



Florida Credit Union News

A publication of the Florida Credit Union League 

In This Issue

President's Message	2
News from YOU	4
Governmental Affairs	5
FCUL Calendar	12

April 2001 • Vol. 10 - No. 4

FCUL and credit union sponsors join CMN Celebration in Orlando



Early April found the Florida Credit Union League joining with other like-minded organizations

in participating in the 2001 Children's Miracle Network Celebration in Orlando, Fla. The four-day get-together was used as a means of putting together the final touches to its 2001 Telethon, which will air in early June.

FCUL was invited to participate as part of the Credit Unions for Kids sponsorship that is now a part of the CMN fundraising effort. Credit Unions for Kids is the second largest sponsor in terms of total contributions to the telethon. Last year, Credit Unions for Kids was responsible for more than \$5 million in pledges and contributions to CMN.

Florida's credit union's contributions increased more than 21 percent between 1999 and 2000. Florida's credit unions pledged \$135,000 in 1999 and increased that to nearly \$168,000 in 2000.

Representing FCUL at the CMN Celebration was Vice President of Communications & Affiliate Relations, Mark Ivester; and Suncoast Schools FCU President Tom Dorety, CCUE. Both Dorety and Ivester participated in a segment that was taped and will air during the telecast highlighting Credit Unions for Kids' efforts during the past year. Telethon celebrity host Steve Young, former All-Pro NFL quarterback, helped tape that segment.

The 2001 CMN Celebration and telethon taping brought together nearly 200 media outlets that will air the telethon, 170 children's hospitals and more than 50 corporate sponsors. Seminars on fund raising and the importance of CMN were included during the four days.

FCUL receives award for credit union participation in U.S. Savings Bonds Program



The Florida Credit Union League has been recognized for the

extent and depth of credit union participation in the United States Savings Bonds Program. Ken Smith, Area Manager for Central Florida of the Savings Bonds Program, presented the award at a luncheon in Orlando.

FCUL Chairman Bob Beskovoyne accepted the award on behalf of Florida's credit unions.



Credit union sponsors from all over the country took part in the 2001 telethon taping.



Steve Young, former NFL quarterback; Tom Dorety, CCUE, President/CEO, Suncoast Schools FCU;

Click Here!



For more information on the 2001 FCUL Annual Convention

and Exposition, visit www.fcul.org and click on FCUL Virtual Expo.

Florida Credit Union League Board of Directors

Bob Beskovoyne, CCUE, Chairman
District #4 Director
Martin FCU

Laida Garcia, 1st Vice Chairman
District #5 Director
Florida Central CU

Melba Jordan, CCUE, 2nd Vice Chairman
District #2 Director
State Employees CU

Chris Brooks, Treasurer
At Large Director
Monsanto Employees CU

Trudy Prince, CCUE, Secretary
At Large Director

Central Florida Healthcare FCU

Charles Wesley Atkins
District #1 Director
Bay CU

Randall J. Mims, CCUE
District #3 Director
Florida State University CU

Barbara Harris, CCUE
District #6 Director
South Atlantic FCU

Jace Reyes
District #7 Director
Miami Postal Service CU

Tim Baldwin
At Large Director
San Antonio Citizens FCU

Tom Napier
At Large Director
Sunshine State CU

Carolyn Parslow
At Large Director
Suncoast Schools FCU

Jim Weibert, CCUE
At Large Director
Community Educators' CU

The *Florida Credit Union News* is a monthly publication of the Florida Credit Union League. For business information or subscriptions, write the Florida Credit Union League, call (800) 342-1266, or e-mail gracepf@fcu.org.

President: Guy M. Hood

VP of Communications: Mark Ivester

Managing Editor: Grace Potter Freni

Editor: Angela Milligan

www.fcu.org

Telling the credit union story

Our local newspaper here in Tallahassee runs a syndicated investment column every week from *The Motley Fool*, offering practical advice to the average investor and consumer. *The Motley Fool* is irreverent and calls itself a "fool" because, "in Elizabethan days, Fools were the only people who could get away with telling the truth..." *The Motley Fool* gives practical advice to consumers and investors who don't have the time or patience to sift through the various business media to make decisions on their small investment.

The column that appeared in this newspaper the first week in April found one of the *Motley Fool's* readers extolling the virtues of credit union membership. This particular reader, a Howard Hendricks, sent an email to the *Fool* describing all the services he received at his credit union, even though he no longer lives in the same town and is retired from the company that sponsored the credit union. *The Motley Fool* responds by writing "Credit unions merit everyone's consideration. If you can't join one through your job, you may be able to do so through an organization or some other way." And, readers are directed to the CUNA website for more information.

Hard to beat that type of positive media. And, credit unions are able to receive that type of positive media because consumer reporters, whether they write for *Consumer Reports*, *The Motley Fool* or *Money*, know first hand what credit unions do. The real question, though, is your local media as knowledgeable as the national consumer reporters? Whenever there is a local story involving the local economy, who is

generally quoted, the local credit union manager or the local banker?

The credit union story is a fascinating story to your members. The credit union story is an even more fascinating story to those in your community who are not members of any credit union. And, it is up to all of us to make sure that story gets told.

We can tell that story the best way by telling local reporters about the help we give to our members each and every day. How many times have one of your members

turned to the credit union as the last and best hope to help them out of a difficult situation? Those kinds of stories occur every day at our credit unions. Unfortunately, the only one's who hear about these successes are the management and staff of the credit union.

Why not jot down these stories when they happen and gather a bunch of these stories together to pass along to one of your local reporters. Some papers even run regular features on community service. These are the kinds of outlets that will listen to these stories and tell their readers.

The Florida Credit Union League's Communications Department would be happy to assist you in placing your stories. We can review what you have and offer suggestions that might help you place the story, or give you some tips that might make the story more appealing to your local media.

Credit unions enjoy the good will they do because of these success stories. Obviously, *The Motley Fool* thinks highly of credit unions. Why don't we try to see if our local media can be as knowledgeable about us as *The Motley Fool*.



Guy M. Hood
President/CEO



WEBCAST LEARNING EXPERIENCE



The FCUL, in joint collaboration with 11 other leagues, is pleased to offer your credit union the first Internet Web Cast training opportunity. This live, interactive, Internet access conference will be broadcast on May 22, from 2 p.m. - 4:30 p.m. est. The broadcast can be accessed through www.fcu.org. The program will address the topic of "Understanding Federal Account Insurance" and will be presented by nationally renowned speaker and compliance expert Tyler F. Parker. Operations and member service managers, members service representatives, compliance officers, tellers, accountants, attorneys and anyone at the credit union who is responsible for assisting members with their accounts, don't miss this opportunity! For further information, call the League Education Department at 800.342.1266.

CUNA MUTUAL GROUP GRANT AIDS NATIONAL CREDIT UNION MUSEUM



The CUNA Mutual Group provided a \$60,000 grant to help renovate a building in New Hampshire that will become a national credit union museum and learning center.

The New England Credit Union Heritage Foundation (formerly SMB Charitable Foundation) is renovating the building at the site of America's first credit union in Manchester.

Mike Kitchen, President/CEO of CUNA Mutual, announced the grant on Feb. 25 at the Governmental Affairs Conference.

Peggy Powell, Foundation director, presented Kitchen with a plaque acknowledging CUNA Mutual for its support and encouragement to build the museum.

"We're grateful to CUNA Mutual because this will help us reach our campaign goal of \$2 million more quickly," Powell said. "CUNA Mutual has been a strong supporter right from the start."

"We're proud to be helping the Foundation," said Kitchen. "It's an important project that will help credit unions celebrate their success as a movement."

The nation's first credit union was organized by the parishioners of St. Marie's Parish (New Hampshire) to serve French-Canadian immigrants. Alphonse Desjardins helped the group organize the credit union in 1908. Chartered in 1909 under a special act of the New Hampshire Legislature, it was called "St. Mary's Cooperative Credit Union Association."

Today, the credit union is known as St. Mary's Bank, operating under its original charter. It is New Hampshire's second largest credit union with \$342 million in assets, serving 35,000 members from Manchester.



STAR, MERIT VAP & VLP

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:

Bay CU: Staten Corbett
Central Florida HealthCare FCU: Connie Buecker, Michael Hester
Community First CU: Denver Phares
Escambia County ECU: Richard McCormack, David Roberts
Fairwinds CU: John Coffey, Thomas Embree
Gold Coast FCU: Ehud Merkel, Marilyn Schiavo
Suncoast Schools FCU: Leon Blue, Annette Barwick, Thomas Dessy, Louis Freijo, Mildred Harvey, Gary Huskey, Patricia Marsh, Anthony Satchel, Joseph Trumbach, Susan Turner, Hernie Vann
St. Petersburg Municipal ECU: Andrew Kaikai, Claude Williams
Sarasota Coastal CU: James Dawson
South Florida FCU: Nannette Paredes
Tampa Bay FCU: Debbie Harmon, Don Rothell
Tropical FCU: Mack MacVicar
Tyndall FCU: Virginia Specht

VLP CERTIFICATES:

Suncoast Schools FCU: Anthony Satchel

STAR CERTIFICATES:

8 Flags FCU: Amy Everett
Bell-Tel CU: Marjorie Campbell, Heike Collins, Nanette Milton

Central CU of Florida: Teddra Biggs, Lonna Hayes, Angelique Morris, Rechelle Nesbitt, Patricia Walther
Central Florida HealthCare FCU: Janyce Bynes, Su Henry
Community Educators CU: Melissa Mattson, Trina Shope
Fairwinds CU: Cristina Billingsley, Elizabeth Holder, Monice Taylor
Florida Commerce CU: Janet Folsom, Darlene Robinson, CCUE
Florida State Employees FCU: Hallie McCarty, Karen Pierce
Jax FCU: Barbie Beaudrie
MacDill FCU: Douglas Every
NCSC FCU: Dawn Barse, Tina Dryden
Pen Air FCU: Karen Adams, Loretta Brooks, Melinda Cannon, Willie Esther Scott, Maritza Wright
Pinellas County Teachers FCU: Jackie Ruff, Deborah Frohnerath
Power 1 CU: Janet Alvarez, Daniel Betancourt, Linda Novo, Esther Suarez, Lisa Bailey-Smitherman
SCORE FCU: Richard Jones
Suncoast Schools FCU: Sara Arnold, Bonny Charleston, Jennifer Cooper, Sana Khaled, Katiana Mederos, Melissa Stephens, Amy Yates

MERIT CERTIFICATES:

Financial FCU: Judith Brown
Florida Commerce CU: Janet Folsom

Domain site donated to Credit Union House



CUNA Mutual Mortgage Corp. and the CUNA Mutual group have donated its domain site (cuhouse.com) to Credit Union House, currently under construction in Washington, D.C. Credit Union House will be used as a gathering and staging location for credit union representatives as they visit Capitol Hill to have their voices heard by members of Congress. Presentation of the website to the state leagues and Credit Union House was made during the 2001 GAC Conference.

Left to right: Dan Green, CUNA Mutual Mortgage Corp., executive vice president; Dan Mica, CUNA, president/CEO; Larry Blanchard, CUNA Mutual Group, senior vice president of corporate communications and public relations and Carroll Beach, president/CEO of the Colorado and Wyoming Credit Union Leagues, and chairman of Credit Union House.





Send your submissions for the "News From You" section to the League by the first of each month.

Congratulations to Florida Commerce CU, award recipients in the 2000 CUNA Diamond Awards. Florida Commerce received the Diamond Award in the outdoor category for its billboard display "Live, Work, Join." They also received the Award of Merit in the overall campaign category for its campaign "Live, Work, Join."

Florida Commerce CU is a hero for babies, having placed 3rd in monies raised for the 2001 March of Dimes WalkAmerica campaign with \$4,615. With the help of credit union members, employees and volunteers, Florida Commerce sold special March of Dimes bean bag babies, paper sneakers and solicited sponsor funds.

This is the fifth year Florida Commerce has participated in the campaign, having placed 8th in the corporate category in 2000.

Jax Navy FCU now offers investment and annuity products through its new wholly owned subsidiary--Jax Navy Financial Group, LLC.

The products include mutual funds, securities trading, IRAs, annuities and a variety of no cost, no obligation financial management services. Through its affiliation with CUNA Brokerage Services, Inc. these offerings are open to all consumers, with no requirement for JNFCU membership.

"By forming Jax Navy Financial Group, LLC, we are able to help both members and non-members make sound financial decisions to reach their financial goals," said Michael Cascone, new Chairman of Jax Navy Financial Group, LLC.

Credit union CEOs dress up to help out



L to R: Dan Clark, President/CEO, Tallahassee-Leon FCU; Mary Ott-Wood, President/CEO, Florida West Coast CU; Art Wood, Railroad & Industrial CU

Three credit union CEOs decided to have a good time by dressing up in fun costumes and volunteering at the Florida Strawberry Festival in Plant City. Arthur J. Wood, President/CEO, Railroad & Industrial CU; his wife Mary Ott-Wood, President/CEO, Florida West Coast CU and Dan Clark, CCUE, President/CEO, Tallahassee-Leon FCU enjoyed a day selling strawberry shortcakes as a fundraiser for the St. Clement Catholic Church.

The Florida Strawberry Festival is an annual, 11-day festival held in Plant City. The St. Clement's strawberry shortcake booth generally sells more than 100,000 shortcakes each year. Arthur and Mary volunteer every year as part of their church membership.

"This year we were elated to have Dan Clark join us in supporting our community," said Wood. "We look forward to next year's festival."

Florida Baptist Credit Union Board of Directors announced the appointment of Libby Polk as the new President/CEO.

"I am excited, pleased and ready," said Polk.

She has had more than 20 years experience in the credit union movement and has worked for the past six years as the vice president credit manager for FBCU.

Duval FCU recently purchased its first free standing branch facility/administration office in Jacksonville.

Duval FCU will use the 10,000 square foot building as a member service branch with drive-thru operation, as well as an administrative facility. The building will be available for member use by July 2001.

Duval FCU serves the employees of the City of Jacksonville, Shands Hospital, and other select employee groups.

Florida CU recently opened a mini-branch in Buchholz High School, Gainesville. The high school branch is part of a business program in conjunction with the school's Academy of Finance. FCU is a business partner in the program.

"This is a dream come true," said Annette Jenkins, Director of the Academy of Finance.

The branch is run by students for the financial business of students, faculty and staff.



Mark Landreth, CAE

The Florida Credit Union League would like to congratulate **Mark Landreth, CAE**, League Legislative Development Director. Mark recently completed all of the requirements for recertification as a Certified Association Executive (CAE). CAE's exemplify the ultimate commitment to excellence in association management. This accomplishment demonstrates continuing professional development in the field of association management. We congratulate you Mark for a job well done!



Taverna teaches a eleventh grade class about the mechanics of finances

Central Florida Educators' FCU continues to maintain a strong commitment to educating elementary, middle and high school students through classroom presentations. Bernadette Taverna, Business Development/Marketing Specialist for the credit union has been promoting youth accounts and conducting classroom presentations since 1995. In 2000 she made almost 100 presentations to 140 classes. She taught more than 3000 students. The presentations cover information from starting your first savings account to protecting your credit rating.

Credit union representatives pray for Florida and national leaders

For the seventh consecutive year, credit union leaders were among the more than 1,000 individuals attending the 2001 Florida Leadership Prayer Breakfast in Tallahassee. Each year the governor and various members of the Cabinet and Legislature gather for an inspirational program. This year former U.S. Senator Connie Mack was the guest speaker, while the gospel "barber shop" quartet Witness 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 Bill Birdwell, newly designated President/CEO of Southeast Corporate CU.



(L to R) Comptroller Bob Milligan; Marvin Garland, FCUL Service Group Chief Financial Officer; Aletta Shutes, FCUL Executive Vice President; Guy M. Hood, FCUL President/CEO.



Gov. Jeb Bush sitting with guest speaker, former U.S. Senator Connie Mack.



(L to R) Grace Potter Freni, FCUL; Aletta Shutes, FCUL Executive Vice President; Gov. Jeb Bush.



Gov. Jeb Bush, speaking before more than 1,000 attendees of the 2001 Florida Leadership Breakfast

Credit unions meet with Republican house members

Republican House members were recently honored at the home of Jim and Carole Smith in Tallahassee. House members and guests were treated to an old fashioned bar-b-que dinner while getting acquainted. Among the honored guests were House Speaker Tom Feeney (R-Oviedo); Rep. Johnnie Byrd (R-Plant City); Rep. Allan Bense (R-Panama City). FCUL staff and Florida State University CU President Randall J. Mims made sure the House leadership and the freshmen House members knew credit unions were present. The following photographs are of some of the contacts made during the evening:



L to R: Mark Landreth, FCUL; Aletta Shutes, FCUL Executive Vice President; Rep. Stan Jordan, (R-Jacksonville); Bernie Parrish, FCUL lobbyist



Aletta Shutes, FCUL Executive Vice President with Rep. "Tee" Holloway, (R-Miami) and his aide.



L to R: Dianne Jones, FCUL; Rep. Allan Bense, (R-Panama City); Grace Potter Freni, FCUL; Jim Smith, FCUL lobbyist



L to R: Dianne Jones, FCUL; Rep. David Meador, (R-Lake Mary)



L to R: Aletta Shutes, FCUL Executive Vice President; Randall J. Mims, CCUE, Florida State University CU; Rep. Tom Feeney, (R-Oviedo); Jim Smith, FCUL lobbyist; Rep. Johnnie Byrd, (R-Plant City)

Governmental Affairs

Building Political Capital



More than 3,000 credit union leaders from throughout the nation converged in Washington, D.C., for CUNA's Governmental Affairs Conference, GAC 2001 Building Political Capital. The GAC culminated with credit unions and leagues visiting legislators from their states on Capitol Hill to outline the credit union difference.

Increasing credit union's already considerable influence on Capitol Hill was one of the highlights of CUNA's GAC Conference. Sessions allowed participants to build a greater understanding of grassroots activity, consumer issues and the regulatory environment. GAC offered a stellar performance from visits with Congress, the Administration and federal regulatory agencies, along with lots of laughs from Pulitzer-prize winning humorist, Dave Barry as the closing speaker. The following give a brief synopsis of Florida's interaction and involvement at GAC in pictures:



L to R: Jim Smith, FCUL lobbyist; Rep. Dave Weldon (R-Melbourne); Aletta Shutes, FCUL Executive Vice President



Guy Hood, Florida Credit Union League CEO/President



Bob Beskoyvone, CCUE; FCUL Board Chairman



Rep. Orrin Hatch (R-UT)



Rep. John Mica (R-Orlando) along with representatives from Central Florida Healthcare FCU and Fairwinds CU



Dan Mica, Credit Union National Association, CEO/President



Lawrance Lindsey, Economic Advisor of the Bush Administration



Tom Embree, Fairwinds CU, Jan Sheffield, Florida Commerce CU



L to R: Dr. Dorothy Orr, Broward Schools CU; Ann Strickland, Miami Postal Service CU; Stanley Gold, Miami Postal Service CU; Rep. Carrie Meek (D-Miami); Grant Sheehan, Miami Firefighters FCU; Russel Bjorkman, Miami Firefighters FCU.

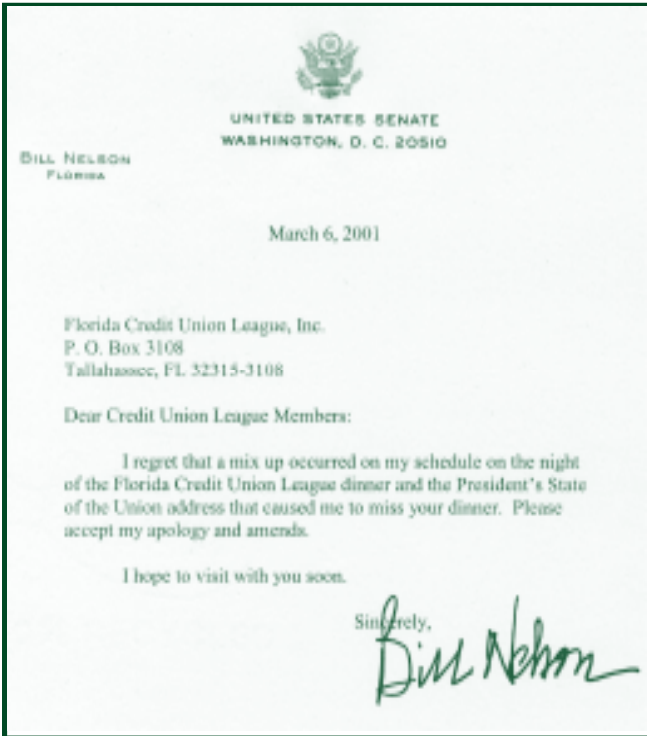


L to R: Stanley Gold, Miami Postal Service CU; Rep. Alcee Hastings (D-Ft. Lauderdale); Ann Kirkland, Miami Postal Service CU



L to R: John Dimos, CUNA lobbyist; Sam Murrow, Educational Community CU; Grace Potter Freni, FCUL; Juanita Wilson, Educational Community CU; Mark Landreth, FCUL; Linda Murrow, Educational Community CU; David Brock, Community Educators' CU. Seated L to R: Jack Kelly, Community Educators' CU; Jim Weibert, Community Educators' CU; Rep. Dave Weldon (R-Melbourne).

Last month, the FCUL Governmental Affairs Department invited Florida credit union representatives attending the Governmental Affairs Conference, to help them recognize U.S. Senators Bill Nelson and Bob Graham at a dinner in their honor. Regretfully, due to the President's call of a joint session of congress, neither senator was able to attend the dinner. Below are letters sent to the League GA Department. One from Sen. Nelson and another sent from both Sen. Nelson and Sen. Graham. We hope these letters may clear up any confusion and apologize for any misunderstandings.



United States Senate
WASHINGTON, DC 20510

April 2001

Dear Friends:

We regret we were unable to join you for your very special gathering on February 27, during the Florida Credit Union League's annual trip to Washington, D.C. The President's address to the joint session of Congress precluded us from participating. We hope you will allow us the opportunity to share our views with you during your next visit.

Best wishes for continued success the remainder of this year; and, thank you again for your many years of friendship. With warmest personal regards,

Sincerely,


United States Senator


United States Senator

Updates from Washington

The following legislative issues concern credit unions in the legislative arena and are courtesy of U.S. Senators Bill Nelson and Bob Graham.

The Assets for Independence Act authorizes the Department of Health and Human Services to fund demonstration projects related to Individual Development Accounts. The goal of this program is to encourage individuals moving from welfare to work to save money to start a business, get a degree, buy a home and invest in future assets. These incentives help the population achieve long-term goals for economic self-sufficiency.

During the 106th congress, there were four legislative initiatives introduced dealing with predatory lending. This issue was also debated this year during the amendment process of the bankruptcy reform bill. Senator Richard Durbin of

Illinois offered an amendment to disqualify a predatory home lender from staking a claim to a borrower's assets in bankruptcy court -- if the lender failed to comply with the requirements of the Truth in Lending Act for high cost sending mortgages and sub-prime mortgages. The amendment would have applied in situations in which a lender engaged in the practice of lending based on home equity without regard to the borrower's ability to repay. The other scenarios applicable to this amendment are when a lender makes direct payments to a home improvement contractor instead of the borrower, or when the lender imposes illegal fees, such as prepayment penalties or increased interest rates at defaults. The

implementation of a balloon payment in less than five years also would provide another example of a relevant scenario. This amendment was tabled, by a vote of 50-49, with one senator voting "present." We voted against tabling Senator Durbin's amendment.

Senator Charles Schumer of New York also offered an amendment that would have given consumers stronger protections when companies that engage in predatory lending file for bankruptcy. There were 53 of our colleagues who joined us in voting for this consumer protection measure and 44 voting against the measure. One colleague voted "present."

Please continue to communicate your views on these issues to our offices. We look forward to working together in Washington and responding to the needs of your membership.



Regulatory Compliance

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.

Proposed Amendments to Regulation C - Home Mortgage Disclosure Act

The Federal Reserve Board proposed amendments to Regulation C and to the commentary that applies and interprets Regulation C. The Home Mortgage Disclosure Act (HMDA) requires the collection, reporting, and disclosure of data regarding home mortgage and home improvement loans. Information that must be reported include the type, purpose, and amount of the loan as well as the race or national origin, gender and income of the applicant.

The HMDA amendments would simplify the definitions of "refinancing" and "reportable home improvement loans." The amendments would also require lenders to report requests for pre-approval and home-equity lines of credit, expand coverage of nondepository lenders, and require lenders to report the annual percentage rate of a loan.

Fed Adjusts HMDA Asset Size Exemption Threshold

The Federal Reserve Board has announced its annual adjustment of the asset size of financial institutions that are required to comply with the HMDA data collection requirements. The asset size will be adjusted from \$30 million to \$31 million. Financial institutions with assets of \$31 million or less as of December 31, 2000 will be exempt from the data collection requirements in year 2001. The exemption for year 2001 does not affect an institution's responsibility to report the data it was required to collect in 2000.

NCUA Final Rule on Guidelines for Safeguarding Member Information

NCUA approved a final rule amending NCUA's existing rules regarding the security programs in federally insured credit unions. The rule requires that a credit union's security programs include features to ensure the safety and confidentiality of member's records, protect against anticipated threats or hazards to the security or integrity of such records, and protect against unauthorized

access to or use of such records that could result in substantial harm or hassle to a member.

NCUA may take administrative action if a credit union fails to establish an adequate security program. Administrative action can include cease and desist orders or civil money penalties.

The final rule is effective on July 1, 2001. Newly chartered or insured credit unions will need to establish its security program within 90 days from the date of insurance.

Proposed Rule Amending the CUSO Rule

The NCUA Board proposed a rule amending the current CUSO rules. The first change will clarify that the current list of permissible activities is intended to establish broad categories and that these categories are intended to be illustrative, not exhaustive, of the activities that are permissible. This rule will also encourage federal credit unions to seek an advisory opinion from the Office of General Counsel on whether a proposed activity falls within one of the authorized categories before requesting a regulatory amendment. The second proposed change adds a federally-chartered corporation to the category of permissible structures. This will allow a CUSO that engages in trust activities to be chartered as a national trust company.

NCUA Proposed Rule Vital Record Preservation

The NCUA Board issued a proposed rule clarifying that credit unions may preserve their records in electronic form. The proposal simplifies the regulation by converting it to a question and answer format. The rule incorporates an appendix to the rule, which adds and updates record retention guidelines currently found in the Accounting Manual for Credit Unions. This proposal also eliminates the requirement that the credit union's financial officer be responsible for storing vital records and permits the credit unions board of directors to designate another employee to serve that function.

Check Truncation Act

The Federal Reserve has published a proposed rule to create a draft law for default check

truncation. The law is intended to increase the ability of financial institutions to convert paper checks into electronic checks and to use electronic checks in the check collection/return process.

This law would permit a financial institution to truncate all checks into electronic checks with other financial institutions that agree to accept electronic checks. If a financial institution does not agree to receive electronic checks, then the originating financial institution would not send an electronic version of the check, but would send a substitute paper machine-readable copy of the check (substitute checks). Any financial institution would be required to accept the substitute check. In the collection process, the original check could be converted into an electronic version and back into a substitute check as required by the receiving financial institution.

Cooperative Scam

The National Cooperative Business Association (NCBA) is warning cooperatives about a scam from Internet companies providing phony "preregistration" of Web site addresses under the new, restricted Internet domain .coop.

NCBA is the only entity approved by the Internet Corporation for Assigned Names and Numbers (ICANN) to operate the .coop domain. It expects registration for .coop to be available in mid-year.

"Companies operating these preregistration scams are preying on the desires of cooperatives to protect their preferred domain name," said Paul Hazen, president and CEO of NCBA. "No company, not even NCBA at this point, can guarantee registration of any domain name under .coop." He added that people paying for preregistration are throwing away their money.

Several companies are sending fax and e-mail solicitations to existing domain name holders under .com and .org, urging them to preregister under the seven new top-level ICANN domains. The Federal Trade Commission (FTC) issued an alert urging consumers to beware of such scams.



Background checks done right

by Marilyn McGhee, FCUL Human Resources Administrator



Marilyn McGhee

In today's workplace, simply checking references is not enough; you need to dig deeper into a potential employees' background in order to avoid workplace disasters involving theft, violence, fraud and the legal repercussions they can bring. Conducting background checks is very important in helping employers discover any skeletons in the closets of potential employees; you must remember that there are important guidelines and steps that must be followed.

Under the Fair Credit Reporting Act (FCRA), employers have certain obligations they must fulfill when conducting background checks, the most important obligation being - notifying applicants and employees before requesting background information on an individual's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living.

This means applicants must be notified in writing that a background check will be conducted, and they must sign a form consenting to it. If they have not given you permission to conduct background checks, you should not be doing them. According to the Federal Trade Commission (FTC), the agency that administers the law, disclosure and authorization forms can include requests for such additional information as birth date, Social Security number, driver's license number and current and former addresses. Having such information can ensure the accuracy of the background check and can reduce the time and expense of this process.

When background checks turn up negative information on employees and job applicants, you need to make sure you comply with the law to minimize their legal risks when acting on this information. First, you should review the information and be sure it is FCRA-compliant. For example, the

FCRA requires that all data based on public records such as criminal dispositions and motor vehicle records are accurate and up to date. Information involving civil suits and judgments that are more than seven years old must not be included in a report.

There are specific procedures outlined in the FCRA that need to be followed if the information contained in the report causes an employer to decide against hiring an applicant. Prior to taking action:

Employers must provide applicants with a copy of the negative report and a Statement of Consumer Rights developed by the FTC.

Employers should give applicants a reasonable period of time to contest the information. This period provides employers with "a powerful protection against being sued" by applicants.

Once the potential employee has had a reasonable opportunity to respond, the employer is free to take adverse action.

The law requires the employer to send the applicant a "notice of adverse action," informing the applicant of the negative decision. The employer also must send another copy of FTC's summary of consumer rights under FCRA and provide the name, address and telephone number of the consumer-reporting agency that furnished the report. As part of that notice, the FCRA requires employers to clearly state that the reporting agency did not make the adverse hiring decision and is unable to provide the applicant with specific reasons why the action was taken. This information can be delivered in written form, electronically or verbally.

Remember, complying with FCRA requirements can save you a lot of misery, but you still can be sued under other federal and state statutes. The information from a background check must be used in a non-discriminatory fashion, meaning you must consistently apply the same standard to each applicant/employee based on your credit unions' hiring policy.

2001 FCUL Directory Corrections and Updates

In an effort to keep our credit unions informed of changes, we will be sending out a list of directory updates on a monthly basis. If you have any questions, please contact Becky Sammons at 800.342.1266, ext. 330. The updates for March are as follows:

The fax number for FSES Federal Credit Union is (813) 930-7819.

The fax number for Suncoast Schools FCU is (813) 740-0751.

White Springs FCU new number is (386) 397-4001.

The correct spelling for the manager of Putnam County FCU is Robert Reck and the street is St. Johns Avenue.

Mr. Gerald Malek is the new manager at POCFCU.

Larry G. Flannagan is the new manager for Dunedin Municipal Employees Federal Credit Union. They have a new phone number which is 727-298-3211; a new fax number which is 727-298-3211 (same as phone number but it will accept faxes) and new physical address which is 737 Loudon Avenue, Dunedin, FL 34698.

Congratulations!

The Florida Credit Union League and all Florida credit unions would like to recognize **Sunshine State Credit Union** for achieving \$100M in assets. Congratulations SSCU, keep up the good work!

A special congratulations also goes out to **Chris Brooks**, FCUL Director at Large, for his re-election to the Monsanto Employees CU for another three-year term. Also re-elected to the Monsanto Employees CU Board was: John Coker; R.L. "Ozzie" Oswald; and Jack L. Williams. We applaud all of your efforts and dedication to the Florida credit union movement!

67th Annual Convention

Check out these exciting vendors at the 2001 Annual Convention

Additional vendors may appear on the final Convention listing.


Absolute Financial Services, Inc.	Foreline Security Corporation
AFTECH	Galaxy Plus Credit Union Systems
ALM First Financial Advisors, LLC	Gila Group
Alpha Omega Laser	Harland
Arvida Realty Services	HBE
Auto Advisor Services	Hoffman Direct
Auto Data Direct	Home Financing Center
AXIS, Inc.	Hurst Technologies
Balance	Hutto & Associates
BCI (Building Committee, Inc.)	Integrated Loan Services
BRE'MAR	InterCept Group
Brinks	InterContinental Warranty Services, Inc.
Canon U.S.A. Inc.	International Banking Technologies
Castle Garde	Kazeck & Associates
Centurion, Inc.	KDA Financial
Children's Miracle Network	Kegel & Associates
Clarke American	LaserTech
CompuSource Systems, Inc.	Lending Solutions
Conmar Systems, Inc.	Liberty
Consultants and Builders, Inc.	MAG-TEK Southeast
Credit Union Journal	MARQUIS—The Centrax Group
CU 24	Mears Auto Leasing
CU AutoNet	Member Advantage Service Corp.
CU Careers	re:Member Data Services, Inc.
CUMAnet, LLC	Midwest Payment Systems
CU Mortgage Services, Inc.	Minnesota Life
CU Personnel Solutions	Morgan Keegan
C.U. Processing Inc.	Nearman & Associates
CU Products, Inc.	New Ground Resources, Inc.
CUNA Mutual Group	Orth, Chakler, Murnane & Co., CPAs
Data Management Marketing	PCA International, Inc.
Data Supplies Inc.	Pace Products, Inc.
David Gerald Construction Company	PIVOT
De La Rue Cash Systems	Premium Armored Services
Deluxe Corporation	Q UP, An S1 Company
Design Build Concepts	Reed Data
Digital Insight	Reynolds, Smith & Hills
DEI, Inc.	RSM McGladrey, Inc.
Diebold	Shay Financial Services, Inc.
Dunbar Armored, Inc.	Star Systems Inc.
EDS	Stephens Inc.—Expo Lunch Sponsor
Enterprise Car Sales	Summit Information Systems
EPL, Inc.	Southeast Corporate FCU
Equifax Card Solutions	Southern Financial
Equitable Asset Management & American Brokerage	Southwest Business Corporation
Excess Share Insurance	Southwest Corporate FCU
Facilities Partners Group	SunTrust Bank
FCUL Service Group, Inc.	Symitar Systems, Inc.
FedComp, Inc.	Teller Southeast, Inc.
Federal Reserve	Travelers Express Company
Florida Concepts, Inc.	United Guaranty
Florida CU Shared Services	Users Incorporated
Florida CUPAC	Visa Debit

TIPS: How to get a head start for the CUPAC Walkathon




Get your day off to a great start and help raise money for credit union political action by walking for CUPAC! Ask your co-workers, friends and family to pledge their support of your effort to stay healthy for the future of credit unions! Prizes will be awarded for the individual and/or team who raises the most money. The secret is to **ask, ask, ask**. Here are a few tips that will help you get started:

- **Set a goal for yourself or each member of your team to raise and don't stop asking until you have reached it.**
- **Take advantage of staff meetings to ask your co-workers for their support. Group meetings will cut down on the number of times you have to ask.**
- **Send e-mails or memos to the branch offices asking for at least a dollar from each employee.**
- **Cookie and brownie sales work great as a team effort to meet your goal!**

Remember, each walker raising \$20 or more will receive a CUPAC t-shirt. The deadline for pre-registration is May 9. Make it easy on yourself and collect the money when the pledge is made and turn in all the money collected at the walkathon check-in table. Checks should be made payable to FloridaCUPAC. 

Haven't signed up for the Convention Yet?

It's not too late! We've made registering easy as 1-2-3 by offering three methods of payment — check/share draft, direct transfer and credit card. If you are paying by direct transfer or credit card, you may fax your registration forms directly to the League or register online at www.fcul.org. To preregister, send your registration to the Education Department by May 9. After this date, registration forms must be brought to the Convention registration desk at the Orlando World Center Marriott to be processed on site. 



Annual Golf Tournament

Compete against some of the best credit union golfers in the state at the 67th Annual CUPAC Golf Tournament on Thursday, May 24. The tournament, sponsored by the FCUL Service Group and CUNA Mutual Insurance Group, will feature a SCRAMBLE format with a shotgun start at 7:30 a.m. Registration begins at 6:45 a.m., and a Continental breakfast will be served outside the Hawk's Landing Golf Club Pro Shop.

A maximum of 144 players can participate in the tournament, so be sure to register with your payment early. A portion of the \$100 fee goes to CUPAC, our political action committee.

Prizes will be awarded for closest-to-the-pin and longest drive. CUNA Mutual will give away a special prize of \$10,000 for a hole-in-one. Call Grace Potter Freni at 800.342.1266 for more information.



Convention Dates

Friday, April 20, 2001

Hotel registration cutoff. After this date rooms may not be available at the \$137 group rate.

Wednesday, May 9, 2001

CUPAC's Annual Walkathon registration forms to be submitted to the League.

Wednesday, May 9, 2001

Convention pre-registration closes. After this date, registration arrangements must be made onsite at the Orlando World Center Marriott convention desk.

Thursday, May 24, 2001

FCUL's 67th Annual Convention and Exposition begins at Orlando World Center Marriott.



2001 Convention Special Events

Don't miss these special features of the Florida Credit Union League's 67th Annual Convention and Exposition!

Education Day Door Prizes

There will be two drawings for grand door prizes on Friday after the awards presentations and at 4:30 p.m. after the closing general session. Arrive early to get your door-prize tickets as you enter the sessions. **Must be present to win!**

Books Signed by the Author

There will be an opportunity to buy "Chicken Soup for the Soul" and have the book signed by the author, Mark Victor Hansen, after the closing general session on Friday.

NCUA and State of Florida Updates

New this year! These Thursday morning sessions will update you on what is happening in federal and state regulatory activities. There will be plenty of opportunity for questions and answers.

Directors' Institute

The Directors' Institute offers volunteers educational opportunities especially geared toward the tasks they face on credit union board of directors. This institute features three modules from the Volunteer Achievement Program.

Special Education Sessions

This year there are six special education sessions on Thursday afternoon- "HR for the New Millenium;" "eCommerce;" "Compliance On-Line Training;" Forming CU Governmental Affairs Committees;" "Duties and Responsibilities of the Board of Directors;" "Community Outreach" and "New Perspectives on Headaches." Everyone is welcome to attend these sessions - there is no registration fee or tickets required.

Shopping Shuttle for Registrants' Spouses and Guests



On Friday, there will be a shuttle leaving the hotel at 10 a.m. and every hour thereafter until 3 p.m. from the Convention Center entrance to the Lake Buena Vista Factory Stores, a shopping center located just minutes from the hotel. The shopping center offers manufacturer direct prices with savings up to 75% on designer and famous name brands for the entire family. The shuttle will return to the hotel every hour on the half hour, the last shuttle will leave at 3:30 p.m. Participants will receive a savings coupon book with discount vouchers.

Friday Night Roundup



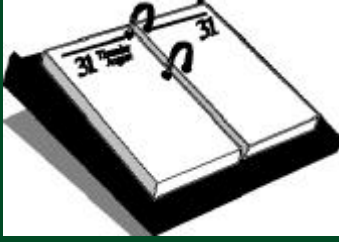
Put on your boots and Stetsons! The Friday Night Roundup will be the ever-popular silent and live auctions, an opportunity to bid for items and help the credit union movement at the same time! You also will be able to learn the latest in line dancing and entertain friends with Karaoke Country singing.

CUPAC Reception for Capital and Ambassador Club Members, Thur., May 24 at 6 p.m.

Florida Chapter of CUES Breakfast, Fri., May 25 at 7:15 a.m.

CCUE Reception, Fri., May 25, 4:30 p.m.-5:30 p.m. for CCUE designees and current CCUE program enrollees.





CHAPTER MEETINGS

Southernmost Chapter
4/17, 5/16

Northeast Chapter
4/19, 5/10, 5/26

Palm Beach Chapter
4/28

Tampa Chapter
4/21, 5/11, 5/19

www.fcul.org
800.342.1266

FCUL Calendar of Events

2001 Education Conferences and Workshops

Our scheduled conferences feature numerous educational opportunities for everyone in the credit union movement, from teller to chairman of the board. While we can't make your schedule less hectic, we can help you get the education you want and need. Mark your calendars for the following FCUL educational conferences:

April

22-26, Southeast Regional Financial
Counseling School
Fee: \$695

May

CANCELED- The CUNA Satellite Broadcast:
Internet Security: Protect Your Members
From Identity Theft, regularly scheduled
for May 9 has been canceled due to a lack
of interest.

22- Understanding Federal Account
Insurance Coverage (Internet Interactive
Webcast Training).
Fee: \$75

24-26, 2001 Florida Credit Union League
Annual Convention, Exposition and
Meeting

*May 24-26, Orlando
2001 Florida Credit Union
League Annual Convention,
Exposition and Meeting.*



www.fcul.org

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 angelam@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

VP of Communications: Mark Ivester

Managing Editor: Grace Potter Freni

Editor: Angela Milligan



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

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