



Florida Credit Union News

A publication of the Florida Credit Union League 

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In This Issue

President's Message	2
Grassroots Activism	4
On the Move	6
FCUL Calendar	8

Florida CU's take to cyberspace

A survey conducted by the Florida Credit Union League's Research Department has concluded that more than half of Florida's credit unions have some type of connection to the Internet.

The survey, which was based on data submitted June 30, 1999, shows that of Florida's 257 credit unions, 144, or 57%, have email addresses. An increasing number of credit unions, 99, or 39% of all credit unions, have Internet web sites. And, of those that have web sites, 30 allow some form of interactivity (money transfers, bill payments, statement downloads, etc.).

Although asset size played a role in the level of Internet activity at each credit union, more than half of the credit unions that had assets greater than \$5 million and less than \$20 million had email. In addition, more than half of the credit unions between \$20 million and \$80 million in total assets had Internet web sites.

The survey clearly indicates that more and more credit unions are beginning to include some form of Internet connection in order to provide additional means of communication between the credit union and their members.



A Horizons roundtable was held on Wednesday Aug. 18, 1999 in Jacksonville.

From L to R : Linda Murrow, Educational Community CU; Gerri Dopson, King Edwards Employees FCU; William Lawrence, Potter's House FCU; Melba Jordan, CCUE, State Employees CU; Connie Stoutamire, FCUL Director of Horizons; Katie Mobley, Metro North FCU; Elizabeth McDonald, King Edwards Employees FCU; and Joyce Sykes, Baptist Medical Center CU.

Florida Credit Union League Service Group Department Spotlight

Editor's note: The Florida Credit Union News will feature a different FCUL Service Group department each issue for several months. The first Department Spotlight is Mortgage--CU Mortgage Support Services, Inc.

For more than 14 years the Florida Service Group (FSG) has had some form of mortgage program to help credit unions help their members with their home loan needs. The current format, highlighted in this column, was launched in 1995 and has been the most successful mortgage program to date.

This mortgage program, CU Mortgage Support Services, Inc. (CUMSS), was established after much input from Florida credit unions, and its primary purpose has been to help position credit unions as the place to go when their members have a real estate loan need or question. By creating a safe, sound and simple support system, CUMSS enables credit unions to offer almost any type of first mortgage to their members.

In 1997, CUMSS entered into a partnership with CU Members Mortgage (CUM/CS) out of Dallas, Texas, in order to expand and improve the services it could offer credit unions. CUM/CS is the



Pictured above are the employees of CUM/CS

credit union division of a mortgage company that has been successfully offering home loans since 1952 and presently serves more than 300 credit unions across the nation. The following lists spell out benefits to both the credit union member and the credit union as an organization.

Credit Union Member Benefits:

- ♦ members do not pay intangible taxes
- ♦ members are able to apply for a mortgage by phone—speak to a

continued on pg. 2

—MORTGAGE, continued from pg. 1

FCUL Service Group department spotlight

live person from 8 a.m. to 8 p.m.

- ◆ members are able to be pre-qualified for a mortgage through an automated telephone attendant 24 hours a day, seven days a week
- ◆ pricing is packaged around The Best Deal Guarantee—which means if the member or CUMSS learns of a better home loan and cannot meet or beat that proposal, CUMSS will transfer the paper work to the other institution at no charge
- ◆ CUM/CS mortgage counselors are not on a commission-based system
- ◆ CUM/CS has an interest saver payment plan that reduces the amount of interest and number of years to pay on the loan.

Credit Union Benefits:

- ◆ all loan processing decisions are made in Florida or onsite at the credit union (based on individual credit union agreements with CUM/CS)
- ◆ offer competitively priced mortgage rates
- ◆ offer multiple level contracts for almost any credit union—from the smallest to the largest
- ◆ contract has a “no recourse” format
- ◆ all contracts are under the umbrella of the FSG which reduces the hidden risks of mortgage lending
- ◆ going through CUMSS to access this system does not cost the members or the credit unions any extra rate or fees
- ◆ access and support for the needs of the credit union—CUMSS will help establish almost any kind of program a credit union wants to offer its members
- ◆ CUMSS will assist credit unions in creating their own portfolio programs to put on their own books
- ◆ no servicing originated by CUM/CS have been sold to other lenders
- ◆ CUMSS will help credit unions be in the mortgage business and earn revenue in a fair and safe manner.

By having CUMSS operate as a vital link between the credit unions and the world of mortgage banking, credit unions and their members now enjoy home town service with national clout. If your credit union would like to join the team, just call (800) 635-7128.



President's Column

“It's time to show our stuff”

AI hope many of you are planning to join us in Orlando on October 26th and 27th at the Community Outreach Conference. The theme of this conference will be how can credit unions reach out and serve the underserved in our communities. Reaching out to underserved communities should come naturally to credit unions. After all, the credit union foundation is built on helping those in need, “*people helping people.*” However, serving the underserved is an idea largely misunderstood. It is a charitable act that can also be a sound financial strategy.

Florida's credit unions have the strength to make a positive impact on the lives of many Floridians. Turning the idea of outreach into action requires credit unions to call upon the movement's deep-rooted philosophy of *cooperation* that enabled credit unions to enrich the lives of millions of people for more than 150 years.

This conference will feature an all-star lineup of speakers. Our keynote speaker will be **Stephen Brobeck**, executive director of the Consumer Federation of America. You might remember the strong support his organization gave credit unions during the



Guy M. Hood
President/CEO

struggle to enact H.R. 1151. **State Representative Bill Sublette** will speak on the urgency of credit unions getting involved in this manner. Mr. Sublette has sponsored legislation the past several years trying to rein in the title loan industry. He is also a candidate next year for Congress. **State Comptroller Bob Milligan** will appear at the conference as well as **Jim Naugle**, Mayor of Fort Lauderdale, and **Scott Maddox**, Mayor of Tallahassee.

The Outreach Conference is about more than education and motivation. It's about discovering that reaching out to the less fortunate in our society is good politically, sound financially and, most important, the right thing to do. Politicians in Florida and elsewhere have questioned our dedication to serving the underserved. Together, we have the ability, the wisdom and the resources to help the people in this state who need our help. Let's not ignore this opportunity. As we noted in last month's issue, the news media is watching us, the political world is watching us, and, our members are watching us. Let's don't let anyone down. --See you in Orlando.



Ivester is panelist at ACULE conference

Mark Ivester, FCUL VP of Marketing and Communications, was a presenter at the 1999 ACULE Marketing and Communications Conference held in Jackson Hole, Wyoming in August. He was part of a panel on “The Art of the Pitch.” This topic was quite timely considering marketers and communications specialists are finding it tougher to get the attention of the press since the passage of H.R. 1151. The Florida Credit Union League, in large part to the efforts of Mark and the Marketing Department, was recognized for the number of positive editorials run in Florida newspapers during H.R. 1151.



L to R: Henry Kertman, California CU League; Mark Ivester, Florida CU League; and Mike Beall, North Carolina CU Network.

Mark was joined on the panel by other veteran league communicators--Mike Beall of the North Carolina Credit Union Network and Henry Kertman of the California Credit Union League.




Southeast Corporate

Southeast Corporate sponsors CNBS Investment Institute

Southeast Corporate FCU will be sponsoring CNBS' fifth annual CNBS Investment Institute, October 13-15, 1999 at the Sanibel Harbour Resort & Spa in Fort Myers, Fla.

Whether you are a new CEO or an experienced Investment Manager, you can receive the information needed to manage your credit union's investments through a three track system. The institute is designed for CEOs, CFOs, Investment Officers and Board Members. The goal of the institute is for those who complete the course of study to have a better understanding of key investment tools and how they are applied.

The instructors at the institute are all experts in the realm of credit union investment management and are from CNBS' Client Strategies Group. Along with their expertise, they are Certified Financial Advisors, trained to present material to credit unions in an easy to understand format.

For information on which track is right for your credit union, or to register for the Institute, visit www.cnbsnet.com or call (800) 342-0203 Ext. 205. 

Clarke American

Clarke American's check messaging--perfect for communicating Y2K readiness

Many people are concerned that financial institutions are not prepared for the Year 2000 date change. Consumers fear possible problems with accuracy, security and accessibility of their accounts. For this reason, the Federal Reserve strongly recommends that financial institutions, including credit unions, communicate their Y2K readiness.

For less than the cost of a postage stamp, Clarke American, check printer and long-time partner of CUNA Service Group, can provide your credit union with InTouch® Messaging – one of the most targeted tools yet for communicating directly to your members.

Clarke American's InTouch Messaging capabilities enable your credit union to directly address your member's concerns

CUNA Mutual

E-Commerce Savvy: solutions for management and members


Internet-based electronic commerce tools and systems or "e-commerce," have become a mainstream part of financial business operations. According to the June issue of PC WEEK, "Web technologies to build intranets, extranets and e-commerce applications are delivering real business value – not just pretty pictures."

"To stay competitive, it's important for credit unions to provide members easy, on-demand access to financial products and services," says Dave DuCharme, CUNA Mutual Electronic Commerce Senior Manager. "CUNA Mutual has enhanced its e-commerce capabilities to help credit unions operate more efficiently and help their members more effectively."

In 1995, CUNA Mutual was one of the first financial institutions in the United States to establish its own Web site: Error! Bookmark not defined.com. Since then, the company has continually expanded what it delivers through electronic means. "The current CUNA Mutual e-commerce

capabilities have grown to the point where we can partner with a credit union too as their major e-commerce solutions source," DuCharme says. Current CUNA Mutual e-commerce includes:

- SCAM Alerts (available to Bond policyowners)
- Bondability verification (available to Bond policyowners)
- Customizable member-oriented Web modules
- Access to all types of protection and investment products
- Useful, efficient enhancements to your lending program
- Helpful calculators and planning tools
- Online claims filing
- Online claims notice of loss
- Helpful pension plan administrator and participant information
- Downloadable applications and forms
- Practical, actionable information for your staff and your members


"And the list gets longer every week," DuCharme says. 

where they are most likely to see and read the message – inside their check order. Your members will read a message strategically placed within their check pad, assuring them of your credit union's Year 2000 readiness or any other message that you would like to send them.

The effectiveness of InTouch Messaging can provide reinforcement to your credit union's communications plans. Research has shown that consumers are much more likely to read and remember a message when it is printed within the check pads. In surveys, as well as test pilots, InTouch Messaging has shown a high degree of readability and an increase in consumer response rates, especially since it is extremely targeted. You can choose from a selection of messages covering a wide

range of financial topics, or customize your own message based on your members' unique needs.

For example, a particular credit union put the unique capabilities of InTouch Messaging to the test with their "Golden Apple Club" for seniors. They targeted members that were ages 50 and 51, but not currently "Golden Apple Club" members. Of the members who received the message over the 90-day period, 13.3% responded by joining the "Golden Apple Club."

You can learn more about how InTouch Messaging can work for your credit union by calling your Clarke American account executive today. InTouch Messaging technology was developed in partnership with Xerox, and is available from Clarke American. 

Advocacy in action

August was a busy month for credit union leaders across the state interviewing candidates running for local and state offices as well as meeting with their current lawmakers. In Tampa, thirteen credit union leaders had breakfast with Insurance Commissioner Bill Nelson, Democratic candidate for the U.S. Senate seat held by retiring Senator Connie Mack. Bucky Sebastian, President/CEO of GTE FCU, hosted the breakfast fundraiser at the Centre Club which provided an excellent opportunity for the credit union leaders to meet the Commissioner and his wife, Grace. Individual contributions and a check from CULAC totalled \$6,200 for this event!

In Ft. Lauderdale, Congressman Alcee Hastings (D) met with local credit union leaders for lunch at The Tower Club. Two local Florida House Representatives, Steven Effman (D-Plantation) and Tim Ryan (D-Dania Beach) also attended the luncheon. A CULAC check in the amount of \$500 was presented to Congressman Hastings. Credit union leaders on hand were: Barbara Harris, South Atlantic FCU; Jim Ray, Broward Schools CU; Randy Witte, Broward Schools CU; Cecilia Pittman, City County CU; Bill Marquardt, City County CU; Joe Pitcher, Med-Health FCU.

Tallahassee credit union CEOs attended a luncheon meeting at the FCUL office with Education Commissioner Tom Gallagher who is the Republican candidate also running for the U.S. Senate seat held by Connie Mack. The luncheon provided the executives and Mr. Gallagher time to exchange information regarding important issues. Mr. Gallagher stated that he was a strong supporter of credit unions and believed that credit unions provided healthy competition for the banks. Attending the luncheon were: Bob Beskovoyne, CCUE, Martin FCU; Ron Fye, Florida Commerce CU; Ray Cromer, North Florida Education CU; Linda Knetsch, North Florida Education CU; and Foy Thompson, Florida DOT CU.

The League hosted a wine and cheese reception for DeeDee Rasmussen (D) who is running for the local Clerk of the Circuit Court. Ms. Rasmussen is currently working for the Department of Insurance and has a strong background in state government. She and her husband, Rich, are members of State Employees CU. Tallahassee credit unions showed their support by contributing more than \$500 to her campaign. 🍷



Pictured from left to right: Bob Beskovoyne, CCUE, Martin FCU; Ray Cromer, North Florida Education CU; Education Commissioner Tom Gallagher; and Ron Fye, Florida Commerce CU



Pictured from left to right: Paul Adams, State Employees CU; DeeDee Rasmussen; and Ray Cromer, North Florida Education CU.



Pictured from left to right: U.S. Rep. Alcee Hastings; Aletta Shutes, FCUL Executive Vice President; Rep. Tim Ryan; and Rep. Steven Effman.



Pictured from left to right: Tim McMurry, Power Net CU; Bucky Sebastian, GTE FCU; Grace Nelson; Insurance Commissioner Bill Nelson; and Tom Dorety, CCUE, Suncoast Schools CU.



Tom Embree

Tom Embree, Vice President of Fairwinds Federal Credit Union, was selected as a delegate to represent Seminole County at the Florida Victory 2000 Republican Convention to be held in Orlando on Oct. 8-9, 1999. Delegates were selected by "blind draw" from those who had qualified to be included in the selection process.

Tom is very excited to be able to participate at the Florida Victory 2000 Republican Convention as a delegate. Some of the activities that will be taking place at the Convention are: a series of issue and policy intensive working sessions headed by the country's most influential and prominent political thinkers; an Inter-faith Prayer Breakfast; visits by presidential candidates; Convention Session; a spotlight on Florida's unprecedented 1998 election cycle success; and a Presidential Candidate Forum held in conjunction with ABC News moderated by ABC Chief Congressional Analyst Cokie Roberts.

Congratulations Tom, you represent Florida and Florida Credit Unions well.

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.

Y2K Contingency Planning

The Federal Financial Institutions Examination Council (FFIEC) has sent three Q&As to all federally insured credit unions about Y2K contingency planning. The answer clarifies expectations concerning the completion of the validation phase. The regulatory agencies expect that the design of a method of validation should be substantially completed by June 30, 1999, and include a review of the plan by an independent party as well as a review and approval by senior management and the board of directors. If there is a need to execute tests after June 30, 1999, institutions should execute testing early enough to allow ample time to make necessary changes and to re-test, if necessary.

The second answer clarifies documentation requirements. Documentation should be available for review by examiners and, at a minimum, an institution should have written documents covering the following:

- Business resumption contingency plans and methods of implementation
- Core business processes and business impact analysis
- A description of the method of validation with specific tests and target dates
- Results of the plan testing
- The findings of the independent review
- Review and approval by senior management and the board of directors

The third answer clarifies the role of "event planning" in the development of business resumption contingency plans. Event planning is a proactive planning process that monitors certain operations through critical dates including Y2K. FFIEC believes that event planning is a sound risk management practice and encourages all institutions to develop such plans, especially operationally complex institutions that may be more vulnerable to Y2K-related risks. How-

ever, FFIEC says it is a decision for individual institutions' senior management to make.

New Disclosure Notice for Prospective FHA Borrowers

Effective July 2, 1999 original lenders are required to provide certain information, in the form of a disclosure notice, to prospective borrowers who have applied for Federal Housing Authority (FHA)-insured home mortgages. The disclosure is to allow a prospective FHA borrower to compare the mortgage costs of the FHA-insured mortgage with other similar conventional mortgage products the lender offers and that the borrower may qualify for. As required by the statute that mandated this new disclosure, HUD has developed a model form, "Informed Consumer Choice Disclosure Notice." Let me know if you would like a copy of this model form.

HUD has concluded a generic disclosure notice (similar to those provided with ARMs) is permissible, reflecting the intent of Congress not to place an unreasonable burden on lenders. Therefore, a case-specific disclosure notice for each borrower who may qualify for both an FHA-insured mortgage and conventional financing is not required. At the lender's discretion, a lender may revise the disclosure notice to include additional line items or columns, further define terms, or explain additional features that better reflect the lender's FHA and conventional products so as to make a meaningful comparison.

Y2K Act - Public Law 106-37

On July 20, 1999, President Clinton signed into law the "Y2K Act" (P.L. 106-37). The intention of the law is to encourage people involved in disputes about the failure of products and services due to Y2K problems to seek alternative dispute resolution. The President reluctantly signed the bill, expressing concern that businesses

will not push forward to address potential Y2K failures. Credit unions have the potential of being either a plaintiff (because of the failure of a vendor, for instance) or a defendant (because of the failure of the credit union's transaction systems). In addition, there are caps on potential punitive damages for individuals and smaller credit unions (those with fewer than 50 employees). If a credit union becomes involved in a dispute, the credit union's attorney will need to closely review all of the provisions of P.L. 106-37. It is difficult to assess what impact this law will really have on efficient resolutions of potential Y2K disputes.

FED Proposals to Allow Lenders to Collect More Data on Borrowers

On June 23, 1999, the Fed unanimously agreed to issue a proposed rule containing changes to Regulation B, which implements the Equal Credit Opportunity Act (EEOA). The proposal would permit lenders to voluntarily collect more data on borrowers, including information on their race, religion, gender, and national origin. The proposal would also require lenders to retain records on prescreened credit solicitations. These records would include the list of criteria used to select potential recipients, the solicitation used, the correspondence related to the solicitation, and the marketing plan to which the solicitation relates. Lenders would also be required to retain business credit records for 25 months, rather than the current 12 months.

The Board staff spent some time doing required rewriting so the actual proposal was not published in the Federal Register until August 16, 1999. Comments are due by November 10, 1999. Please mail, fax or e-mail your comments to Bill Berg by Nov. 1, 1999.

News From You

on the move



Lynn Wilderman

Lynn Wilderman, Sr. Vice President/Controller of IBM Southeast EFCU in Boca Raton, recently graduated from the Credit Union Executives Society's (CUES) CEO Institute.



Ronald Kidd

Bay Gulf CU has hired Ronald Kidd as its Lending Manager. Mr. Kidd will be responsible for Bay Gulf's Visa, mortgage and consumer loan programs. He has more than six years experience in the credit union industry.



Jeffrey Miller

Jeffrey T. Miller, a 19-year credit union veteran, was named CEO for Peoples Credit Union, a two branch system located in Miami-Dade and Broward counties. Miller attended Delhi College and Cornell Management School in New York State and has graduated from CUNA Management School and numerous credit union schools for management advancement.



Betty Allen

Central Florida Educators' FCU named Betty Allen, Assistant VP of Collections, as its "Manager of the Quarter." Those selected are cited for outstanding performance and service to the credit union and its members. They receive a plaque denoting the honor, a day of their choice off from work and a monetary bonus.



Lori Taylor

Tampa Bay Federal Credit Union recently announced the following promotions:

Lori Taylor was promoted to Assistant Branch Manager for the Florida Avenue Branch; Graciano Matos was promoted to Assistant Branch Manager of the Town 'N Country office; Sabrina Tucker was promoted to Teller Supervisor at the Nebraska Avenue Branch; and Nancy Yeomans was promoted to Loan Support Representative.



Graciano Matos



Sabrina Tucker



Nancy Yeomans

Artwork gets lots of credit

Twenty-five thousand Peoples Credit Union ATM cards rolled out recently, feature the colorful artwork of budding young artist Maria Carolina Furnaguera, a 17-year-old South Florida resident.

Miss Furnaguera's artwork was chosen from entries of an art contest sponsored by Peoples CU at Charles W. Flanagan High School in Broward County. She won \$100 for her efforts and her name is on the back of each ATM card.

This ATM card artwork caught the attention of several media. Articles featuring Peoples CU and Miss Furnaguera also ran in the *Credit Union Times* and the *Miami Herald*.

Maria Carolina Furnaguera and Rosa Gordon, Director of Marketing and Business Development at Peoples CU, display the winning artwork.



The Palm Beach Chapter

of the Florida Credit Union League is sponsoring a 5K Run to benefit Foster Care Citizen Review--an organization, made up of community leaders and child advocates, which helps place foster children in permanent homes sooner than the Foster Care System can do without their help. The run is October 23, 1999. For more information contact Bryan Lewis at (561) 965-1000 ext. 204 or at lewisb@gcfcu.org. Donations will be accepted if you are not a runner, but would like to help. Send donations to Gold Coast FCU, ATTN: Bryan Lewis, P.O. Box 16719, West Palm Beach, FL 33416-6719.

The Chapter recently held a golf tournament, also in support of this charity, that raised almost \$8,000. The tournament was a sellout with 144 golfers participating.

Miami Postal Services CU Supervisory Committee member receives award

The National Association of Credit Union Supervisory and Auditing Committees presented its Golden Service Award to Debra Fetterly of Miami Postal Service CU for her outstanding service, dedication and leadership to her credit union Supervisory Committee and to the credit union community. Congratulations Debra!



Constance Brown, NACUSAC Chair, and Norman D'Amours, Chairman NCUA, present Debra Fetterly with the NACUSAC Golden Service Award.



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:

8 Flags FCU - *Technology*: Joseph Lyle, Larry Coleman, Earnest Jones
Escambia County Employees CU - *Raiffeisen*: Bessie Bradshaw
Florida State University FCU - *Board of Directors*: Paige Crandall
Suncoast Schools FCU - *Technology*: Patricia Marsh
University CU - *Board of Directors*: Grace Ali

VLP Certificates:

Tampa Bay FCU - *Blue Diamond*: Sandra Shipman

STAR Certificates:

Central Florida Educators FCU - *Advanced Lending*: Myriam Davila, Jackie Buckland, Cindy Michel - *Credit Union Accounting*: Peggy Knopp, Michelle Payne - *Consumer Lending*: Angela Dorman, Kelly Calkins, Rosemarie Kemper, Jackie Buckland - *Credit Union Sales*: Cindy Michel - *Technology*: Myriam Davila - *Member Services*: Joan Farino, Marion Arden, Bonnie Cawvey
Orlando FCU - *Advanced Lending*: Christina Solway, Windi Rapp - *Credit Union Accounting*: Christine Solway, Janna Bernard - *Credit Union Sales*: Windi Rapp, Heather Alexander - *Technology*: Windi Rapp, Shirley Hales
Jax Federal Credit Union - *Consumer Lending*: Barbie Beaudrie - *Credit Union Technology*: Judy Nix, Lakeda Causey - *Member Services*: Virginia Rosales, Heidi Munkres
Jax Navy FCU - *Credit Union Sales*: Michele Nugent - *Credit Union Accounting*: Kristina Hendrix - *Member Services*: Maria Brandriet, David Michael
TMH FCU - *Credit Union Sales*: Sheila Glover, Diane Bain - *Technology*: Lyndell Maxwell - *Member Services*: Valerie Papka
Suncoast Schools FCU - *Credit Union Accounting*: Sandy Piatt, Myrna Munson - *Consumer Lending*: Cynthia Roche
West Coast Federal ECU - *Credit Union Accounting*: Debra Boesen - *Member Services*: Shanika Clayton, Randi Greene
Federal Employees CU - *Member Services*: Elvin Lanier, Sultanta Taher
Sarasota Coastal CU - *Consumer Lending*: Angela Hine - *Member Services*: Sarah Robarge
Campus USA FCU - *Consumer Lending*: Virginia Hunt - *Technology*: Vicki Moore
Bay CU - *Consumer Lending*: Terrance Masciello - *Credit Union Accounting*: Terrance Masciello
Vista FCU - *Advanced Lending*: Margaret Mullin - *Member Services*: Cheryl Krason
Florida Hospital CU - *Consumer Lending*: Susan Green
Fairwinds FCU - *Credit Union Accounting*: Anita Baker
Tampa Bay FCU - *Consumer Lending*: Deborah McCoy
MacDill FCU - *Credit Union Sales*: Linda DuHadaway
St. Joe Papermakers FCU - *Consumer Lending*: Tamara Barnes
Martin FCU - *Consumer Lending*: Mabel Iverson
St. Petersburg Municipal ECU - *Credit Union Accounting*: Katrina Albrecht
Tallahassee-Leon FCU - *Member Services*: Fawnisha Brown

MERIT Certificates:

Jax Navy FCU - *Basic*: Lynn Cobb, Rhonda Billips, Carolyn Parker, Chrissie Rood, Royce Sims, Patty Jane Thompson
Jax Federal Credit Union - *Basic*: Joyce Lewis - *Ruby*: Donna Wedding
Sarasota Coastal CU - *Sapphire*: Betty Weldon - *Ruby*: Susan Lacey
Educational Community CU - *Basic*: Rebecca Pitts - *Sapphire*: Nancy Bahl
Campus USA FCU - *Basic*: Virginia Hunt
Community Educators CU - *Basic*: Lorraine Henry
Tyndall FCU - *Basic*: Susan VonThun
Vista FCU - *Basic*: Catherine Pelletier

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

Fair Credit Reporting Act & Investigations of Misconduct

by Marilyn McGhee, FCUL Human Resource Administrator

Under the Fair Credit Reporting Act (FCRA), an employer may not obtain a consumer report for employment purposes unless a clear and conspicuous disclosure has been made in writing to the individual being investigated and he or she has given written authorization for the employer to do so. You must also specifically disclose to the employee, no more than three days after the report is requested, that the report will include information concerning their character, general reputation, personal character and mode of living.

What does that have to do with investigations of misconduct (sexual harassment, employee theft, embezzlement, workers' compensation fraud, disability fraud, etc.)? On April 5, 1999 the Federal Trade Commission (FTC) issued a staff opinion letter concluding that when an employer hires certain outside agencies to investigate its employees, the authorization disclosure requirements of the FCRA apply. The FTC has concluded that reports from outside investigators are investigative consumer reports and employers who comply with these requirements will need to disclose their intention to launch a confidential investigation to the alleged harasser.

What does that mean? According to the FCRA, before you can take any adverse action against the employee, you must provide the employee with a copy of the report and a summary description of their rights under the FCRA. The employee also has the right to request removal of any adverse item that pre-dates the report by more than seven years and to challenge any inaccurate listing. He or she is also entitled to a reinvestigation by the agency free of charge once they dispute an item from the report. The employee is also entitled to any information gathered by the consumer reporting agency for the purpose of preparing the final report.

As you can see, compliance with the FCRA will severely compromise the ability to conduct confidential investigations and it may deter cooperation from witnesses if

continued on pg. 8

The Florida Credit Union Foundation Annual Fund Drive is underway! Thank you to those credit unions who have given to the cause:

Multi-Media FCU

Central Florida Healthcare FCU

Florida Customs FCU

Florida A&M University FCU

Florida Aircraft FCU

Florida Episcopal Dioceses FCU

St. Petersburg Municipal ECU

West Coast FECU

State Employees CU

Tampa Bay FCU

Coast to Coast CU

Please help the Foundation continue to provide educational and credit union development opportunities by making a donation today. For more information, call **Connie Stoutamire, (800) 342-1266 ext. 334.**

Calendar

October

CHAPTER MEETINGS

Broward Chapter, 10/21
 Central Florida Chapter, 10/21
 Escambia Chapter, 10/14
 Gulf Coast Chapter, 10/12 & 10/28
 North Central Chapter, 10/21
 Northeast Chapter, 10/21
 Palm Beach Chapter, 10/21
 Pinellas Chapter, 10/20
 Sara-Mana, 10/14
 Southernmost Chapter, 10/9
 Tallahassee Chapter, 10/21
 Tampa Chapter, 10/19

12-15 Teller Workshop
 Pensacola, Ft. Lauderdale, Orlando, or Jacksonville, \$75*

18-22 International Credit Union Week

26-27 Community Outreach Conference
 Orlando, \$75*

November

2-5 CU Security/Robbery Workshop
 Pensacola, Ft. Lauderdale, Orlando or Jacksonville, \$140*

17-15 Collections/Bankruptcy Conference
 Orlando, \$450*

Misconduct Investigations article continued from page 7

they know that their identity and the information they have provided will be given to the employee who is being investigated.

Although the opinion is advisory in nature and not legally binding in court, its implications require serious consideration and places employers at risk if they hire outside agencies to investigate their employees and do not comply with the FCRA. Why? Because an employer can be held liable for both compensatory and punitive damages under the FCRA if a court finds the employer willfully violated any of the FCRA requirements. If the employer is found to have negligently violated the FCRA requirements it could be liable for compensatory damages.

Therefore, if you have an outside investigator, consider immediate compliance with the FCRA or turn these investigations over to either an outside agency that does not regularly engage in these types of investigations (and would not be covered by the FCRA) or to internal resources. If your internal investigator needs training or advice on how to conduct an internal investigation, outside counsel can provide these services without violating the FCRA under the attorney-client privilege.



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.

President: Guy M. Hood
 Managing Editor: Mark Ivester
 Editor: Grace Potter Freni



Florida Credit Union League
 P.O. Box 3108
 Tallahassee, Florida 32315-3108



**Don't forget...
 International Credit Union Day is
 October 21.**

First Class Mail
 U.S. Postage
 PAID
 Tallahassee, FL
 Permit No. 618