. Notable Democratic Party leaders such as Attorney General Bob Butterworth, Senator Skip Campbell (D-Tamarac), and Representative Marjorie Turnbull (D-Tallahassee) were among the many contacts made throughout the evening.

Gary Noe, candidate for City Commissioner in Ft. Lauderdale stated, "Credit unions can be proactive with our legislators and facilitate the credit union movement or be reactive which is not a comfortable position to be in."

Credit union representatives are making their presence known early



Attending the dinner honoring Rep. Lincoln Diaz-Balart (center) were Bill Gregg, President of FAA Credit Union; Mara Falero, FAA Credit Union; Jim Wagy, Tropical Federal Credit Union; and Dianne Jones, FCUL Political Action Coordinator.

Sublette receives maximum PAC contribution

State Rep. Bill Sublette, candidate for U.S. Congress, District 8 received the maximum \$5,000 contribution to his campaign from the Credit Union National Association's Political Action Committee. CUNA is the first federal PAC to support Sublette in his bid to win Florida's district eight congressional seat being vacated by Congressman Bill McCollum (R-FL).

"We consider Bill Sublette a true friend of Florida credit unions and consumers. We are pleased to be able to support his candidacy," said Aletta Shutes, Executive Vice President of the Florida Credit Union League.

Sublette has served in the Florida House of Representatives since 1992. The contribution from CUNA is an important one for Sublette as he prepares for the Republican primary and the general election.

"It is important to get early support from respected groups such as the credit union industry," said Sublette. "I anticipate a challenging race during the next year."

FCUL Campaign School slated for fall 1999

The Florida Credit Union League is preparing for its first ever Campaign School slated for October/November 1999. This will be an intensive one-day training session to teach credit union supportive candidates what it takes to run a successful campaign.

The topics to be covered include: how to plan and budget; survey research; campaign and direct mail fundraising; volunteer recruitment and coordination; and media tips.

The credit union movement needs credit union people in every branch of government in order to explain the issues to fellow lawmakers. The League wants to facilitate this process by sponsoring this school, helping identify credit union friendly candidates and encouraging credit unions to get involved with campaigns on the local, state and national levels.

If anyone knows of aspiring candidates from a credit union--a member, board member or employee, please make the League aware of who they are so we can invite them to this very important school.



Dianne Jones

Dianne Jones has been promoted to Political Action Coordinator for the FCUL Governmental Affairs Department. Her job will primarily focus on assisting in the organization of grassroots involvement within credit unions and chapters and developing fundraising efforts for CUPAC. She will be an active participant in FCUL Chapter meetings and make frequent visits to credit unions throughout the state in support of the FCUL's goal of building and maintaining strong government relations programs through credit union political action.

Southeast Corporate

Southeast Corporate Credit Union Forum to be held in September

Southeast Corporate FCU will be hosting its first Credit Union Forum on September 9 in Orlando, Fla. The Forum will spotlight speakers from the Federal Reserve Bank, National Credit Union Administration (NCUA), Corporate Network Brokerage Services (CNBS) and Prudential Securities. The management of Southeast Corporate will also make a state of the corporate presentation. Topics of the forum include the Federal Reserve's Y2k Readiness and contingency planning, investing in the year 2000, and a forecast of the state of the economy in the new millennium.

The Credit Union Forum will be held at the Hotel Royal Plaza located in Disney's Lake Buena Vista Village. The Hotel Royal Plaza is an affiliated Disney hotel, therefore, free shuttles between all Disney owned properties (including the theme parks) is provided. A block of rooms has been set aside for the Forum's attendees at a discounted price of \$119.00 a night. Please make sure to let the hotel know you are with Southeast Corporate's Credit Union Forum when making reservations. The registration fee for the Forum is \$95 for the first attendee per credit union, and \$45 for additional attendees. Lunch will be provided.

The afternoon of September 8, Southeast Corporate will host a golf tournament at Disney's Lake Buena Vista golf course for those attendees interested in participating. This course is one of a select few that have hosted a PGA TOUR event, an LPGA TOUR event and a USGA event. Those individuals interested in playing golf need to register with Southeast Corporate FCU by calling (800)342-0203, extension 205. The fee for golf registration is \$75 per person.

A brochure outlining the itinerary of the Forum, along with speaker profiles and registration information will come later this month. For more information on the Credit Union Forum, visit our website at www.sec corp.org, or call us at (800)342-0203, ext. 205.

Should you measure credit union "soul"?

by John Gregoire of ProCon

In the 1990s corporations have had to strive to seek their particular distinction and to differentiate their products from the onslaught of competitors. The marketplace has been changing rapidly in this decade and that pace is likely only to increase in the next millennium. Mergers continue at a frantic pace even among the largest of institutions. Any product idea that seems remotely successful is almost immediately followed by hundreds of copycat providers. Consumers are left with a multitude of choices proliferated and expressed through a mind numbing series of advertisements from print to radio to television to cyberspace based.

Credit unions are certainly not immune from this environment and must, as will all business, seek their distinction and differentiation. Bankers will argue that credit unions have lost their focus and no longer serve people of "small means". I think a more accurate interpretation of the credit union marketplace is that credit unions are designed to serve primarily the common man, those who would not get extraordinary treatment at for-profit financial providers because of their great wealth and influence. The common man of the 1980s and 90s is clearly a different individual than the same person of the early 1930s. The lifestyle, consuming appetite, income and requirements of that individual are drastically different and have grown as America has grown during those decades.

Credit union services changed accordingly without changing the cooperative structure of the institutions. It is entirely appropriate that credit unions offer credit cards, mortgages, home equity lines of credit, debit cards, ATM access and the like since those are all

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Horizons credit unions discuss challenges during 16 CUNA focus groups

To compete in today's financial marketplace, small credit unions say they need to offer more services to members. But without economies of scale, many services--especially technology-based services--are difficult to offer cost effectively. That was the common theme expressed during 16 different focus groups commissioned by CUNA's Small Credit Union Task Force.

The Task Force met recently to discuss this issue as well as all the challenges mentioned during the focus groups. Other challenges identified were: staffing; education/training for staff and volunteers; regulatory compliance; marketing; field of membership overlaps; and operating expenses.

"The responsibility to address these challenges rests not with just one entity," said Task Force Chairman Chuck Nagel, a CUNA Board member and CEO of Glenbrook Credit Union in Northbrook, Illinois. "A number of players will need to be involved--including CUNA, CUNA Mutual, leagues, chapters, corporate credit unions, NCUA, state regulators, large credit unions and most importantly, small credit unions."

The Task Force is currently developing recommendations for each of these aforementioned entities to help small credit unions. These recommendations will be presented to the CUNA Board in September. You can offer ideas by calling Connie Stoutamire, FCUL Horizons Director at (800)342-1266 or via e-mail at connies@fcu.org. You may e-mail the Task Force directly at smallcutf@cuna.com.

FCUL is eagerly awaiting the Task Force recommendations in order to incorporate them into its existing Horizons Program. The League is committed to helping small credit unions compete. Please feel free to contact Connie for help with problems or issues that arise from time-to-time.

Credit Union "Soul"

instruments of the United States common man's daily existence. However, at every turn bankers fought each of these services as inappropriate extension of credit union products, services and authority. In reality, this is simply a response to the changing demographics within the United States. In fact, it can be argued that absent a credit union alternative, average Americans today would be subject to much more costly financial services.

I believe it is important that each credit union understand their impact on their members but also their impact on their community, the credit union movement and society as a whole. Credit unions have been granted a tax exemption by the Congress since 1935. This is due in part to their structural realities but, I believe that the debates held recently in Congress show that to ensure the maintenance of this distinction credit unions will need to show how they provide public policy benefit back to America's consumers. That they are, in fact, excellent shepherds and implementers of that public policy ensuring that American consumers, in particular the "common man", have access to reasonably provided financial services. I believe it is this distinction that warrants the retention of the tax exemption on into the future. Along with our structural integrity, credit unions should seek to ensure product, policy and practice integrity consistent with this reality.

Credit unions have expanded their use of financial modeling, ratios and peer analysis as important management tools. Reliance on these tools will continue to expand into the future. It is my belief that an in-depth study will show that credit unions are, in fact, returning back to the communities those tax exempt dollars invested in them. Does your plan/business practice include the formulas and calculations relative to the financial impact of the tax advantage and the offsetting benefit to the community and to society? Should it?

The ProCon Group, Ltd. is a consulting consortium dedicated to enhancing the organizational effectiveness, service excellence and competitive positioning of credit unions.

Florida credit unions pledge \$168,232.71 to CMN



Steve Young, of the San Francisco 49ers, accepted the CUs for Kids pledge on behalf of CMN. Pictured are Janet Davis, TIC CU in Georgia; Bob Beskovoyne, CCUE, Martin FCU in Florida; Linda Weatherford, Health Facilities FCU in South Carolina; and Young.

Florida's credit unions made their voices heard through their generous contributions and pledges to the Credit Unions for Kids Campaign, which is a part of the Children's Miracle Network. Florida's total pledges to this year's nationwide telethon was \$168,232.71, more than triple last year's effort of \$48,000.

Representing Florida's credit unions during the annual CMN Champions broadcast this year was Florida Credit Union League Chairman Bob Beskovoyne, CCUE, President of Martin Federal Credit Union. Beskovoyne appeared on the national broadcast on Sunday, June 6 to announce Florida's pledge, along with representatives from other leagues from around the country.

CU Members Mortgage

How do you spell MORTGAGE?

by Scott Wilkins, Regional Training Manager, CU Members Mortgage

In 1998, total loan originations totaled \$1.4 trillion. Credit unions originated 2% (or \$31.9 billion) of 1998's total volume. This is an amazing statistic, considering only .5% of total credit union membership throughout the United States has a mortgage with their credit union. The 1999 loan origination projections are estimated to be around \$1.3 trillion.

Being with CU Member Mortgage for the past six months and meeting with various credit unions throughout Florida has shed some light on these statistics and reasons why very few credit unions provide mortgage services to their membership. Some of those reasons include: lack of sufficient staff to handle the mortgage process and volume of calls; inconsistent marketing to members; and lack of automated underwriting and processing systems.

These concerns should not be an issue today--they can be overcome. The mortgage process has been simplified and automated. Automated underwriting through Fannie Mae's Desktop Underwriting and Freddie Mac's Prospector system has greatly simplified the mortgage process and reduced documentation requirements. These services may be accessed directly or through a lending partner.

Credit unions can control servicing after loan sale by selling direct to Fannie Mae or Freddie Mac or by negotiating servicing transfer and solicitation of member with the lending partner. The lending partner should also provide marketing to members.

There are many benefits for a credit union to provide mortgage services to their membership including: interest income on mortgages held for investment; cross-selling

Mortgage service concerns can be overcome.

opportunities for auto loans, credit cards, etc.; and origination fee income. Statistics have shown, a member who has a first or second mortgage with a credit union will consider their credit union to be their primary financial institution and use twice as many credit union products and services.

Regardless of size, all credit unions can offer a full-service mortgage program to their field of membership. Some credit unions may decide to hire and staff a full mortgage lending operation, while others may outsource the process, all or in part, to a mortgage partner.

To discover the potential of your credit union and mortgage opportunities, contact me at CU Members Mortgage, (800)940-5626. CU Members Mortgage is an affiliate of the Florida Credit Union League, Inc.

ABA threatens to fix credit union 'problem'

article taken from CUNA's website, Credit Union Magazine News Now, July 9, 1999

While its lawsuit against credit unions rests in U.S. District Court, the American Bankers Association (ABA) is threatening credit unions in the legislative and regulatory arenas.

ABA's latest issue statement (www.aba.com) declares that "Congress must reconsider the tax exemption and other legislative preferences for credit unions in light of the changes and growth that have taken place in the credit union industry over the past 25 years."

ABA also will try to discredit credit unions at the U.S. Treasury. The bankers promise to "actively provide input" into upcoming Treasury studies mandated by the CU Membership Access Act. The bottom line, according to ABA: "get a fair resolution to the credit union problem."

"Banks never seem to have a 'problem' when they're reporting record profits and raising fees on consumers," counters CUNA & Affiliates President & CEO Dan Mica. "If credit unions have a problem, it's with banks trying to shut us down."

Robbers prey on routines

One of the most important security measures a credit union can take against robbery may be as simple as keeping employees from falling into routine behaviors. That advice comes from Joseph Schapiro, a bank robber who now makes a living as a security consultant. He warns that robbers often watch their target for days, looking for routines that provide them an opportunity to strike.

Schapiro advises: stagger teller breaks daily; ask staff to periodically change their driving habits to and from work as employee abductions are increasing as a way to break into financial institutions; have at least two people on hand for opening and closing the credit union; and be sure to check exterior of the building for unknown people or vehicles.

Zells graduates from CCUE CEO Institute

This spring, 22 credit union executives graduated from the Credit Union Executives Society's groundbreaking leadership development program, CEO Institute. This is the third class to complete the three-year program and receive the prestigious Certified Chief Executive (CCE) designation, since the CEO Institute debuted in 1995.

One of the 22 graduates was from Florida--John V. Zells, CCE, Senior Vice President of Marketing and Business Development for IBM Southeast Employees Federal Credit Union.

Applications for the next CEO Institute, which will be held in Spring 2000, are now being accepted. For more information, call (800)252-2664 ext. 3327.

CUES is an independent membership association for credit union executives. Its mission is to advance the professional development of credit union CEOs, senior management and directors.

Consumer safety information to pass along to your members

The U.S. Department of Transportation National Highway Traffic Safety Administration has contacted groups all across the USA--the League being one--to help them publicize its nationwide Auto Safety Hotline. The hotline is a service provided by the NHTSA to increase public awareness of safety issues related to motor vehicles. Callers to the hotline can report safety defects in vehicles, which could lead to the recall of those vehicles, as well as obtain information about child safety seats, air bags and recalls.

The Auto Safety Hotline number is 1-888-DASH-2-DOT (1-888-327-4236). Please pass this information on to your members.

CUNA Mutual

Filene study calls for uninsured deposit accounts at credit unions

A new study published by the Filene Research Institute proposes that credit unions be allowed to offer uninsured deposit accounts that pay higher benefits to members than insured accounts.

"Millions of households now keep liquid funds in uninsured money market mutual funds," the study authors note, concluding that "this is clear evidence of a strong demand for generally safe, liquid funds that earn a modest risk premium in return for bearing a tiny risk."

The study, Federal Credit Unions Without Share Insurance: Implications for the Future, was authored by William H. Kelly, director of the Center for Credit Union Research at the University of Wisconsin-Madison, and Judith Karofsky, a researcher at the Center for Credit Union Research.

The study shows that federal share insurance has provided quite small benefits to members. Historically, uninsured credit unions have behaved more conservatively than insured banks, and thus have been able to weather a variety of economic conditions. Banks have been federally insured since 1937; credit unions have had federal share insurance only since the 1970s, so there is a great deal of data available on the behavior of uninsured credit unions.

The study recommends that future research on the matter include evaluation of alternative methods of implementing a policy that would allow uninsured accounts at credit unions.

The nonprofit Filene Research Institute examines vital issues affecting the future of credit unions and consumer finance. The Institute is located in Madison, Wis., and works in cooperation with the Center for Credit Union Research at the University of Wisconsin School of Business.

Copies of Filene studies are free to Institute members; \$50 for non-members. For information about Filene studies or on becoming a member of the Filene Research Institute, call (608)231-8550 or visit on-line at www.filene.org.

Bridge awards competition emphasizes member education



Entries are now being accepted in the eleventh annual Bridge Awards for Excellence in Member Education Communications, sponsored by the Florida Credit Union League and CUNA.

The Bridge awards competition offers your credit union the opportunity to receive expert advice and feedback on your member newsletters and member education programs. Communications experts will review the entries and select first, second and third place winners in three categories: Newsletters, credit unions with less than \$30 million in assets; Newsletters, credit unions with more than \$30 million in assets; and Member Education Program.

All entries receive written critiques and a certificate of participation. First-place national winners will receive a free registration to CUNA & Affiliates' 2000 Governmental Affairs Conference in Washington, D.C. National winners will receive plaques and publicity in *Credit Union Newswatch* and *Credit Union Magazine*.

Send your entries to the the Florida Credit Union League by September 10, 1999. For more information or a Bridge Award entry form, contact the Marketing Department at 800/342-1266 ext. 312 or visit CUNA's website at www.cuna.org/data/cu/cuna/pr/bridge.html

Senior Internal Auditor

South Carolina FCU is seeking a Senior Internal Auditor. Duties include assisting the Director of Internal Audit in planning and revising the annual administrative and operational departmental goals; supervising the staff and daily operations of the department; performing audits of financial, operational, IT and compliance areas; performing fraud investigations; and developing audit programs.

The successful candidate should possess a Bachelor's degree in Accounting, Information Technology or related area; at least 3 years of experience in auditing with IT audit experience; and should be a CIA candidate. Thorough knowledge of accounting and double entry bookkeeping are required.

Salary \$41,000-\$55,000. Benefits include competitive 401-k and bonus plans, health, dental life, STD and LTD coverage. Submit resumes and salary history by July 31, to H.R., SC Federal Credit Union, P. O. Box 190012, N. Charleston, SC 29419 or email to hresources@scfed.com in text format. Candidates must consent to pre-employment inquiries and tests to include criminal background, consumer credit investigation and drug test. EOE M/F/V/D.

Security Officer

South Carolina FCU, assets of \$572M, is seeking a Security Officer. Duties include: developing and maintaining the necessary security systems, policies, procedures and programs that ensure adequate protection of the CU's employees, physical locations, ATMs, members' assets; ensuring optimal performance of security equipment for both online and offline situations, robberies, fire and natural disasters; ensuring adherence to security procedures; coordinating training and results of robberies, fraud and other security violations, etc.

The successful candidate should possess at least 5 years of similar or related experience in the security field, preferably in the financial industry. Salary - \$31,039-\$40,000. Benefits include competitive 401-k and bonus plans, health, dental life, STD and LTD coverage. Submit resumes and salary history by July 31, to H.R. SC Federal Credit Union, P. O. Box 190012, N. Charleston, SC 29419 or emailed to hresources@scfed.com in text format. Candidates must consent to pre-employment inquiries and tests to include criminal background, consumer credit investigation and drug test. EOE M/F/V/D

the latest NEWS

The following is a statement by CUNA President/CEO Daniel A. Mica on passage of the Y2K Liability bill, which would give businesses a 90-day window to repair computers before lawsuits could be filed.

"Y2K liability protection has been a primary focus of CUNA's efforts on the Hill this year. House sponsors of this bill asked for credit union input early and often, and as a result H.R. 775 reflects many of the essential principles that CUNA's Y2K Subcommittee advocated.

"Y2K liability protection completes CUNA's multi-track approach set in January. CUNA effectively worked with Congress to lift the borrowing cap on the Central Liquidity Facility and pursues an administrative solution to this problem with the Federal Reserve, Treasury Department and NCUA.

"This is a good day for credit union Y2K preparations."

White Springs Federal Credit Union announces the hiring of **Lee Morgan** as their new chief executive officer. Lee has been the assistant general manager at Duval Federal Credit Union and will be assuming his new position on July 1, 1999.



Edward Bobola

Jax Navy Federal Credit Union's Supervisory Committee selected new officers to serve for 1999. Edward Bobola was elected Chairman; P.E. (Ted) Hewitt, Secretary; and Russell F. Misner, Committee Member.

Bobola was a re-appointment to serve another 3-year term.

JAX Federal Credit Union recently re-elected the following Directors to its Board: Joseph W. Sharp, O.B. Cosby, Jr. and Jimmy L. Hicks. R. Scott Preacher was elected to his first term as Director. Sharp was later elected Chairman of the Board, Donalld W. Bottin as Vice Chairman, and C. Eugene Worth as Secretary/Treasurer.

Regulatory Update



Bill Berg, CCUE, Director of Credit Union Development and Regulatory Support, brings regulatory changes to your attention through this column. If you have any questions or suggestions for additional topics, call (800)342-1266 or (850)576-8171, FAX to (850) 574-6374 or e-mail billb@fcu.org.

Flood Insurance

The communities of Weeki Wachee and Hilliard became participants in the Federal Flood Insurance Program during 1998.

As a reminder, if you make a loan for improvements on real estate that is located in a community that participates in the Federal Flood Insurance Program **AND** the property is in a flood zone, then you must ensure that your member purchases Federal Flood Insurance.

Interim Final Rule on Share Insurance

The NCUA Board adopted an interim final rule to simplify the share insurance regulations on revocable trust accounts and joint ownership accounts. "Revocable trust account" includes a testamentary account, tentative or "Totten" trust account, "payable-on-death" account, or any similar account that evidences the owner's intention that the funds will pass to one or more named beneficiaries. Upon the owner's death, these accounts are insured separately if the beneficiary is a spouse, child or grandchild. Under the interim final rule, such accounts will also be insured separately **if the beneficiary is a parent or a sibling**. This means each of these relatives, as beneficiaries, will now have share insurance up to \$100,000 on such accounts, which will be separate from any insurance these individuals may have on their own accounts at the

credit union. **With regard to joint accounts, each person's interest in all joint accounts will be aggregated and insured to a maximum of \$100,000.** There will no longer be distinctions drawn between accounts with the same combination of joint owners and accounts with a different combination of joint owners. The interim final rule became effective on April 22, 1999, and it also contains a request for comments on other aspects of Part 745 of NCUA's rules regarding share insurance, which will be the subject of a comprehensive review later this year.

Balloon-Payment Financing

Several credit unions wishing to increase auto lending on new and used vehicles, have begun to investigate a new product called balloon-payment financing. Sometimes called "lease look-a-likes," balloon-payment financing is designed so that credit unions can compete with leasing in terms of the low monthly payments, while avoiding the increased risk exposure that often makes traditional leasing tricky for smaller credit unions.

Balloon-payment financing differs from leasing in that the vehicle's residual value at the end of the financing term is locked in and insured at contract signing, so that neither the credit union or the member takes a hit when the term is up. The insurance, purchased by the buyer, protects both the member and the credit union because it guarantees payment of the outstanding payment if the residual

estimate is wrong for some reason.

Another advantage of balloon-payment financing over leasing is that because the vehicle is titled in the buyer's name instead of a dealer's, auto insurance is less expensive.

The FCUL has a credit union who is interested in learning more about this relatively new program. If there are credit unions that have already implemented this new product and would be willing to share their knowledge and experiences with balloon-payment financing, please contact us. If there are any credit unions who would like to find out more about this topic, please give us a call.

Electronic Re-Presentation of Returned Checks

Last year, the National Automated Clearinghouse Association (NACHA) approved an interim rule, effective September 18, 1998, for the electronic collection of checks returned for insufficient funds or uncollected funds. Such checks that have been returned can now be collected through the Automated Clearing House (ACH) Network. The final rule creates a new Standard Entry Class Code, RCK (Represented Check Entry), and was to take effect on September 18, 1999. However, it is our understanding that the effective date of the final rule will be delayed for one year so that institutions will have more time to make the necessary system upgrades.



on the move



Angie Ficletola

Tampa Bay Federal Credit Union recently announced the promotion of Angie Ficletola to Real Estate Manager. Angie has been with Tampa Bay FCU since 1989, and previously held the position of Real Estate Officer.

Community Educators Credit Union announced the appointment of Francine Llerena as Manager-Point of Purchase for its Rockledge based institution. Originally from Brooklyn, NY, Francine has been in Florida since 1886 and with CECU since 1996. She has been in the financial institution arena since 1979.



Glenn Nergard

Jax Navy Federal Credit Union has selected Glenn Nergard as its Vice President Financial Services Center. Nergard was formerly employed by Sears where he was Director of Account Services-Salem Regional Credit Card Operating Center in Salem, Massachusetts.

"We are fortunate to have Nergard with us at Jax Navy because of his extensive call center experience. His expertise will be beneficial as we continue the expansion of our Telephone Call Center. This will help us to accommodate existing and new members needs now and in the future," said Terry West, President/CEO, Jax Navy FCU.

West also announced the following management positions filled at Jax Navy FCU: Brenda Turner, Lending Analyst; Donna Smith, Data Entry Supervisor; Betty Wolfe, Card Services Manager; Gloria Smith, Automated Services Manager; Linda Collier, Fraud & Insurance Supervisor; and Teresa Porter, Mortgage Loan Service Manager.



Now that I got 'em, how do I keep 'em longer?

by Liz Russell, FCUL Human Resources Manager

Last month, we discussed the need for careful recruitment and training to improve employee retention. This time, we will look at ways to improve morale and make your workplace the place that everyone wants to stay.

Positive Reinforcers

Being of a behavioral background, the term "positive reinforcement" is near and dear to my heart. What is it? Basically a reward system to reinforce desired behaviors. It sounds simple, and it is, once you realize there are other ways of providing this reward other than straight salary. The key in establishing an effective reward system is to determine what is important to each person. Ask: "What motivates you? What are you most proud of?" In developing the system, keep in mind the following simple list that prioritizes people's incentives: (Ranking in order of importance:¹)

1. Enjoying what they do
2. Opportunity to use skills/abilities
3. Opportunity for personal development
4. Benefits

As this list suggests, you can use plum assignments and challenging opportunities as well as pay and benefit structure. Even plain old sincere praise can be very effective, especially if done in front of peers. Whatever you decide, be sure the rewards are fair and consistent, then implement them fairly and consistently.

Compensation

Now, I don't want you to think that money doesn't matter, because it does. It's very difficult to feed the kids on compliments (they just never seem to get full), so make sure your compensation program is in line with the marketplace. That includes base salary, merit raises, benefits, and bo-

nuses. Be creative in offering other "perks" such as tuition reimbursement and flexible spending plans.

Investment in the Credit Union

Encourage a personal investment in the credit union. Most people have a need to be involved and derive a great deal of satisfaction from being an integral part of the system. Involving them in the recruitment and training of new employees is one way to foster that feeling of connection. Make exploration of advancement opportunities an ongoing dialogue with deserving employees. Groom for future promotions, and make a point to promote from within. This can help create a sense of purpose, a reason for coming to work every day. Enlist people who are problem solvers and get their feedback regarding situations in the workplace, but only do this if you are willing to implement the suggestions generated. Responsibility is a great motivator as long as it is coupled with compensation or authority.

Retention in the workplace is not a puzzle with an easy solution. If someone could figure out what makes one person stay and another go, that someone would be a millionaire. Until that person comes along, the best thing to do is to develop a thoughtful plan, implement it, and stick to it. Keep a checklist if necessary to assure consistency. The basics of recruitment, proper orientation, ongoing training, and employee investment in the organization provide a good foundation to start with. You can then tailor that plan to meet your credit union's individual needs. Who knows? Perhaps you'll develop a plan that will make you the millionaire!

¹ National Association of colleges and employers—Personnel Journal



VP / President--Jacksonville

\$34 million, full service, multi-branch Credit Union located in Jacksonville, Fla., seeks a highly motivated VP to oversee daily operations while being groomed to succeed President by year-end. Responsibilities also include ALM, Investment Portfolio Management and possible relocation of main office. Bachelor's Degree in Business or Accounting with at least five years of credit union management experience, good communication skills, excellent leadership and technical skills required. For confidential consideration, submit resume, references and salary history to: Duval Federal Credit Union, Search Committee, P.O. Box 4764, Jacksonville, FL 32201.

STAR, VAP, VLP & MERIT

Congratulations to the following individuals who have earned certification levels in the Staff Training and Recognition (STAR), Volunteer Achievement (VAP), Volunteer Leadership Program (VLP) and Mid-Manager's Enrichment Training (MERIT) Programs. Additionally, we salute these credit unions who have recognized the importance of investing in their most important assets ... their staff and volunteers.

VAP Certificates:

IBM Southeast EFCU – Raiffeisen: Pat Ciresi – **Technology:** William Boyle - **Board of Directors:** Brad DeBauche

8 Flags FCU – Technology: Fay Craig

Community Educators CU – Supervisory: Mary Young

Central FL HealthCare FCU – Raiffeisen: Linda Walker

Ducote FCU – Board of Directors: Estelle McKisik

Government ECU of Florida – Technology: Nancy Meier

Orlando FCU – Technology: Fay Craig

The CU of Palm Beach County – Technology: E. Darrell Evans

Tropical FCU – Technology: Mack Mac Vicar

STAR Certificates Earned

Jacksonville FCU – Advanced Lending: Judith Brown, Zabeeda Millard – **Credit Union Accounting:** Zabeeda Millard - **Consumer Lending:** Gabriela Gonzalez, Cynthia Mitchell, Zabeeda Miller – **Credit Union Sales:** Donna McClure, Judy Brown, Cynthia Mitchell, Judy Nix, Heidi Munkres, Donna Wedding – **Technology:** Lynn McCrosky, Donna Wedding, Cynthia Mitchell – **Member Services:** Cynthia Mitchell, Donna Wedding, Annie Acosta, Nina Anderson, Zabeeda Millard

Marion County CU – Advanced Lending: Martha Brooker – **Consumer Lending:** Jeff Gow – **Credit Union Accounting:** Martha Brooker – **Member Services:** Jeffrey Gow

Central Florida Educators FCU – Credit Union Accounting: Melissa Harris, Pat Coon – **Technology:** James Baxter – **Member Services:** Miriam Davila

Sarasota Coastal CU – Member Services: Angela Hine, Rebecca Sutzman

Orlando FCU – Advanced Lending: Reshon Page – **Consumer Lending:** Reshon Page

Bay Credit Union – Member Services: Honor Six

Central CU of Florida – Consumer Lending: Lea Liss

Central Florida Postal CU – Credit Union Accounting: Maribel Cordero

Community Educators CU – Credit Union Sales: Jason Williams

Federal Employees CU – Advanced Lending: Angie Artola

Florida Commerce CU – Member Services: Patricia Crowley

FPL FCU – Member Services: David Chavis

IBM Southeast EFCU – Credit Union Accounting: Ami Ramirez

Jax Navy FCU – Technology: Sylvia Rhoden

Members First CU of Florida – Member Services: Karen McManus

NCSC FCU – Member Services: Ruth Forst

Pan Am Horizons FCU – Consumer Lending: Gloria Bel

Pinellas County Teachers FCU – Credit Union Accounting: Kenneth Kurtz

Tampa Bay FCU – Member Services: Deborah McCoy

Tropical FCU – Credit Union Sales: Frank Salokar

Merit Certificates Earned

Educational Community CU – Sapphire: Richard Verduyze, Katherine Roebuck - **Basic:** Rob Wright

Jax Navy FCU – Basic: Amy Bedard, Alfreda Johnson, Patricia Ditursi

Central Florida Educators FCU – Ruby: Linda Sanabria

Central FL HealthCare FCU - Basic: Colleen Pendergrast

Federal Employees CU – Basic: Cynthia Turner

IBM Southeast EFCU – Ruby: Barbara Fraser

Marion County CU – Basic: Martha Brooker

Orlando FCU – Basic: Sherri Daigneault

St. Petersburg Municipal FCU – Basic: Russ Palumbo

Suncoast Schools FCU – Basic: Glenda Imhof

Tallahassee-Leon FCU – Basic: Barbel Gibson

Tampa Bay FCU – Sapphire: Ylenia Bauer

The STAR, VAP, VLP and MERIT Programs are nationally recognized standards of professionalism for credit union staff and volunteers. For additional information on any of these programs call the League Education Department at 800-342-1266 or 850-576-8171.

Cyber credit unions satellite conference



In 1997, 4.5 million households were using their computers to transact their online financial services. It is predicted that by the year 2002 this number will rise to 18.1 million households. Couple this with the fact that currently more than half of all credit union members have home access to PCs and credit unions are looking at a significant shift in the way they will be doing business in the future. Become familiar with cyber banking, PINs and passwords by attending the *Cyber Credit Unions: Services, Risks, Procedures & Controls* satellite conference.

The satellite conference will be held Sept. 8, 1999 from 1:30 p.m. to 4 p.m., in three locations: Ft. Lauderdale, Orlando and Tallahassee.

The first portion of the program will feature a panel with presentations by technology professionals to include: Roger A. Nettie who is the Manager of Payment Systems and Technology for the Risk Management Department of CUMIS Insurance Society, Inc., and Edward G. Schwartz who is the Practice Manager for Crowe Chizek's Information Security Solutions Practice. The second part of the program will be a question and answer period.

Credit Union CEOs, IT Staff, Home Financial Service Providers and all personnel assigned to internet financial transactions and anyone involved with e-commerce applications should attend this satellite conference.

The registration fee is \$60 and is due to the League by Aug. 30, 1999. For more information, contact the Education Department at (800)342-1266.



1999 League Calendar



For more information,
call the Education
Department at
(800) 342-1266
*Fees are approximate
and subject to change

August

8-10 Florida, Georgia, South
Carolina Regional Credit
Union Security Officials
Conference
Hilton Head, SC, \$225*

CHAPTER MEETINGS

Broward Chapter, 8/10
Central Florida Chapter, 8/19
Escambia Chptr, 9/9
Gulf Coast Chapter, n/a
North Central Chapter, 9/16
Northeast Chapter, 8/12
Palm Beach Chapter, n/a
Pinellas Chapter, 9/15
Sara-Mana, 8/12
Southernmost Chapter, 8/17
Tallahassee Chapter, 8/19
Tampa Chapter, 8/10

September

8 Satellite Video Conference:
Cyber Credit Unions
Ft. Lauderdale, Orlando, Tallahassee, \$60*

12-16 FL CU Management Institute
Tallahassee, \$775/\$725*

21-23 Florida Development
Education Program
Tampa, \$250*

FCUL honors long- time employees with service awards



Guy Hood, CEO of FCUL,
presents Mary Warren
with her 20 year pin



Hood presents Judy
Melcher a 5 year pin

The Florida Credit Union League recently held its Service Awards Luncheon and recognized two employees for the time they've given to the League and the Service Group. Mary Warren has worked for numerous departments in the Service Group for 20 years. She currently works for Credit Union 24.

Judy Melcher has worked in the Education Department for the League for five years. Congratulations and thank you for your years of quality service.



The *Florida Credit Union News* is a monthly publication of the Florida Credit Union League (www.fcul.org). For business information or subscriptions, write the Florida Credit Union League, P.O. Box 3108, Tallahassee, FL 32315-3108, call (800) 342-1266, or e-mail gracepf@fcul.org. Two copies are supplied free to each affiliated credit union in Florida. Additional copies may be purchased for \$3 per issue or \$36 for a single one-year subscription. Articles may be submitted to the editor for publication, and are subject to editing and approval.

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Managing Editor: Mark Ivester
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