



Florida Credit Union News

A publication of the Florida Credit Union League 

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Court upholds CU Membership rules, dismisses bankers case

In a ruling that will benefit potential credit union members nationwide, the U.S. District Court for the District of Columbia has dismissed the American Bankers Association's attempts to block consumers from joining credit unions.


In a 35-page ruling, Judge Colleen Kollar-Kotelly upheld all of NCUA's interpretations of the Credit Union Membership Access Act, which has allowed more than 1.5 million Americans to join a credit union since it was implemented in early 1999.

The ruling means credit unions can continue to accept new members from employee groups, community groups and association groups--including churches, fraternal organizations and many

others. Extended family of potential members are also eligible.

And in a reversal of the judge's preliminary decision, credit unions can also enter into voluntary mergers. This will allow different membership groups to combine into a single credit union to help diversify the institution. The judge cited CUNA's argument on that issue as a convincing factor.

"The new ruling is essentially a clean sweep for credit unions"

"The new ruling is essentially a clean sweep for credit unions," notes CUNA President & CEO Dan Mica. "Hopefully this strong pro-credit union decision will put an end to the bankers' attempts to disrupt and distract us from the business of providing consumers with non-profit financial services." 

Summit meeting on fringe lenders features credit unions, others

Representatives of credit unions, consumer groups, social service groups and bankers met in the Florida Comptroller's office with State Comptroller Bob Milligan and Attorney General Bob Butterworth to devise strategy and proposals that can be presented to the Florida Legislature on the subjects of fringe lending, title loans and so-called payday loans. Currently, legislation is working its way through the Florida Legislature on each subject, but as of this publication's deadline, no legislation has been taken up and passed by either house of the legislature.

Representing credit unions were: Aletta Shutes, Executive Vice President of the Florida Credit Union League; Mark Ivester, Vice President of Communications for the League; and Chalker W. Brown, Vice President of the NAS Jax branch of Jax Navy Federal Credit Union.

Milligan and Butterworth were interested in alternatives some credit unions have devised to combat the fringe-lending problem. In particular was the program being instituted by Florida Central Credit Union in Tampa to open a "money" store to compete with the fringe lenders in the Tampa and Orlando area. In addition, similar approaches are being studied in at least three other counties in Florida.

Chalker Brown pointed out the overdraft program that his credit union offers to new members of the credit union. Brown said that Jax Navy instituted that program for the young sailors that seemed to be lured into the payday lending shops to meet their obligations. *continued on page 10*

CUNA calls for truce with bankers

CUNA is calling for bankers to end their 10-year legal battle against credit unions. While the banking industry has filed 20 lawsuits against credit unions since 1990, the April 3, decision struck down the sole remaining case.

"In the past, the credit union movement has attempted in numerous ways to extend an olive branch to the banking industry," Mica pointed out. "Now, with this ruling on our side, we again appeal to the bankers to put an end to this ongoing cycle of legal harassment. We ask them to join us and the nation's 80 million credit union members to support legislation and regulation that will allow all financial institutions to deliver services more efficiently and effectively." 

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Taking the next step

In the aftermath of the successful passage of H.R. 1151, *Fortune* magazine released a poll that listed the top lobbying groups in the nation's capital. CUNA ranked number eight, meaning that credit unions were now viewed as formidable to most Washington experts as the NRA and the AARP. Even the following year, with no major galvanizing piece of legislation, CUNA still ranked 18th. This was remarkable.

One of the reasons that credit unions enjoy such a lofty position is the grassroots campaign that was waged to secure passage of H.R. 1151. And that grassroots support translated to credit unions and leagues almost on a daily basis walking the halls of Congress and telling our story. During that hectic period, CUNA secured a "war room" which acted as a place where credit union professionals and volunteers could gather to coordinate their efforts, receive updates on congressional activities and have a place to pause before they went on to their next appointment. When the campaign ended, so did the "war room."

It was CUNA, through President Dan Mica, that determined it would be a wise investment to build a permanent "war room" to serve credit unions in the future. This facility would be our permanent, fortified bunker that would also be a place for training and planning sessions. It was to be patterned after the Florida House, a privately funded house a few blocks from the U.S. Capitol, that is funded by private donations which we have used for our GAC receptions in the past.

This idea took root once Mica shared it with the leagues, and the leagues began to consider the potential of having a "House"

in the capital, just a few blocks from the Hill.

The purpose of Credit Union House is to make sure that we always have a place in Washington that can be used for numerous activities, but primarily, will function as our permanent staging area that will allow CUNA, the leagues and individual credit unions to accomplish their legislative visits with more purpose and more togetherness. By having such a permanent facility, we send a message that credit unions are never going to be placed in a position of ignorance and confusion again.



*Guy M. Hood
President/CEO*

Our investment in this proposal is \$200,000. It is an investment in a limited liability corp., as a stock purchase, and it comes from cash reserves of the league, not from operating revenues, and will not represent an expense to the organization. We will forever etch our ownership in this project along with 31 other leagues (so far) that have made investments. And, individual credit unions will be allowed to make contributions should they so choose.

Credit Union House will be for all of us. It will be self-sustaining--CUNA will provide the personnel to manage the house, but it will not be new offices for CUNA. It will be your House in Washington. It will be where you will go to get updates on Hill activity and greet your legislator. It will be where you will want to go when you schedule a training session or planning session. It will be a place for you to sit down, phone home, and fax or email your office. But most importantly, it will allow us to "arm" ourselves for that next, inevitable banker challenge!

Credit Union House will one day be the place that every association points and says: "Why can't we be like the credit unions?"

Southeast Corporate ...recently held its 25th annual meeting, marking 24 years of service to credit unions. Two board members were re-elected for additional three-year terms--Ron Gracie of Coastline FCU and John Blount of Central Florida Postal CU.

Immediately following the annual meeting the board of directors elected new officers. New officers include: Chair--John Blount, Central Florida Postal CU; Vice-Chair--Jim

Mitchell, Army Aviation FCU; Treasurer--Ron Gracie, Coastline FCU; and Secretary--Wayne Page, Keesler FCU.

The board of directors accepted the resignation of Pete Carroll, former CFO at FPL FCU, who served as a member of the Supervisory Committee for the past seven years. In his place, the board appointed Ron Fye, Florida Commerce CU.

Clarke American

Clarke American recognizes outstanding partner commitments

—Two Florida credit unions are among the recipients of the “Partnership Excellence” Award for superior dedication to member satisfaction and retention—

Clarke American, the fastest growing provider of checks and related products and services, recently introduced a partner recognition program—“Partnership Excellence,” which recognizes credit unions that share strategic goals with Clarke American and focus on providing complete member satisfaction and retention. Twelve credit unions received the award.

Credit union partners were judged upon several criteria including a willingness to participate in growth initiatives that Clarke American offers to improve member service and access, such as InTouch® Messaging and ServiceLine PlusSM. Other criteria included a commitment to share draft penetration and establishing the credit union as the



GTE FCU award presentation

from left to right: Neil Timson, Vice President—Lending; Diana Flores, Member Services; Katy Slater, Director of Member Services; Rich Helber, Executive Vice President—CFO; Kevin Cole, Clarke American Credit Union Division National Business Development Manager; Jane Holderman, Share Draft Specialist; Angie Whittaker, Member Services; Suzanne Wilson, Vice President—Operations; and Bucky Sebastian, CEO.

primary financial institution and viewing its relationship with Clarke American as a long-term partnership.

“All of our credit union partners are extremely important to Clarke American,” said Brad Wheelless, vice president and

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Dues Structure Committee appointed; first meeting held

As a result of observations and comments from credit unions during the many presentations made to various credit union groups during last year’s successful passage of the new Florida Credit Union League dues structure, FCUL Board Chairman Bob Beskovoyne, has appointed ten credit union professionals and volunteers to examine the dues structure in order to determine if the current structure is fair and equitable. This committee held its first meeting in Orlando on March 27 where Chairman Beskovoyne delivered his charge to the committee.

Appointed to the new committee were: Randall J. Mims, President/CEO of Florida State University CU and chairman of the new committee; Kathy Chonody, Chief Financial Officer, Fairwinds CU; Art Wood, President of Railroad & Industrial CU; Greg Blount, President/CEO of Tropical FCU; Barbara Harris, President of South Atlantic FCU; Doug Samuels, President of Space Coast CU; Larry Myers, Vice Chairman, of Jax Navy FCU; Chris Brooks, Board Member, of Monsanto ECU; Wendall Brooks, President of Pinellas County Teachers CU; and Wesley Atkins, President/CEO of Bay CU.



Bob Beskovoyne

Beskovoyne issued the following charge to committee shortly after the meeting was called to order: “The [FCUL] board has established this committee for the purpose of examining our current dues structure with the intent of assuring that the ability of the league to meet the changing needs of our credit unions is preserved, and that, the methods of assessing dues is as equitable as possible among all credit unions.

“Should you determine that the current formula does not meet this test, or feel that improvements can be achieved, you are to make recommendations to the board of directors in any area that impacts dues for the purpose of achieving the above.”

Beskovoyne instructed the committee to study the issue and be prepared to give

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Not for love, but for money

You are cordially invited to a not so typical June wedding. In fact, this wedding could be the wackiest in credit union history. This year at the Friday Night Fever event during the Annual Convention, the FCUL Chapters will be competing for dollars in what has been called the “Nonsensical Nuptials Chapter Competition.”

Each participating Chapter (of which we have seven so far) will choose a “bride” and “groom” to represent it by working the crowd collecting money. The bride or groom may request a dance for which you will be required to pay for, or if you refuse, you might have to pay not to be dragged to the dance floor. The opportunities are endless—in fact, one Chapter will be sending out wedding invitations to its Chapter members asking for wedding gifts of cash.

The bride and groom that raises the most money, not necessarily from the same Chapter, will be “married” just before the drawing for the Millennium Bug. The wedding ceremony itself promises to have lots of surprises!

The Chapters are planning themes for their bride and groom. Rumor has it there will be a Hawaiian wedding, a Roman wedding and the more traditional wedding. Just seeing how creative the Chapters are, will be worth coming to Friday Night Fever.

Be sure and make your reservation for Friday Night Fever on your convention registration form. In addition to the Chapter competition, a plentiful variety of desserts will be served; the silent and live auction will be held; and lastly the winning ticket for the Volkswagen Bug will be drawn.

NEWS from you



State Employees Credit Union's Capital Circle branch in Tallahassee participated in the 3rd Annual Leon County 4-H Independent Living Day Camp for ages 11-15. The credit union staff educated the campers on the importance of properly managing a checking account; credit and the effects of bad credit on your future needs; and establishing budgeting skills early in life.

Monsanto Employees Credit Union held its 47th Annual Meeting recently with more than 650 individuals attending. Three representatives to the board of directors were re-elected during the meeting: Vance Bateman, 34 years on the MECU Board in various capacities, also a member of the FCUL Hall of Fame; Gerald Eady, 12 years on the MECU Board; and Nelson Whaley, 9 years on the MECU Board.

Jax Navy Federal Credit Union recently honored William Patty, a 20-year volunteer for the credit union, at a retirement reception. Patty began his volunteer tenure on the credit committee. He later joined the board of directors and served 12 years.

Patty's vacated position was filled when P.E. Hewitt was elected to a three-year term at the Jax Navy FCU Annual Meeting. Others elected to the board for three-year terms were Everett Garrett and Ralph Story.

Female credit union professionals explain "difference" on statewide TV show

Three Tallahassee credit union women got a chance to explain to viewers of a statewide cable network how credit unions work and why they are different from banks. Fredda Brown of Florida State University CU, Bobbi Huebner of Tallahassee Leon FCU and Deb Woodlief of SCORE FCU were the guests on the Florida News Channel program, "Let's Do Lunch." The three women were asked questions about credit union operations and what makes credit unions different by host Trish Kurowski of the Women's Interactive Network, which produces "Let's Do Lunch."

Brown answered that credit unions are not-for-profit financial cooperatives where every member is an owner. Woodlief explained how credit unions provide special service to each of their members because, as she put it, "everyone is an owner." Huebner further explained how each member has a voice in the operation of the credit union and can help choose the members of the volunteer board of directors.

The appearance on the show came about after Brown heard Kurowski on a radio talk show requesting emails with ideas for interesting topics. Kurowski, who does not belong to a credit union, was interested in exploring the topic after her conversation with Brown.



On the set of "Let's Do Lunch" (l-r): Trish Kurowski, host; Deb Woodlief, SCORE FCU; Bobbi Huebner, Tallahassee Leon FCU; and Fredda Brown, Florida State University CU

FloridaDOT District 3 Credit Union in Chipley recently moved in to its new, spacious and modern building. The previous building "could fit into the new lobby" joked one FloridaDOT District 3 CU employee. The new facility offers six interior teller windows, a board room, full kitchen and several management staff offices. The Washington County Chamber of Commerce conducted a ribbon cutting in conjunction with the credit union's annual meeting.



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Central Florida Educators Federal Credit Union recently announced several promotions. Eddie Sanabria has been named the Compliance Officer. Sanabria was previously a Member Service Representative, but now will be the regulatory compliance officer and the security officer.



Eddie Sanabria

Jackie Justice has been promoted to assistant manager of the Member Service

Center. She has been with CFEFCU for eight years.

Bruce Anonick has been reassigned as the assistant vice president/branch manager to the Sanford office. He has been with the credit union for 15 years.



Jackie Justice

Shirley Shoemaker has been reassigned as assistant vice president/branch manager of the East Orlando office. She has been an employee of the credit union for 12 years.

Regulatory Update



Bill Berg, CCUE, Director of Credit Union Development and Regulatory Support, brings regulatory changes to your attention through this column. If anyone has 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.

Regulation CC Availability of Funds and Collection of Checks

NCUA issued a Regulatory Alert on the Board of Governors of the Federal Reserve Systems amendment of Regulation CC to clarify the extent to which depository institutions and others may vary the terms of the regulation, by agreement, for the purpose of instituting electronic return systems. Credit unions may enter into agreements with presenting or paying financial institutions to establish presentment based on an electronic transmission rather than physical delivery of a check or share draft. Credit unions may also enter into agreements with a paying or returning financial institution to accept an image or other notice in lieu of the returned check or share draft. You may download a copy of this alert from NCUA's website.

Pretext Phone Calling

In recent years, the demand for information about members' and business accounts has risen. This rising demand coupled with the electronic storage of this information has given rise to an increase in the number of organizations and individuals known as "account information brokers." These "brokers" specialize in gathering confidential financial information, such as account numbers and balances, of members, and then selling it to anyone who is willing to pay for it.

Account information brokers are gathering this information through various sources and practices. One of these practices is known as "pretext phone calling," where an information broker will call a credit union, and using fraudulent means, try to induce employees of the credit union to provide member account information. Possessing information, such as the member's social security number, obtained from other sources, the broker may pose as a member who has misplaced or forgotten his account number to try and obtain confidential account information. If unsuccessful the broker may call the credit union repeatedly until he finds an employee willing to divulge the information.

Credit unions should take steps to prevent the unauthorized disclosure of confidential

financial information. Employees should be educated regarding this increasing problem. Many financial institutions have implemented policies that prohibit the release of member information over the phone without the proper authorization code. This code, however, should not be associated with other commonly used numbers or identifiers, such as a member's Social Security number, account number, PIN, or mother's maiden name, as the brokers have many methods by which they may have already obtained this information. Another means that financial institutions are using to combat pretext phone calling, is the use of a caller identification service, whereby employees who receive calls requesting member financial information ask the caller to supply the telephone number where they are calling from. If this number differs from that in the member's records, it may indicate an illegitimate request.

Any credit union that suspects an illicit attempt to obtain a member's confidential information should report it to the proper authorities. Additionally, in some instances a CU may need to file a Suspicious Activity Report (SAR).

NCUA Board Approves Proposed Privacy Rules

NCUA is seeking comment on its proposed privacy rules. The proposed privacy regulation is a disclosure rule, which would require all federally insured credit unions to provide initial and annual privacy notices to individuals who receive services from the credit union for personal or household use. The proposal also restricts credit unions' ability to disclose nonpublic personal information and gives individuals, in some cases, an opportunity to opt out of the disclosure. This regulation applies to all federally insured credit unions.

NCUA's Proposed Rule on Financial Assets and Collateralized Public Funds

The NCUA Board approved a proposed rule to ensure that property transferred by a federally insured credit union as part of a securitization or participation will not be reclaimed by the NCUA Board, when acting as conservator or liquidating

agent. The proposal will also ensure that the Board, when acting as conservator or liquidating agent, will not avoid a security interest in collateral for public funds deposited in federally-insured credit unions solely because the collateral was not acquired contemporaneously with the execution of the security agreement or because the collateral was changed.

NCUA Final Rule Permitting Federal Credit Unions to Advance Money for Overdrafts

NCUA approved a final amendment of the lending regulation Section 701.21 (c)(3) that would permit federal credit unions to advance money to members to cover account deficits without having a credit application on file if the credit union has a written overdraft policy.

The credit union written overdraft policy must establish a limit on the total dollar amount for all overdrafts it will provide to each member. The policy must also set a time limit for members to cover their overdrafts by either depositing funds or obtaining an approved loan. This time limit cannot exceed 45 calendar days from the day the advance was made. If any fees and interest rates apply to the overdrafts, they must be set by policy. This rule is effective on July 1, 2000.

Request for Comments on Ways to Reduce E-Banking Barriers

The Office of the Comptroller of the Currency (OCC) requests comments and suggestions concerning policies, laws or regulations that need to be adapted in order to facilitate national banks' use of electronic banking and other new technologies. This comment call requests comments specifically on laws or regulations regarding banks' use of electronic banking rather than on electronic commerce. CUNA will not be commenting to OCC but is currently gathering information in this area to monitor any developments and, if applicable, comment to NCUA. You may obtain a copy of CUNA's Comment Call from their website. Comments on this issue are an ongoing process, and CUNA welcomes any comments you may have at any time.

Legislative Session UPDATE

The Florida Credit Union League's legislative staff is monitoring several issues of interest to credit unions throughout the state.

First among these issues is the Title Loan/Payday Lending issue. The League participates in a coalition interested in ensuring the title loan/payday lending issue is properly regulated by the state. It will be interesting to see what the legislature does with the payday lending issue; especially considering CUNA reports the Federal Reserve Board revised the Truth in Lending Act to require payday loans to comply with the act. The amendment is effective immediately, but compliance is optional until October 1, 2000.

We have also followed money-laundering legislation as it has progressed through the legislative process. We are interested in making certain the House and Senate do not lower the reporting threshold on financial transactions from \$10,000 to \$5,000. We are also following the bills relating to qualified public deposits. A number of credit unions are interested in accepting the public's funds, and we are interested in determining if there is a method by which they can do so.

Another topic of interest is Individual Development Accounts. This initiative will enable low-income individuals and families to create a savings account that their local WAGES board, Work Force Development Coalition and other funders can match. The legislation will allow them to use the funds to purchase a first home, start a microbusiness or pay for educational training.



Tyson Jones, City County CU volunteer, accepts CUPAC funds from Bill Marquardt, President of City County CU. Jones ran for re-election

to the City of Lauderhill Board of Commissioners and won by 117 votes. This will be his second four-year term on the City Commission.

Congratulations!

FCUL and Bay Pines FCU corporate sponsors of Lincoln Day 2000

The Pinellas County Republican Executive Committee held its 2000 Lincoln Day Dinner on Saturday, March 11, at the Sheraton Sand Key in Clearwater. FCUL and Anthony Dominick, President of Bay Pines FCU, participated in this annual event as corporate sponsors and were well represented with 16 Bay Pines FCU and FCUL staff, board members and guests in attendance.

As sponsors of the event, the credit union group was invited to a private reception prior to the dinner where they had the privilege of meeting with The Honorable Dennis Hastert, Speaker of the U.S. House of Representatives. Other distinguished guests included U.S. Representatives, Michael Bilirakis, C.W. Bill Young, Bill McCollum; Education Commissioner Tom Gallagher; and former Senator Charlie Crist.



Tony Dominick of Bay Pines FCU (at right) is pictured with the Honorable Dennis Hastert, Speaker of the U.S. House of Representatives at the Pinellas County 2000 Lincoln Day Dinner.

The deadline for CUPAC contributions for recognition at the FCUL Annual Meeting is May 5, 2000



Gary Noe, City County CU Loss Prevention Manager, accepts Florida CUPAC check from Bill Marquardt, President of City County CU. Gary was one of eight candidates running in the Margate City Commissioner race. Gary came in fourth place to fill the three vacant seats on the board.

Ensure credit unions get the proper credit

Many CEO's and credit union staff-ers are politically active and interested in ensuring credit union issues are well received by Florida's legislators. Because the legislative process is driven by money and votes, it is incredibly important those in the process know who you are and what you do. There is a very easy method for helping ensure credit unions get their "political due." All you need to do is write the words "credit union" in the lower left hand corner of the share draft/check you give to a candidate. Do this on the line that says "memo, purpose, or for." Doing so tells the candidate's campaign treasurer your occupation and enables them to properly record your contribution. When political parties review campaign contributions, as they regularly do, it will considerably increase the strength of the League's legislative efforts.

CU Political Action

The Florida Credit Union League's continuing efforts to maintain a strong political presence on behalf of Florida's credit unions, rendered the following results for the period March 8-March 31, 2000:

- ❖ **Mar. 7** - FCUL staff attended the House Financial Services Committee meeting regarding legislation on IDA's and Money Laundering.
- ❖ **Mar. 8** - FCUL staff represented credit unions at the Florida Society of Association Executive's Legislative Luncheon and the Florida Chamber of Commerce Welcome Back Legislators Reception. Met with aides of Rep. Larry Crow (R-Dunedin) Chairman of the House Financial Services Committee and Rep. Carole Green (R-Ft. Myers) Vice-Chair of the House Financial Services Committee.
- ❖ **Mar. 11** - Anthony Dominick, President of Bay Pines FCU, and the FCUL served as corporate sponsors for the Pinellas County Republican Executive Committee's Lincoln Day 2000 Dinner held at the Sand Key Resort in Clearwater. (See picture and article for details.)
- ❖ **Mar. 14** - FCUL staff attended Senate Banking & Insurance Committee meeting regarding legislation on Money Transmitters and Money Laundering, also the Justice Committee regarding Money Laundering. In addition, staff attended fundraising reception for Bonnie Weaver (D-W. Palm Beach) candidate for District #86, formerly held by the late Rep. Ed Healey (D).
- ❖ **Mar. 15** - FCUL staff attended Senate Government Oversight & Productivity Committee meeting regarding the Title Loan and Payday Lending bills. Met with aides of senators Tom Rossin (D-W. Palm Beach); Jim King (R-Jacksonville); and Jim Sebesta (R-St. Petersburg).
- ❖ **Mar. 16** - FCUL staff attended fundraising reception for Connie Mack IV, candidate for House Dist. #91 currently held by Rep. Debby Sanderson (R).
- ❖ **Mar. 19** - Randy Witte, Broward Schools CU, attended fundraising brunch for Rep. Alcee Hastings (D-Ft. Lauderdale).
- ❖ **Mar. 20** - FCUL staff attended Senate Banking & Insurance Committee meeting regarding legislation on Collateral for Public Deposits. Met with aides of senators Pat Thomas (D-Quincy) and W.D. Childers (R-Pensacola).
- ❖ **Mar. 22** - FCUL staff attended Title Loan legislation meeting in Rep. Bill Sublette's (R-Orlando) office. Also attended Senate Fiscal Policy Committee on Money Laundering.
- ❖ **Mar. 23** - FCUL staff and Tallahassee credit union leaders attended the 2000 Florida Leadership Breakfast. (See article for details.) FCUL staff also met with Bay Pines FCU board member, Tony DiMatteo (R-Seminole), candidate for House Dist. #54, currently held by Rep. Dennis Jones (R-Seminole).
- ❖ **Mar. 24** - FCUL staff attended Rep. Bob Starks (R-Casselberry) press conference regarding Payday Lending legislation.
- ❖ **Mar. 28** - FCUL served as sponsor of the annual "Women of the Hill" reception held in Tallahassee.
- ❖ **Mar. 29** - FCUL staff attended Florida Democratic Party Legislative Appreciation reception. Met with former Senator Charlie Crist, candidate for Education Commissioner.
- ❖ **Mar. 31** - Tom Embree, Fairwinds CU, attended a fundraising breakfast for Rep. John Mica (R-Casselberry) in Winter Park.

Tallahassee CEOs Attend 2000 Florida Leadership Prayer Breakfast

For the sixth consecutive year, credit union leaders were among the more than 1,000 individuals attending the Florida Leadership Prayer Breakfast in Tallahassee. Each year the Governor and various members of the Cabinet and Legislature gather for an inspirational program, and this year, the Honorable David Durenberger, former U.S. Senator from Minnesota, was the guest speaker. The Boys Choir of Tallahassee provided special music throughout the program.

FCUL was table host for the event and was honored to have Comptroller Bob Milligan sit at the table along with two local credit union CEOs--Dan Clark, Tallahassee-Leon FCU and Bill Enfinger, CCUE, FSH Employees CU. Tony DiMatteo, candidate for House District #54 (Seminole, FL) and board member of Bay Pines FCU was also seated at the FCUL table. Tom Napier, board member of Sunshine State CU and FCUL board member also attended the breakfast.



L to R: Dan Clark, Tallahassee-Leon FCU; Bill Enfinger, CCUE, FSH Employees CU; Dianne Jones, FCUL Political Action Coordinator; and Comptroller Bob Milligan.

Education

STAR, VAP, VLP & MERIT

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

VAP Certificates:

City County ECU - Raiffeisen: George McKibben - **Filene:** George McKibben - **Board of Directors:** George McKibben

Tampa Bay FCU - Bergengren: Pete Burgue - **Filene:** Graciela Davila
West Coast Federal ECU - Bergengren: Jack L. Reffett, Frank W. Laux

8 Flags FCU - Filene: Frank W. Hickman

Florida Commerce CU - Supervisory Committee: Charles Moudry

Gold Coast FCU - Supervisory Committee: Norman Walker

Jacksonville FCU - Board of Directors: Charles McLeod

Pinellas County EFCU - Bergengren: Conrad Kearns

Sarasota Coast CU - Bergengren: Jackqueline J. Pfister

VLP Certificates:

St. Petersburg Municipal ECU - Blue Diamond: Michael E. Fee

STAR Certificates Earned

SUNCOAST SCHOOLS FCU - Credit Union Sales: Mona Arnold
- **Credit Union Technology:** Carol Gant, Rosemarie Morreale - **Loan Officer:** Melissa Barrington, Sheri Eaton - **Credit Union Accounting:** Kenneth Bauer, Sherri Ingram - **Consumer Lending:** Yvonne Dobson, Sherri Ingram, Helisa Ware - **Member Services:** Carmen Garcia, Linda Graham, Kristy Lindergren, Thomas Payne, Daphne Pevy, Pamela Wallick, Helisa Ware

TYNDALL FCU - Advanced Lending: Che Lin Shaw, Donna Morrison
- **Credit Union Sales:** Clare Lamb - **Credit Union Accounting:** Jena Spivey - **Consumer Lending:** Karen Starnes, Sunny Cox, Luvenia Dunklin, Annette Gapetz, Diana Johnson, Gladys Touchet - **Member Services:** Brandi Dunn

JAX NAVY FCU - Advanced Lending: Christa Whitcomb - **Credit Union Sales:** Michelle Stephens - **Consumer Lending:** David Michael, Alicia Teall - **Member Services:** Penny Brown, Barbara Levine, Anita Ross, Dianne Campbell, Mary Munson

PEN AIR FCU - Advanced Lending: Karen Adams - **Loan Officer:** Maritza Wright, Karen Adams - **Consumer Lending:** Belinda Walker, Vivian Hughes, Willie Esther Scott

CENTRAL FLORIDA POSTAL CU - Credit Union Sales: Kathleen Gontarek, Brenda Marafioti - **Credit Union Accounting:** Brenda Marafioti - **Technology:** Kimberly Anderson, Kristina Asher, Nysha Lucky, Brenda Marafioti

COMMUNITY EDUCATORS CU - Advanced Lending: Christine Tindell-Dawson - **Loan Officer:** Julia Boggs, Joanne Miller - **Member Services:** Jennifer Favreau

DADE COUNTY FCU - Credit Union Sales: Lourdes Brown, Temiera Slaton, Dannette Nwamah

TAMPA BAY FCU - Advanced Lending: Karen Burch, Dawn Dahlke, Widy Linn

CENTRAL CU OF FLORIDA - Credit Union Accounting: Jacquelyn Smith - **Member Services:** Jamie Dewsnap

CENTRAL FL EDUCATORS' CU - Loan Officer: Kelly Calkins - **Consumer Lending:** Kimberly Bonner

CENTRAL FL HEALTHCARE FCU - Loan Officer: Doris Reader
- **Member Services:** Samuel Ufret

FLORIDA CENTRAL CU - Credit Union Accounting: Donna Haynes - **Consumer Lending:** Darlene Behringer

FLORIDA COMMERCE CU - Credit Union Accounting: Patricia Crowley - **Consumer Lending:** Tracy Duncan

FPL FCU - Advanced Lending: Linda Novo - **Member Services:** Tracy Hernandez

JAX FCU - Loan Officer: Virginia Rosales, Carolyn Smith - **Credit Union Accounting:** Virginia Rosales

SUNSHINE CU - Advanced Lending: Lisa Boyd - **Credit Union Accounting:** Susan Farrell

PENSACOLA GOVERNMENT FCU - Credit Union Sales: Jessica Wood - **Member Services:** Jessica Wood

TMH FCU - Advanced Lending: Valerie Papka - **Credit Union Sales:** Grace Chambers

WEST COAST FEDERAL EFCU - Advanced Lending: Debra Boesen - **Consumer Lending:** Patsy Bacon

VISTA FCU - Credit Union Accounting: Lori Marrow - **Member Services:** Lori Lauterbach

ESCAMBIA COUNTY ECU - Consumer Lending: Tammie Marshall
FLORIDA HEALTHCARE CU - Advanced Lending: Debra Childress

MARION COUNTY CU - Credit Union Accounting: Ann Watson
- **Technology:** Martha Brooker

MACDILL FCU - Credit Union Accounting: Douglas Every
MEMBERS FIRST CU OF FLORIDA - Credit Union Accounting:

Sandra Farinas

MIAMI POSTAL SERVICE CU - Advanced Lending: Beverly Yoder

ORLANDO FCU - Loan Officer: Linda O'Connor
PINELLAS COUNTY TEACHERS FCU - Credit Union Sales:

Robert Northway
ST. PETERSBURG MUNICIPAL ECU - Credit Union Accounting: Margaret Taylor

Merit Certificates Earned:

EDUCATIONAL COMMUNITY CU - Basic: Sharon Gunter, Loraine Irons

CENTRAL FL HEALTHCARE FCU - Sapphire: Colleen Pendergrast
- **Ruby:** Iralda Shollar - **Basic:** Vann Pierson

JAX NAVY FCU - Basic: David Michael - **Sapphire:** Audrey Braasch
COMMUNITY EDUCATORS CU - Basic: Lynne Warrick

FEDERAL ECU - Sapphire: Cynthia Turner
TYNDALL FCU - Basic: Lisa Shepherd

FLORIDA COMMERCE CU - Emerald: Janet Folsom
IBM SOUTHEAST EFCU - Ruby: Patricia Munro

ORLANDO FCU - Basic: Windi Rapp
TMH FCU - Ruby: Christy Waff



Retirement plan features

by Liz Russell, FCUL Human Resources Manager

Last month we looked at retirement plans available to your credit union. This month I would like to detail some different features that can be offered to tailor your retirement plan to your organization and make your plans more attractive to an increasingly diverse workforce.

Multiple plans. You have the option of having more than one retirement plan; for example, an employer may contribute to a money purchase plan and have a 401(k) for employee contribution only. This is attractive because it allows the employee to invest in different vehicles according to their needs.

Employer contributions. An employer contribution is a tool for attracting and retaining employees as well as providing tax benefits to the organization. Different plans have different contribution requirements such as mandatory employer contribution, employer only contribution and employer match of employee contributions.

Age weighting. Certain plans will allow you to allocate contributions according to a formula that accounts for compensation and age or years of service. The result may be that smaller amounts are contributed to younger employees and larger amounts to older employees. This is not considered discriminatory if you project employees' benefits towards their retirements, because the younger employees have more years of investment earnings before retirement.

Eligibility requirements. Most plans have a minimum age and service requirement stipulated by law, but the employer has the option of making these requirements less stringent. For example, you can specify

parameters to include employees who work less than 1,000 hours a year or you can choose an immediate or delayed entry date to your plan.

Vesting Schedule. Certain plans require participants to be employed for a specific period of time before being entitled to keep employer contributions. You may choose a cliff vesting where a participant is 100% vested after a specified period of service. In 1986 a law was passed making the maximum length of service five years, however, you may opt for graded vesting where the plan participant becomes vested in increments over a period of years. In this case, the maximum time to achieve 100% is seven years. In both cases, you are allowed to have a shorter time period; this may help in recruitment and retention efforts.

Portability. With the decreased likelihood that an employee will spend their entire career with one company, it can be to your advantage to offer a plan that allows contributions to be moved from one plan to another, or a special IRA, should a participant change jobs. While this may seem counter-productive, the rapidly changing habits of today's workers makes this a very attractive feature.

The many different components of retirement plans can be woven into a myriad of combinations to reward longevity, attract new employees, accommodate older workers, encourage younger workers, benefit small organizations, protect retirement arrangements...etc, etc. Careful consideration of your credit union's goals can help you create retirement benefits that will make your place the place to be.

Clarke American *continued from page 3*

general manager of Clarke American's Credit Union Division, "and we do not want to imply that if a partner did not get recognized that we do not value that relationship. We view the 'Partnership Excellence' award as a wonderful opportunity to recognize these twelve partners and say thank you."

The 1999 recipients from Florida are **GTE Federal Credit Union** and **IBMSouth-east Credit Union**.

"We evaluated credit unions of all sizes to determine who would be best qualified to receive the 'Partnership Excellence' award, Wheelless continued. "Our goal is to provide credit unions and their members with the best possible service and choices when it comes to checks and check-related products and services. We wanted to recognize our partners who are fully committed to our partnership for the benefit of their members."

MARKETING POSITION

The Position:

- Responsible for the development, implementation and maintenance of the credit union's marketing and public relations plan.
- Research marketing needs and analyze marketing trends for the credit union.
- Develop revenue generating plans and strategies to introduce new products/services within segments; present those proposals to Senior Management for final approval.

The Requirements:

- A Bachelor's Degree in marketing, public relations or a related field, plus a minimum of three years experience in marketing, public relations or related field required.
- Work requires extensive knowledge of marketing and public relation strategies, exceptional public speaking and/or presentation skills, knowledge of the Credit Union movement and philosophy preferred.
- Design experience using Quark, Adobe Illustrator, Adobe Pagemaker and MS Office Suite preferred. Internet and web site development a plus!

We offer a competitive compensation package, an attractive incentive plan, plus benefits including a section 125 plan and a 401K. If you are looking for an opportunity to make a significant contribution to a dynamic organization with aggressive growth and sales goals, please send your resume, writing sample, salary history and requirements by **May 5, 2000** to: Florida State University Credit Union, Attn: Human Resources, Post Office Box 20226, Tallahassee, FL 32316-0226. Email to: kadcock@fsucu.org. Incomplete submissions will not be considered. We are an EOE and a Drug-Free Workplace.



Evelyn Meharg Brown

After 25 years of service at **Harvesters Federal Credit Union** in Cantonment, Evelyn Meharg Brown, CEO, will retire at the end of the month. She began her career at the credit union in 1975 as a teller and worked in every

field of operation before moving into the CEO position in 1987. She will be missed by all of her staff and her members



Allen Upchurch

Allen M. Upchurch Jr., will be Evelyn's successor at Harvesters FCU. He holds a B.A. in Business from Furman University and has been in the financial services industry for 25 years. He most recently served as Executive Vice President at Jax Federal Credit Union in Jacksonville.



Connie Stoutamire

Horizons

Small/Medium CU conference delivers informative information

If you missed the FCUL sponsored Small/Medium Credit Union Conference, held March 15 in Jacksonville, this article may convince you not to miss the next.

Reed Dearing, a financial services consultant, spoke to the group on the topic of "Technology Strategies for Small Credit Unions" and things small credit union management should look for in the future. He also spoke about "Marketing on a Limited Budget," indicating dos and don'ts and the importance of knowing your membership profile in order to eliminate waste.



David Freeman

David Freeman, Supervisory Examiner of NCUA, spoke to the group on "How to Prepare for an NCUA Examination." Freeman explained the examiner's goals and the importance of communication between the examiner and the credit union.

The afternoon wrapped up with a panel discussion of professionals from the Florida Credit Union League and Service Group, Inc. Brain Weaver, FCUL Service Group Business Development Manager, talked about products offered by the Service Group such as, STAR, MERIT, VAP and VLP. Joel Funchess, FCUL Loan Development Officer, discussed mortgage information that is available for credit unions to offer to their members who may have some credit problems.



Florida Credit Union League Small/Medium Credit Union Conference participants

Keith Hopkins, FCUL Director of Credit Cards, addressed the group with information on the Credit Card programs offered through the Service Group. Connie Stoutamire, Director of Horizons, brought to the group information on a technology package for small credit unions that is being offered by CUNA and Compaq. She also presented information on CUNA's Team Marketing, which is a way for credit unions to take advantage of group purchasing power. CUNA will also have available in the next few months a lending resource manual free to credit unions with \$20 million or less in assets.

The responses and evaluations from the conference indicate the leaders of the small to medium sized credit unions in Florida would like to have a similar event in the future. If you missed this event and are interested in participating at other small/medium conferences, contact Connie at the League, 800.342.1266 or via email at connies@fcul.org.

Fringe lenders summit

continued from page 1

Both Milligan and Butterworth stressed the need to design legislation to combat payday lending that would prove acceptable to a majority of the legislature. Milligan, himself, stated to the group that he personally wanted to see something to end the constant roll over of payday loans but did not want to specify an interest rate or fee. He suggested a requirement that a payday advance would not become a loan unless it was for more than 14 days. After that, he said, it should be a loan subject to the same requirements as any other loan, including interest

rate. Continuation, or roll over of the loan, would not be allowed unless it was subject to the more favorable rate.

Shutes pointed out that all Florida credit unions exist to serve their members and many credit unions offer risk-based lending programs to assist members in times of financial need.

"What we don't have," she said, "are the flashing neon signs and storefronts open 24 hours a day. What we do have are financial counselors and personnel ready to assist members as they are needed."

Child Support Law

From an edited article by Christopher J. Gerety, Trimmier Law Firm

Like the "killer bees," it seemed the federal child support laws would never reach credit unions. However, the state legislature did enact the state law necessary to carry out Congress's child support law.

The law was passed in response to federal law requiring every state to enter into agreements with financial institutions for the purpose of identifying account holders delinquent on child support payments. The Florida act which implements the federal law is known as the Florida Child Support Enforcement Act (the Act).

Compliance with the Act involves: participation agreements signed between the credit union and the state; the credit union conducts a data match to identify members who owe past due child support; and the credit union levies the accounts of members located through the match.

More credit unions have been receiving participation agreements from Florida's Department of Revenue, Child Support Enforcement Program. The agreement does set reimbursement rates for compliance with the Act. The agreement also allows the credit union to choose a method for exchanging data with the state. A credit union may exchange data by comparing membership lists to diskettes provided by the state which list past due support obligors or by providing membership lists on diskettes to the state so the state may conduct the matches.

If a match occurs, the credit union must provide information as available in credit union records. The credit union will then receive a notice of lien and must freeze funds. If matched members do not succeed in removing the liens within 21 days, the account funds must be surrendered to the state in the amount of the lien.

Under the Act, a credit union may not be held liable under any state or federal law to any person for disclosing information, or for freezing or surrendering the account funds in response to a notice of lien in compliance with the Act.

In summary, to comply with the Act, a credit union must: sign the participation agreement; match data; and surrender the funds of those who are identified as past due child support obligors.

CUNA Mutual

Reach your members online with MEMBERS Internet Solutions

The Internet has taken our economy by storm. It's where rapidly increasing numbers of credit union members shop, conduct business, and where other financial institutions are reaching out to them. "CUNA Mutual Group's MEMBERS Internet Solutions is here to help you take the right steps to secure your credit union's online future," says Terri Klubertanz, VP Lending Operations.


MEMBERS Internet Solutions is CUNA Mutual Group's suite of products and services designed to make Internet-based member interactions more convenient. MEMBERS Internet Solutions gathers the resources of CUNA Mutual and its alliances into one area.

To help credit unions deepen their member relationships, MEMBERS Internet Solutions currently offers a core group of products and services including the powerful new lending tool, [loanliner.com](#). MEMBERS Financial Network (MFN), an Internet-based financial services program, is also offered. "MEMBERS Internet Solutions will continuously evolve to meet changing credit union and member needs," says Klubertanz. "CUNA Mutual understands the unique needs of credit unions; we'll be there with technology solutions as they emerge and are needed."

"Both MEMBERS Internet Solutions components, [loanliner.com](#) and MEMBERS Financial Network, are easy to personalize and add to your credit union's own array of products and services," says Klubertanz. "Credit unions can choose one or both components – whatever, makes sense for their members. Credit unions who have an existing Web site can seamlessly add these MEMBERS Internet Solution offerings. "Extensive options make it easy to coordinate these components with the rest of your site," says Klubertanz. "And members can always link back to your site anytime."

Credit Union Safe, Member Friendly

CUNA Mutual is dedicated to the continued growth of credit unions. "When you entrust your members' data to our secure services, you can count on CUNA Mutual to never compete with you," says Klubertanz. "Unlike many potential partners, we will not solicit your members or offer them products your credit union doesn't endorse. We are an extension of your credit union, your back office support. In fact, our only goal is to help you deepen your relationship with your members."

Offering credit union products and services online extends your hours to 24/7 and allows one more touchpoint for member contact. For details about implementing a MEMBERS Internet Solutions program in your credit union, visit www.mis.cunamutual.com or contact your CUNA Mutual Account Relationship Manager at 1-800-333-2644. 

SRCUS Financial Counseling School--because your members depend on you to help them succeed financially.

In today's tough economic environment, many credit union members have found their dollar doesn't stretch far enough. And when it comes to leading members through tough times, many credit unions have found their financial counseling skills have fallen short, too.

Counseling today's credit union member requires more than offering a simple brochure on budgeting. It requires a deep understanding of the member's needs, sensitive interviewing techniques, the skills to teach responsibility, decision-making and prioritization ...and much more. With the mounting number of bankruptcies being filed, credit unions must position themselves now, to give assistance through financial counseling.

Now in its 26th year of helping credit union professionals enhance the quality of service offered to members, SRCUS Financial Counseling School will be held April 30 - May 4, 2000, at Florida State University in Tallahassee.

During the week you'll follow a curriculum designed to improve your financial counseling skills. The first-year courses include: Credit Use and Planned Borrowing; Setting Up a Counseling Program in Your CU; Consumer Credit Counseling; Creative Financial Counseling; Understanding the Role of the Financial Counselor; Counseling Concepts; Developing A Money Management Program; Building Communications; Dealing with Difficult Members; and Strategies for Decision Making and Problem Solving.

If you have completed the first-year courses and are returning for year two, the courses are: Credit Use and Planned Borrowing; Setting Up a Counseling Program in Your CU; Consumer Credit Counseling; Bankruptcy and Financial Counseling; Practicing and Improving Counseling Skills; Developing a Money Management Program; Building Communication Techniques; Developing A Financial Counseling Program; and Understanding Human Needs and Values.

The SRCUS Financial Counseling School faculty is comprised of university faculty, credit union professionals, psychologists and other noted professionals. SRCUS Financial School graduates qualify for 3.2 Continuing Education Units (CEUs).

Credit union managers, loan officers, collection counselors, member service representatives, credit committee volunteers, or any credit union professional who deals with members' credit applications will benefit from the SRCUS Financial Counseling School.

The SRCUS Financial Counseling School tuition is \$695 for one year's enrollment for affiliated credit union league members. The tuition for non-members is \$750. Tuition includes the orientation reception and dinner, lunches and breaks Monday through Thursday, graduation banquet, class photograph and all educational materials.

To register for the SRCUS Financial Counseling School, contact the League Education Department at 800.342.1266. 

Dues Committee continued

a report back to the board prior to the 2001 League Annual Meeting, which will give the committee approximately a year to complete their assignment. Any recommendations coming from this study that require bylaw changes could come before the members at this 2001 Annual Meeting. Clearly, this is an attempted by the league to be responsive to questions and comments made by the members prior to and during the 1999 annual meeting. Since representation by credit unions of all sizes and geographical distribution are important to these deliberations, he tried to balance the membership of the committee so that asset size, geographical location and volunteers were all represented.

The committee determined that they should take a long-term view to determine any recommendation. The consensus of the committee was to assure the ability of the organization to serve credit unions in the future. Specifically, the committee will be looking at preventing the organization from getting 16 years behind in funding the needs of the organization, and determining what is a "fair" formula for credit unions of various asset sizes.



FCUL Calendar

May

4/30--5/4 **SE Regional Financial Counseling School**

Florida State University, Tallahassee
Fee: \$695*

16,17 **Regional--Savings Regulations Workshop** Ft. Lauderdale, Orlando, Jacksonville, Fee: \$125*

June

6/1--6/3 **League Annual Convention**
Orlando, Fee: \$210*

21-23 **Florida Supervisory Committee & Board of Directors Conference**
Orlando: Fee: \$475*

16,17 **Regional--Savings Regulations Workshop** Ft. Lauderdale, Orlando, Jacksonville, Fee: \$125*

July

11, 12 **Regional Disaster Planning**
Tampa, Orlando, Fee: \$125*

25, 26 **Regional Disaster Planning**
Ft. Lauderdale, Miami, Fee: \$125*

*fees subject to change



CHAPTER MEETINGS

- Broward Chapter, 5/9
- Central Florida Chapter, 5/18
- Escambia Chapter, 5/11
- Gulf Coast Chapter, 5/19
- Pinellas Chapter, 5/17
- Southernmost Chapter, 5/16

www.fcul.org
800.342.1266

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CUPAC Millennium Bug raffle

Contact the Government Affairs
Department for information at
800.342.1266.