



# Florida Credit Union News

A publication of the Florida Credit Union League

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## Dora Maxwell, Louise Herring Awards Announced

The statewide competition in the Dora Maxwell Award for Social Responsibility and the Louise Herring Award for Philosophy in Action has been completed. And, after a record number of entries, the judges have determined the winners. Each credit union that was recognized as a first place, second place or honorable mention winner will be awarded a plaque and recognized at the League convention.

The first place winners in each asset category will be entered at the nation level. All the state winners will be judged this fall and the national winners will be officially announced at the 2003 CUNA Governmental Affairs Conference in Washington, D.C.

This year's Florida winners are:

**Dora Maxwell Award:**  
**\$200 million in assets and above:**  
**1<sup>st</sup> Place:** Fairwinds CU  
**2<sup>nd</sup> Place:** GTE Federal CU  
**Honorable Mention:** Pen Air FCU  
**\$100 million-\$200 million:**  
**1<sup>st</sup> Place:** Tampa Bay FCU  
**2<sup>nd</sup> Place:** Florida Credit Union  
**Honorable Mention:**  
 Sarasota Coastal CU  
**\$50 million-\$100 million:**  
**1<sup>st</sup> Place:** THE Credit Union of Palm Beach County  
**2<sup>nd</sup> Place:** NCSC FCU  
**Honorable Mention:**  
 Panhandle Educators FCU

**\$20 million-\$50 million:**  
**1<sup>st</sup> Place:** JM Associates FCU  
**2<sup>nd</sup> Place:** UCF FCU  
**Honorable Mention:** Central Credit Union of Florida  
**Louise Herring Award:**  
**\$100 million in assets and above:**  
**1<sup>st</sup> Place:** Bell-Tel CU  
**2<sup>nd</sup> Place:** Sarasota Coastal CU  
**Honorable Mention:** GTE FCU  
**Less than \$100 million:**  
**1<sup>st</sup> Place:** UCF FCU

## Banks chewed out for opposing reg relief for CUs

Both the chairman and the ranking Democrat of the House Financial Institutions Subcommittee took banking industry representatives to task for criticizing credit union provisions in H.R. 3951, the regulatory relief bill that was the focus of a recent hearing.

Subcommittee Chairman Spencer Bachus (R-Ala.), set the tone in his initial comments after representatives from the American Bankers Association (ABA), Independent Community Bankers of America (ICBA), and America's Community Bankers (ACB) all devoted a substantial portion of their five-minute oral statements to attacking various credit union provisions in the legislation.

"You all went to public school. Have you ever been in a food fight?" Bachus asked, to laughs from the audience. "It usually gets you into trouble. It's not constructive." The

chairman stressed his aim is to pass legislation that is "a win-win" for all involved.

"Our goal is to take regulations that make no sense and eliminate them." CUNA voiced support for the legislation and did not attack provisions in the bill that would aid banks or thrifts.

Rep. Maxine Waters (D-Calif.), the panel's ranking member, also told the bankers their CU criticism was out of line. "It appears there's relief in this legislation you'll all benefit from," she noted. "It's in the best interest of all of us to have you operate in ways that will serve the citizenry of this country to the best of your ability. I like institutions that provide multiple services. To the degree you do that, we provide better products to American taxpayers."

Chairman Bachus said bankers would have cause "to be nervous" if credit unions

were gaining significant market share over banks. But, he stressed that's not the case.

"Are credit unions eating into bank share? The answer is no," he said. "As a total share of financial assets, it's gone from 1.4% to 1.7% in 23 or 24 years." He recalled a banker constituent who had complained that a local CU had tripled its business, when it turned out the bank during the same time had also tripled in size.

Chairman Bachus specifically questioned the banks for opposing the CUNA-backed provision in the legislation that would allow privately insured CUs to access the Federal Home Loan Bank System (FHLBS). "I'm not sure your argument will fly," he told the bankers, noting that federally insured CUs already had such access, as do insurance companies.

*continued on page 11*

## Florida Credit Union League Board of Directors

**Laida Garcia, Chairman**

*District #5 Director*

Florida Central CU

**Trudy Prince, CCUE, 1<sup>st</sup> Vice Chairman**

*District #4 Director*

Central Florida HealthCare FCU

**Melba Jordan, CCUE, 2<sup>nd</sup> Vice Chairman**

*District #2 Director*

State Employees CU

**Chris Brooks, Treasurer**

*At Large Director*

Monsanto Employees CU

**John Hirabayashi, Secretary**

*At Large Director*

Educational Community CU

**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

**Greg Blount**

*At Large Director*

Tropical Financial CU

**Tom Napier**

*At Large Director*

Sunshine State CU

**Carolyn Parslow**

*At Large Director*

Suncoast Schools FCU

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[www.fcu.org](http://www.fcu.org)

## Measuring the progress

The bankers went to Washington last month. Nothing new there. They spend a lot of time in Washington. They appeared before the Subcommittee on Financial Institutions.

Again, nothing new, bankers appear before banking committees and subcommittees quite regularly. The bankers used the occasion to attack credit unions. Once again, nothing new. Bankers delight in attacking credit unions and trying to define credit unions in their own terms. But, this time, instead of politely listening to the attacks, or very quietly agreeing with the bankers, members of the subcommittee struck back.

Subcommittee Chairman Spencer Bachus (R-Alabama) blasted the bankers for not offering constructive comments. Rep. Bachus went on to point out to the audience and bankers that bankers could be worried if credit unions were gaining significant advancements in market share, which, as he said, is not the case. Ranking Democrat member Maxine Waters (D-Calif.) also joined in the "bash the banks" session. Rep. Waters reminded the bankers that the bill in question had relief provisions for the banks, as well as credit unions. She termed the criticism leveled by the bankers against credit unions as being out of line.

Well, that kind of takes your breath away, doesn't it? Can you ever remember members of Congress so enthusiastically leaping up to defend credit unions? With the exception

of the kind remarks made by supporters of H.R. 1151 during the final debate, I couldn't.

It also points out with tremendous clarity the success that credit unions have had in the past six years educating our elected officials. Chairman Bachus was one of only eight members of Congress who voted against H.R. 1151. Now, after six years of educating him about market share and what credit unions are all about, he is now lecturing bankers for being out of line in criticizing credit unions.

There is no question that credit unions are continuing to grow in esteem and importance to our elected officials. The fact that a regulatory relief bill is now being considered in Congress where members of a subcommittee, working with directions from the committee chairman, are pointedly making sure that provisions that help credit unions, as well as banks, will get equal treatment and consideration clearly underlines our new found influence.

Continuing to grow relationships and becoming even more a part of the system is our ongoing goal. Just six short years ago, credit unions had to go to Washington with our hat in hand to ask our elected officials to preserve the system. We were told at the time by many members that that was the first time they had ever heard from us. We vowed to correct that.

I think we can honestly say that we have. Welcome to the future!



*Guy M. Hood  
President/CEO*

## League election results announced

Two current members of the Florida Credit Union League Board of Directors and two newly elected individuals have been elected to serve three-year terms on the Board beginning June 1. Re-elected were: **Chris Brooks** of Pensacola, a volunteer board member of Monsanto Employees Credit Union and **Wesley Atkins** of Panama City, CEO of Bay Credit Union. Elected for the first time: **Mary Ott Wood** of Tampa, President/CEO of Florida West Coast Credit Union and **James Taylor** of Tallahassee, volunteer board member of SCORE Federal Credit Union.

The new Board members will assume their duties at the Board's Reorganization Meeting, which will be held immediately following the League's Annual Meeting on Saturday, June 1. The Reorganization Meeting will also select a new chairman and table officers for the 2002-2003 year.

Currently, **Laida Garcia** of Tampa's Florida Central CU serves as chairman.

## CUNA Mutual

# DISCOVERY CONFERENCE REGISTRATION DEADLINE IS MAY 31



The CUNA Mutual Group is extending registration for its Discovery Conference 2002 through the close of business on May 31. Online registration will temporarily close for administrative purposes at the end of the day on May 8, but will re-open May 13 and continue through the end of the month.

The 7th annual Discovery Conference, "Unlock the Power," will be held in New Orleans, June 12-15, at the Marriott and Sheraton hotels. Dennis Dollar, NCUA chairman, and Mark Sanborn, internationally known motivational speaker on leadership and delivering world-class customer service, will be among the scores of featured speakers as hundreds of executives and staff from the nation's leading credit unions converge on the Crescent City.

Registration is \$850, with discounted rates available when three or more attend from one institution. For more information on the event, accommodations, and to register for "Discovery 2002-Unlock the Power," go to [www.cunamutual.com](http://www.cunamutual.com), and click on "Resources," or call (800) 937-2644, x6891 to request a copy of the Registration Guide.

Fast becoming one of the industry's premier hands-on professional development conferences for working credit union leaders, Discovery 2002 offers more than 80 learning sessions jammed with practical, action-oriented information. Conference participants will learn from industry experts and speakers of national and international renown, and also can benefit from the many networking opportunities.

## Volunteer of the Year Selected

Russ Brown, a long-time member of the Sarasota Coastal Credit Union Board of Directors, has been chosen as the recipient of the 2002 Florida Credit Union League Volunteer of the Year Award. Brown received his award at the 2002 FCUL Convention. He was chosen by the FCUL Hall of Fame Committee and was nominated for the award by Sarasota Coastal CU's CEO, Tom Randle.

Mr. Brown has served his credit union, Sarasota Coastal Credit Union, as a volunteer since January, 1973. During his years of

## Southeast Corporate

# Southeast Corporate Hosts 25<sup>th</sup> Anniversary Annual Meeting and Educational Forum

Southeast Corporate recently marked its silver anniversary at the Caribe Royal Resort in Orlando. Members gathered to conduct their annual business meeting, followed by a full day of educational forums and a half-day ALM workshop.

Southeast's President and CEO, Bill Birdwell made it clear the course he is steering as he leads the Corporate. "While Southeast Corporate has a distinguished past, we're in a new century now, and it's a very different environment for corporates than it was 25 years ago. Our goal is for Southeast Corporate to become the best corporate in the country, and the dominant corporate in the southeastern part of the United States. I don't just want to achieve this vision; I'm committed to it, and the volunteers and staff are also committed."

At the Annual Meeting, members elected three directors to fill expiring terms on the board. Jim Mitchell, president/CEO of Army Aviation Center FCU in Dalesville, AL, and Ron Fye, president/CEO of Florida Commerce CU in Tallahassee, FL, were each re-elected to three-year terms. Joe Mangum, president/CEO of Mississippi Telco FCU in Pearl, MS was elected to fill a two-year term.

Immediately following the Annual Meeting the board held a reorganization meeting to determine board officers. The board re-elected the following officers who will serve until the 2003 Annual Meeting: Chairman: Jim Mitchell, president/CEO Army Aviation Center FCU; Vice Chairman: Ron Fye, president/CEO Florida Commerce CU; Treasurer: Ron Gracie, president/CEO Coastline FCU; Secretary: Tim McMurry, president/CEO PowerNet Credit Union.

At the Economic Forum on day two of the event, economists James D. Likens, Ph.D., Bill Hampel, Ph.D., and Donald Ratajczak, Ph. D., each shared insights into the national and local economy. All agreed that the economy has turned, interest rates will rise by the end of the calendar year and cautioned that it will take some time for all segments to begin to feel the economic upturn.

service he has held every elected position on the Board of Directors, including a ten-year term as Chairman. He has also served on the nominating committee, the executive committee, the insurance committee and the budget committee. Russ Brown has regularly and consistently supported FCUL, CUNA and CUES by attending conferences and seminars that promote professional development and broaden his knowledge of credit unions. He was one of the first Florida volunteers to graduate from FCUL's FCUMI in the late '70's.

Brown will also, as a result of his selection as Volunteer of the Year, be inducted in the FCUL Hall of Fame.

# A new way to save money at Office Depot

It is called a Store Purchasing Card (SPC) and it is an in-store account card. The card allows you to shop Office Depot's Retail Super Stores and receive the Business Service's Division Purchasing Plan price and bill your account. It's that simple.

## What's the advantage?

Many credit unions wanted the option of shopping online or at an Office Depot store. Those credit unions participating in the Cooperative Purchasing Program are now able to take advantage of in-store specials at their Local Office Depot store. You'll receive the **lower** of the store price or the Purchasing Plan price - that way you can take advantage of any Manager's Special.

Another advantage is that all purchases made with your Store Purchasing Card will be billed on your monthly statement, and at the register you will receive an amended receipt with program prices. This way your accounting records will stay consistent, cutting down on your paper work.

## What do you need to do?

Contact the Florida Credit Union League Service Group or your Office Depot Service Consultant and ask for the Store Purchasing Card Application. Fill out the forms, sign them and mail or fax them to the information below. When you're set up, your Office Depot Account Manager will deliver your new SPC Cards directly to you.

Office Depot's Business Services Division is working hard to make this program easy and convenient for you to use. If you have any questions please call Deirdre Osowski, 800-342-1266, ext. 380 or email [Deirdre.Osowski@fcul.com](mailto:Deirdre.Osowski@fcul.com). at FCUL Service Group, Inc.



(L-R) Fred Hunter, FSG Director of Business Development, with David Herold, assistant manager of Office Depot, examining the Office Depot program for savings



**SAVE 10%**  
**OFF ONE OFFICE SUPPLY**  
**ORDER PLACED BETWEEN**  
**MAY 13, 2002 & JUNE 30, 2002**  
**of \$ 250.00 or more.**

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Only available online at [www.bsnet.officedepot.com](http://www.bsnet.officedepot.com).)

Participating credit unions SAVE 10% off your next Office Depot supply order of \$250 or more. Use this opportunity to purchase needed office supplies and furniture during this special discount offer from Office Depot's Business Service Division (BSD).

Be sure to use your BSD account number when making your purchase online at [www.bsnet.officedepot.com](http://www.bsnet.officedepot.com). Once you receive your BSD invoice, fax to: Deirdre Osowski, 850-574-6374 at The FCUL Service Group, Inc. and a 10% discount will be credited to your account the following business day.

# Education

## 2002 Chapter Presidents/Leaders Conference

Twelve dynamic Florida Credit Union League Chapter leaders from 10 chapters around the state met in



Tallahassee last month for the Chapter Presidents/Leaders Conference. Participants shared chapter experiences, expressed ideas and discussed ways to build and strengthen the credit union movement. The theme for the event was Growing the Partnership.

During the business portion of the conference, Jeff Jakubik of FAIRWINDS Credit Union and the Central Florida Chapter President, was elected as the new Chair of the Chapter Presidents' Board for 2002-2003.

Participants were:

Sandy Adcock, Sara-Mana Chapter  
Bill Enfinger, Tallahassee Chapter  
Sharmon Goins, Tampa Chapter  
Jeff Jakubik, Central Florida Chapter  
Steve Jeppson, North Central Chapter  
Carmen O'Reilly, Southernmost Chapter  
Carolyn Parslow, Tampa Chapter  
Marie Peet, Pinellas Chapter  
Margaret St. John, Suwannee Chapter  
Michael Whalen, Palm Beach Chapter  
Randy Witte, Broward Chapter  
Deb Woodlief, Tallahassee Chapter

## STAR, VAP, and MERIT Certificates

*Congratulations to the following individuals who have earned certification levels in the Staff Training and Recognition (STAR), Volunteer Achievement (VAP), Volunteer Leadership Program (VLP) and Mid-Manager's Enrichment Training (MERIT) Programs.*

*Additionally, we salute these credit unions who have recognized the importance of investing in their most important assets ... their staff and volunteers*

### VAP CERTIFICATES:

**Indian River FCU:** Haynes McDaniel

### STAR CERTIFICATES:

**Bay Credit Union:** Jackie Lundy

**Bay Pines FCU:** Renee Cammarano, Karen Frank

**Bell-Tel CU:** Ellen Williams

**Campus USA CU:** Donna Lansberry

**Central Florida HealthCare FCU:** Kelle Boneta, Mari Ani Camchong, Laurie-Anne Green, Brenda Simmons, Mary Snyder

**Community Educators CU:**

Jacqueline Hydorn

**First Choice CU:** Christine Curry, Ramona Maldonado

**Florida Hospital CU:** Susan Green

**GTE FCU:** Holly Coe, Sempra Johnson, Johnnie Collins

**Jax FCU:** JoAnn Brittle, Margaret Roberts

**Jax Navy FCU:** Kenneth Aikey, Melinda Dartt, David Michael, Tricia Dampier, Christine Shaefer

**MacDill FCU:** Sherry Demoranville

**Martin FCU:** Janet Wheeler

**Pen Air FCU:** Kristal Kelley, Tracie Stevens, Angela Farnell

**Pinellas County Teachers CU:** Julia Berry Smitten, Darla Binge, Deborah Mueller, Penny Lewis

**State Farm Florida Reg. Office FCU:** Rona Davis

**Suncoast Schools FCU:** Kenneth Bauer, Cynthia Beach, Katherine Betz, Kristy Broughton, Annabell Carter, Jennifer Cathey, Faith Diaz, Sherry Floyd, Jennifer Graves, James Gukeisen, Tijuana Harris, Julia Howard, Peggy Majeski, Angelica Myles, Cynthia Ramirez, Elsie Rodriguez, Jennifer Russell, Marbeya Salmeron, Karen Smith, Lynn Thompson, Jennifer Troutt, Cathy Turenne, Lynn Thompson, Gretchen Watson

**Sunshine State CU:** Theron Gibson

**West Coast Federal ECU:** Joyce Seger, Richard Hall

### MERIT CERTIFICATES:

**Central Florida Postal CU:** Kristina Asher

**Educational Community CU:** Karena Johnson

**Florida Aircraft FCU:** Jeffrey Marshall

**Jax FCU:** Carolyn Smith

**Orlando FCU:** Heather Alexander

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



(L-R) Jeff Jakubik and Michael Whalen enjoy a light moment at the Chapter Leaders Conference



(L-R) Randy Witte, Cassandra Grayson, Carolyn Parslow and Sharmon Goins take a break from the Chapter Leaders Conference.



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

**Bell-Tel Credit Union** was recently awarded a Golden Mirror Award by the Credit Union Executives Society (CUES). The CUES Golden Mirror Award annually recognizes the credit union industry's most creative and results-producing marketing efforts. Bell-Tel Credit Union was honored to be recognized across all asset categories for their youth program, The Cool Savers Crew.

Bell-Tel's Cool Savers Crew also received a Diamond Award from the Credit Union National Association (CUNA). The CUNA Diamond Award represents the pinnacle of credit union marketing, and is awarded based on strategy, creative concept, and results.

Lynn W. Owen III, President/CEO of Bell-Tel Credit Union said, "We are proud to be recognized among our peers for our efforts to educate youth. Bell-Tel is committed to teaching our young members the importance of saving and spending responsibly."

In addition, CUNA presented Bell-Tel with a Best Practices Award for sales and service incentives. Jody Walls, Vice President of Communications and Business Development, spoke at the annual CUNA conference to help educate other credit union professionals on how to implement a successful staff incentive program. Bell-Tel is recognized as one of the top employers for working families in Central Florida.



(From Left to Right) Kristy Moist, Bell-Tel CU Marketing Director; Jody Walls, Vice President Business Development and Communications with awards

## GP Community CU goes "hog wild."

Bringing the bacon home. GP Community FCU President/CEO Rick Leonardi poses with the champion swine, Bubbles, and the owner, Chase Rich. The credit union purchased the animal to support the local community. The swine was later donated by the credit union to the Rodheavers' Boys Ranch.



## FAIRWINDS CU opens branch in Oviedo

FAIRWINDS Credit Union proudly announces the Grand Opening of their newest service center, located in **Oviedo** at 77 Geneva Drive.

The new Oviedo location, starring Service Center Manager Jane Hammontree, is fully equipped to handle all financial needs with convenient operating hours and 24-hour ATM access. Hours are Monday thru Thursday from 9am to 4pm, Friday from 9am to 6pm, and convenient Saturday hours from 9am to 1pm. Drive thru windows are also available.

The Oviedo Service Center is the fourth opening for FAIRWINDS in the last year. MetroWest, Lake Mary, and Orange City locations were also added. FAIRWINDS now offers 15 convenient locations throughout Central Florida and offers membership to anyone living or working in Orange, Seminole, Volusia, Lake or Osceola counties.

## Educational Community CU announces scholarship winners

Five area high school students will receive college scholarships from **Educational Community Credit Union**. Recently selected for the award were:

- **Temma Harris**, Orange Park High School – senior class vice president, honor society secretary, member of golf, weightlifting, and debate teams as well as Interact, who will attend the University of Central Florida with a major in English literature
- **Tiffany Monks**, Orange Park High School – senior class senator, student council secretary, member of chorus, Interact, and Future Business Leaders of America, who plans to earn a degree in graphic design from Flagler College in St. Augustine
- **Martina Lynelle Perry**, Stanton College Preparatory School – member of student government association, Interact, National Spanish Honor Society, National Honor Society and other organizations, who will study communications at Florida State University
- **Sofiga Rak**, Terry Parker High School – member of drama club and National Honor Society, who plans to attend the University of North Florida prior to medical school
- **Aimee Tingen**, First Coast High School – member of community softball team and National Honor Society, and who plans to attend the University of North Florida

All five students will receive \$1,000 each year, renewable for three more years, for a total of \$4,000 each. The scholarship is named for one of ECCU's founders, Raymond A. Vinson, and is offered to ECCU members and their families who demonstrate leadership and financial need. Other requirements are listed in a brochure mailed to high school guidance counselors in the seven counties from which ECCU draws its members: Baker, Clay, Duval, Flagler, Nassau, Putnam and St. Johns.

## Regulatory Update



**B**ill Berg, CCUE, CUCE, vice president of compliance, brings regulatory changes to your attention through this column. If anyone has questions or suggestions for additional topics, call (800) 342-1266

### ACH Affidavit & Electronic Requirements

NACHA approved rule amendments regarding affidavit requirements. NACHA proposes to alter the NACHA Operating Rules (Rules) so that they will have the following effects:

- The Rules will allow any affidavit required by the Rules to be obtained and retained in an electronic form.
- The Rules will clarify that the affidavit needs to be a “written statement under penalty of perjury,” but need not be notarized.
- The Rules will be amended to facilitate the use of electronic agreements and electronic storage of records in conformance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act). This rule will allow any agreement, authorization, affidavit or other record required by the Rules to be executed in an electronic form. The term records includes notices, disclosures, and other forms that must be provided under the Rules.

*This rule amendment became effective on March 15, 2002.*

### Fed Adjusts the Amount of Mortgage Fees that Trigger Additional Disclosures Under Truth in Lending

The Federal Reserve Board (Fed) has announced its annual adjustment of the dollar amount of points and fees that trigger additional disclosures and prohibitions under the Truth in Lending Act (TILA) for certain mortgage loans. The dollar amount will be adjusted from \$465 to \$480 for 2002.

These adjustments are required under the Home Ownership and Equity Protection Act of 1994, and the disclosures and prohibitions will now apply when total points and fees on a loan exceed \$480 or 8 percent of the loan amount, whichever is greater.

*This adjustment became effective as of January 1, 2002.*

### Revising Disclosure Requirements Under HOEPA

The Federal Reserve Board issued a final rule revising the disclosure requirements under the Home Ownership and Equity Protection Act (HOEPA) which imposes specific requirements for certain high-priced loans. These requirements are incorporated in Regulation Z. A loan was covered under HOEPA if the annual percentage rate (APR) exceeded comparable Treasury securities by more than 10 percentage points. The final rule will lower this threshold to eight percentage points for first-lien mortgages. The threshold for second-lien mortgages will remain at 10 percent. A loan is also covered under HOEPA if points and fees exceed eight percent of the loan amount or \$465 (this increased to \$480 on January 1, 2002). Points and fees will now include amounts paid at closing for optional credit life, accident, health, or loss-of-income insurance, as well as other similar products, such as debt cancellation.

### Final Rule Amending HMDA

The Federal Reserve Board approved a final rule amending Reg C (HMDA). Amendments to this rule that may affect credit unions include:

- Revising the definition of a “refinance.” The new definition will be “a transaction in which a new obligation satisfies and replaces an old obligation by the same

borrower, where both the old and the new obligation are secured by a lien on a dwelling.

- Revising the definition of “home improvement loan.” The new definition will differentiate between secured and unsecured home improvement loans. For secured home improvement loans, the new definition is “any loan made in whole or in part for home improvement purposes.” Note that this definition dropped the classification test. The definition for an unsecured home improvement loan remains the same as the old rule which is based on both whether any part of the loan is used for home improvement purposes and is classified by the lender as a home improvement loan.

- Requiring lenders to report pre-approval requests that are denied, and to designate those loan originations that were initiated under a covered pre-approval program. Lenders are permitted, but not required, to report pre-approval requests that are approved but not accepted by the applicant. Pre-approval programs are those programs in which a creditor issues a creditworthy applicant a written commitment to extend credit that specifies the maximum amount of credit that it commits to extend and the period of time during which the commitment remains valid.

- Requiring lenders to indicate whether an application or loan involves a manufactured home.
- Requiring lenders to request race, ethnicity, and gender information from telephone applicants. This would make telephone applications consistent with mail or Internet applications.

The final rule is effective for data collection beginning January 1, 2003 for submission by March 1, 2004.

## Credit Union Political Action

### “Team Credit Union” hooks up with legislator

“Team Credit Union,” made up of Jay Hogan, President of Duval Federal Credit Union; Jim Ryan, CCUE, President of JM Associates Federal Credit Union; Bill Dagnall, Regional Marketing Manager of Navy Federal Credit Union; and Grace Potter Freni, Director of Political Action for the League, played golf recently at a campaign fundraiser tournament for Rep. Aaron Bean (R-12). Not only was the group able to spend time with Rep. Bean, but also with Jim Fuller, Duval County’s Clerk of the Court and former member of the Florida House of Representatives. During the tournament it was discovered Mr. Fuller is a member of Navy Federal Credit Union and has been

since he first joined the Navy more than 30 years ago! This group represented the Jacksonville area credit unions well with the public servants and the other community leaders.



*(L-R) Jim Fuller and Bill Dagnall share a moment during the golf gathering.*



*(L-R) Bill Dagnall, Regional Marketing Manager of Navy FCU; FCUL Political Action Coordinator Grace Potter Freni; Rep. Aaron Bean; Jay Hogan, President of Duval FCU; and Jim Ryan, President of JM Associates FCU gather at the golf course.*

## Legislature passes CFO provision and adjourns; FCUL plans busy summer

The Florida Legislature completed their business on May 13, and returned home to pay attention to their campaigns for reelection or election to a higher office.

During the two-week special session, in addition to several non-controversial bills, they completed a 1,776-page rewrite of education governance; a \$50.4 billion budget; and of significant interest to state chartered credit unions, a bill merging the departments of Banking & Finance and of Insurance.

The organizational structure of the new Department of Financial Services is to be created over the coming months by a five-member “Committee of Transition Management.” The members are to be appointed by Governor Bush, Comptroller Milligan, Treasurer Gallagher, Senate Appropriations Chair Lisa Carlton, and House Fiscal Responsibility Chair Carlos Lacasa. The timetable for making those appointments was not specified in HB 3 E.

Many of the functions of both departments have been consolidated under the CFO. However, to assuage Comptroller Milligan’s concerns regarding separation

of the regulatory and constitutional functions in the financial services and insurance arenas, HB 3 E stringently limits the CFO in regulation of insurance, financial services and securities. To help separate those functions, the bill creates a separate entity within the Department of Financial Services – the Financial Services Commission, consisting of the Governor, the CFO, the Attorney General, and the Agricultural Commissioner.

Under the Financial Services Commission are two “offices” —an Office of Insurance Regulation and an Office of Financial Institutions and Securities Regulation. Each of the Offices will be lead by a director who is hired/fired by the Financial Services Commission. In order to hire/fire a director, the vote must be a majority of three (of four members of the Commission) with the Governor and the CFO on the prevailing side.

Now, work begins in our attempt to influence the Committee of Transition Management that will determine how, and under what organizational structure, state chartered credit unions will be regulated.

Efforts have already begun to persuade the principals that credit unions need to be regulated equally and separately from banks.

### Summer Activities

This will be a busy summer for the Governmental Affairs Department! We have candidate interviews planned for the coming weeks where staff and GA Committee members will have an opportunity to participate in our grassroots efforts. Keep your eyes open for information regarding the “meet and greets” and “candidate nights” that the GA Department is scheduling. We intend to focus on areas we did not reach last summer as well as other areas where there are interesting campaigns.

The new marketing materials for the “Deduct-a-Buck” program were mailed and hopefully they’ve been reviewed by every Florida credit union CEO/manager. Designed for easy implementation, it requires minimal effort on the part of your staff. The upside is that if the program takes off and reaches maximum potential, it can make CUPAC the best funded political effort in the state (and one of the best in the nation).

## Thank You!

The contributions keep coming in for this year's Annual Drive Fund for the Florida Credit Union Foundation. A special thanks to the following individuals and credit unions:

### Bronze Level

Clay Electric Employee's CU  
Central Florida Postal Credit Union  
Ed Baranowski  
President - Fairwinds CU  
Coast to Coast CU

### Silver Level

Educational Community Credit Union

The foundation is truly "People Helping People", so if you have not made your contribution for 2002 please consider lending your support. If you have any questions, please call Connie Stoutamire, Director of Horizons, at (800) 342-1266, ext 334.



## Clarke American

# Clarke American Introduces First Online Chat Capability in the Check

Clarke American Checks, Inc., introduced the first online chat capability in the check industry as part of its enhanced contact center services. "E-service," the company's suite of automated and online support capabilities, enables credit union partners and their members to now communicate directly with a representative through a real-time, "chat room" format to have questions answered or gain additional information regarding their checks- Clarke American, a provider of checks and innovative products and services, produces more than 10 billion personal and business checks a year.

Clarke American's automated and assisted support options are available 24-hours a day, 7 days a week via telephone and the Internet. Now credit union partners and their members can conduct check-related business anytime and any way they want.

Clarke American is the first company in the check-printing industry to offer chat capability to customers on a check-ordering Web site. The upgrade in technology enables Clarke American to handle e-mail more efficiently and provide Web site chat capability, in addition to allowing credit

union partners and their members self-service through a searchable Frequently Asked Questions section. Heightened security on e-mail and chats through Secure Sockets Layer (SSL) technology, the industry-standard method for protecting Web communications, ensures the privacy of sensitive information over the Internet.

Credit union partners and their members can choose either automated ordering through Clarke American's check-ordering Web sites and IVR or assisted contact services via a toll-free telephone number, Internet e-mail and real-time chat support.

"Having the ability to choose which method they would like to use when conducting business with Clarke American offers members and partners maximum flexibility and convenience, resulting in increased satisfaction," said Mary Lynn Wooten, vice president of contact center services.



## CUNA & CANON U.S.A. Expand Product Offerings

CUNA & Affiliates is expanding its strategic alliance with Canon U.S.A., Inc., a subsidiary of Canon Inc. (NYSE: CAJ), to offer credit unions digital multifunction copier output devices, that copy, print, scan and fax in one unit, as well as stand-alone copiers and fax machines. Leasing services are also available through the new program

With Canon multifunctional copiers, the most novice users easily can create professional reports, sales brochures and presentations. Finishing options such as collating, duplexing, stapling, binding, booklet maker and folding combine with office color to produce polished documents that present credit unions in the most professional image possible.

"The market is definitely shifting to digital, networked, all-in-one output devices," says Tracie Sokol, director and general manager, National Account Division, Canon U.S.A., Inc. "We are confident that our new relationship with CUNA and industry leading multifunction copiers will save credit unions time, space and money, plus add functionality and reduce maintenance costs, a good formula for improving efficiency."

"For the past five years, CUNA and Canon's Image Filing Systems Division have helped credit unions increase access to critical files while reducing file storage space and gaining cost efficiencies," notes Wes Millar, vice president of Strategic Alliances

for CUNA. "As part of CUNA's Budget 2002 promotion, credit unions purchased over a million dollars of Canon imaging equipment in the first quarter of this year alone, a sales record. Canon is the satisfaction leader, and with our new Multifunction Copier Program we plan to build on this success to help credit unions gain even greater efficiencies."

For more information, visit [www.cuna.org](http://www.cuna.org) or call CUNA customer service at 800-356-8010 (press 3) and ask to have a Canon copier representative contact you. A regional account representative from Canon will be assigned to work with each credit union.

## 34 Graduate from CUES® CEO Institute

Thirty-four credit union executives make up the class of 2002 of the Credit Union Executives Society's **CEO Institute**. Part of the CUES Center for Graduate Studies, CEO Institute is an advanced executive educational experience designed specifically for credit union senior executives.

Since its inception in 1995, more than 200 credit union executives have completed CEO Institute's highly rated three-year curriculum, which is held at three acclaimed executive education schools: The Steinberg Conference Center at The Wharton School, University of Pennsylvania, Philadelphia; Johnson Graduate School of Management, Cornell University, Ithaca, N.Y.; and Darden Graduate School of Business Administration, University of Virginia, Charlottesville, Va. Those who complete the CEO Institute program and two post-segment projects are eligible to become a Certified Chief Executive (CCE).

Robert Boland, CCE, president/CEO, AltaOne Federal Credit Union, Ridgecrest, Calif., describes his three-year CEO Institute experience as "totally invigorating." He credits the program's hands-on exercises for helping to develop "a bonding and camaraderie among the executives." Boland adds that the team-oriented exercises at CEO Institute III helped him to realize that "if

it exists, it is possible...I can take that leadership approach back home and fire people up." And, he adds, "now that I'm back in the office, I know that these ideas...they're not going to just stay on the shelf like some other programs. We use these skills every day. Any credit union executive-level leader will benefit from CUES' CEO Institute."

CUES is a Madison, Wisconsin-based independent membership association for credit union executives worldwide. Its mission is to advance the professional development of credit union CEOs, senior management and directors.

### CUES Institute Graduates

R. Christy Lee, CCE  
VP/Electronic Services  
Community Educators CU  
Mark N. Starr  
President/CEO  
Florida CU  
Lynne Truschel, CCE  
Chief Operations Officer  
Sarasota Coastal CU  
James J. Weibert, CCUE, CCE  
Chief Financial Officer  
Community Educators CU

## Corinne Henningsen to retire from League



Corinne Henningsen

Florida Credit Union League Director of Conventions and Conferences, Corinne Henningsen, will retire from the FCUL staff on June 7, 2002 after almost 16 years of service. Corinne has directed the planning

and production of the League's Annual Convention since 1987. When asked which Annual Convention she remembers as her favorite, she replied "I always like each year better than the last." That must mean the 2002 Convention will be her best!

Corinne will move to Texas to be near her grandchildren and just three minutes from the golf course. Corinne is an avid golfer and just last month was one of the foursome that won the Tallahassee Chapter Golf Tournament.

She and her husband laugh about the prospect of being able to spend more time together. She says "we'll see..."

We will miss Corinne, but wish her all the best in her retirement.

## Ten questions to ask to get the most out of money order growth

Now that American Express has announced it is pulling out of the money order business, many credit unions, recognizing the need to provide this service to their members, must find a new program. Before selecting a new money order program, credit unions should consider whether the program offers:

- Accurate back office reconciliation that doesn't ask you to check and recheck if a batch has been sent;
- Money orders payable to \$1,000, saving members money when they need higher denomination amounts;

- Online white copy reporting that saves staff time and money;
- Credit union hands and globe imprint and solid name recognition that eliminates any problems with checks being cashed in foreign countries;
- Reasonable fees — or do they charge a monthly fee on top of a per item fee;
- Free marketing materials;
- A money order machine with free maintenance;
- Escheatment on on-cash money orders;
- Fraud detection procedures in place;
- A low income credit union program that

can help attract members and keep them from high cost check-cashing outlets. More than 2,000 credit unions have chosen the consistent service of Travelers Express money orders. To learn more about the CUNA/Travelers Express Money Order Program, contact Shirley Mazanet at 800-356-9655, ext. 4290 or [smazanet@cuna.com](mailto:smazanet@cuna.com). CUNA has maintained a strategic alliance with Travelers Express for more than 25 years.



## How did they come up with these rates?

By: Todd Torgersen, President, Combined Insurance Services and Benefits Consultant to CU Personnel



Todd Torgersen

If you've been involved in your company's health insurance selection process, you know how difficult things are today. Insurance companies have consolidated, or gone out of the market completely, leaving employers fewer choices. According to many national prognosticators, health insurance prices are expected to climb more in 2003...large companies should expect from 13% to 20%, while small companies should be braced for increases up to 30%.

Many small employers wonder how rates are developed for their policies. The reality is that small group rates, defined as employer groups with 1 to 50 eligible employees, are highly regulated in Florida. In addition, Florida is a "guarantee issue" state, meaning small group insurers must offer the plans to all employers regardless of health status, preexisting conditions, or claims history. While this has obvious benefits to employers seeking or changing coverage, insurers indicate that this is a key reason small group rates continue to escalate.

How do insurance companies rate small groups in Florida? First, they develop modified community rates, a methodology which spreads risks across a large population. The rates ultimately vary group to group often due to the following factors that may be applied for: age, gender, family composition, tobacco usage, and geographic area. Additional adjustments are allowed for claims experience, health status, or duration of coverage. Factors for administrative and acquisition expense, based on group size, may be developed as well. For new groups, carriers may deviate from their approved rates by as much as 15% for claims experience, health status, or duration of coverage. For renewal business, the maximum experience rate adjustment is 10%. These rate variations apply to the entire group, not individuals within a group. Much of the group's rates are determined by the age/sex demographics of your employees. The smaller the group, the more sensitive the rates are to changes in census.

Many employers are concerned about their ability to continue funding health insurance in light of the continued increases. While there are few silver bullets, it is critical that employers develop a strategy for their

employee benefits. A few thoughts include:

•**Bring in expertise:** if you don't have a qualified agent/consultant, consider getting one. They can help you with the renewal process, market review, provide advice and keep you up on the latest industry developments. Consider them an out-sourced employee.

•**Increase employee contributions:** many employers are asking employees to contribute more, or for the first time, to their health plan costs.

•**Change paradigms:** many employers and employees will change their thinking around what makes a reasonable benefit program. Insulating employees from the real cost, via low co-pays or deductibles, serves to increase claims utilization and subsequently premiums.

•**Become a "large employer":** consider using the services of a top-notch Professional Employer Organization. They help small employers in many ways, including the large buying power they bring to insurance companies.

Health care costs will continue to rise regardless. Having a good strategy in place can help make sure you aren't paying more than you should.

### Employment Opportunity: CU Chief Operating Officer

Progressive, \$35 million employee's credit union in the hub of the Florida Panhandle, located in Chipley, Fla. is seeking its first Chief Operating Officer. Applicants will supervise employees, manage all operations of the credit union and will work with the Board of Directors to continue the dynamic growth experienced in the last several years.

Ideal candidate will have experience in all key operational areas, possess strong interpersonal skills, plus an appreciation of the credit union philosophy. Degree preferred. \$45-60K.

Send resumes and references to: Ira Carter, Chairman of the Board, Florida DOT District 3 Credit Union, POB 623, Chipley, FL 32428.

## Bankers chewed... *continued from page 1*

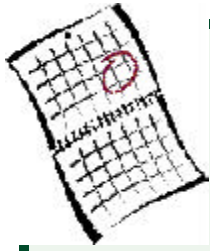
As CUNA did in its testimony, Bachus said privately insured CUs are regulated and subject to safety and soundness requirements. This was in response to banking groups' contention that privately insured CUs would pose a risk to the FHLBS, a point ICBA tried to emphasize in its testimony by noting that the National Association of FCUs (NAFCU) opposes this provision.

Finally, Chairman Bachus pointed out that the FHLBS provision was inserted into the bill "not by me, but by the full committee chairman [(Rep. Mike Oxley (R-Ohio))] — which is even more significant, if you've been around this place."

Ranking Member Waters agreed with Chairman Bachus' assessment on FHLBS

access. "It's hard to argue if credit unions can already access the Federal Home Loan Bank System, some should be kept out."

Chairman Bachus warned the banking groups that causing division by attacking the CU provisions could jeopardize the future of regulatory relief legislation. "I'd use your dynamite and political might on looking at things that will benefit your institutions and the consumers you serve," he told the bankers, citing CUNA's support for CUs to sell wire transfers to those within their fields of membership as a good example. "If you want to get a bill out, you need to pay more attention to what benefits the members of your association."



# FCUL Calendar of Events

## JUNE 2002

Date Event

**19-21 Florida Supervisory Committee and Board of Directors Conference**  
St. Petersburg – Fee: \$495

**27 Disaster Planning Workshop**  
Biloxi, MS – Fee: \$150

## JULY 2002

Date Event

**18, 23, 30 Disaster Planning Workshop**  
Tampa, Miami, Panama City – Fee: \$150

**23-24 Sales and Service Culture Conference**  
Orlando – Fee: \$295

## AUGUST 2002

Date Event

**7 FCUL Internet Distance Learning**  
Webcast – Fee: \$149

**11-13 Regional Credit Union Security Officials Conference**  
Hilton Head, SC – Fee: \$375

**14-15 Florida, Georgia, South Carolina Regional Human Resources Conference**  
Hilton Head, SC – Fee: \$225

**21-22 Legal Summit**  
Orlando – Fee: \$475 (Early Bird: \$450)

## CHAPTER MEETINGS

For further information, please refer to the League web site  
[www.fcul.org](http://www.fcul.org)

### Broward Chapter

June 11 • July 9

### Escambia Chapter

August 8

### Northeast Florida Chapter

July 25

### Sara-Mana Chapter

June 13 • August 8

### Southernmost Chapter

July 23

### Tallahassee Chapter

June 20

### Tampa Chapter

June 7 (Golf Tournament)

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