



# Florida Credit Union News

A publication of the Florida Credit Union League

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## Dream Realized: Credit Unions to Receive Own State Regulator

A dream that has lived in the hearts of everyone connected with Florida's credit union movement has moved to the brink of achievement. Governor Jeb Bush and the members of the Florida Cabinet, sitting as the Financial Services Commission, has approved a structural plan for the new Office of Financial Institutions and Securities Regulation that includes a separate Bureau of Credit Unions.

Governor Bush, Chief Financial Officer Tom Gallagher, Attorney General Charlie Crist and Agriculture Commissioner Charles Bronson unanimously approved the regulatory structure of the new office, brought about by the merger of the old Departments of Banking & Finance and Insurance, which was mandated by voters four years ago. The new Office of Financial Institutions and Securities Regulation was

created in 2002 by legislation implementing the voter mandated merger, with an effective date of January, 2003. The merged department, the Department of Financial Services was required to submit its structural makeup to the Governor and Cabinet for approval.

From the beginning of the long process that led to the eventual approval, the Florida Credit Union League has been diligently pursuing a plan to include within the regulatory structure the creation of a separate bureau to regulate the state's 109 state chartered credit unions.

Guy Hood, FCUL President/CEO offered this analysis of the process: "The Florida Cabinet reorganization process was fraught with much push and pull by those who had very differing views about what these regulators should 'look like,' how

they would be selected, etc. Throughout all of this, we worked, usually behind the scenes, but sometimes out front, to protect our options about our regulatory and supervision department."

Hood said that CFO Gallagher was very supportive in the creation of the credit union bureau. Hood said that many times during the process the banking interests attempted to derail the credit union bureau notion. "We stood firm with our request," said Hood, "and we got what we wanted, thanks to CFO Gallagher and his staff." The structure of OFISR was determined by the Committee on Transition Management, created as a result of the reorganization legislation passed in 2002. The committee

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## SBA Expands Loan Program to All Credit Unions

The Small Business Administration (SBA) told CUNA that it is expanding its guaranteed loan program to all credit unions, regardless of charter. This action will empower all credit unions to apply for guarantees on small business loans, which can help stimulate the economy and serve members who operate small business.

For many years, SBA has limited credit union participation to only those with community charters. This unnecessarily restricted the flow of guaranteed small business credit to most of America's 83 million credit union members.

But a letter to CUNA from SBA General Counsel David A. Javdan confirms the

legal rationale for making SBA's 7(a) program available to all credit unions.

CUNA has been working on this issue with the SBA, including its Administrator Hector Barreto, for the past 18 months.

In a recent news release, SBA estimated as many as 1,500 credit unions are likely to join SBA's network of lenders. That would represent a potential increase of 30 percent in the overall number of facilities where entrepreneurs can seek capital for their business.

"Building on our existing network of lenders, we can reach more communities, a greater number of entrepreneurs and a more diverse pool of prospective and existing

small business men and women," said Administrator Barreto. "My first priority is to reach as many small businesses as possible. Expanding the number of lending partners we participate with is a good way to accomplish that."

Barreto noted that as part of President Bush's management agenda, "agencies across the federal government have been tasked with finding ways to better manage for results. Expanding SBA's business loan program to include credit unions will help transform the agency into a more

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## Florida Credit Union League Board of Directors

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*District #4 Director*  
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**Melba Jordan, CCUE, 2<sup>nd</sup> Vice Chairman**

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Florida West Coast CU

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*At Large Director*  
Suncoast Schools FCU

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 amy.jowers@fcu.org.

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**VP of Communications:** Mark Ivester

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

## From Our Perspective...

No doubt most of you have seen the news from Utah. There, a banker-inspired legislator has successfully passed a bill that would tax credit unions for having grown to a certain size or offered service over a wide community. No doubt you have also asked yourself, and your League, could such legislation ever be introduced and passed here in Florida? Utah's credit unions may ultimately defeat this legislation, but there is no doubt that passage in one of their legislative bodies sent a shock wave throughout all of the credit union movement. My answer to your question is that we don't think a move to tax Florida credit unions is in the works, but that many hours of hard work are ahead for all of us to make sure. Let me explain why.

Your league has worked diligently and intently for many years to establish relationships with each legislator that serves in the Florida Legislature. We have asked individuals in local credit unions to join with us to nurture these relationships. We have done so in a positive and proactive manner. We are well aware that our friends in the banking association also cultivate and nurture relationships with legislators. Our efforts have tried to build on the positives of credit unions and, with rare exception, have not caused us to back away from building a relationship simply because the bankers were involved as well. We feel this has created an environment that is in credit unions' best interest.

On a more positive note, here in Florida, we have great news to report. As noted elsewhere in this issue, a new Bureau of

Credit Unions will be created within the regulatory structure of the newly created Office of Financial Institutions and Securities Regulation. This bureau will enjoy equal status within the framework of government that the Bureau of Banking will have. Longtime administrator Sharon Whiddon will be the new Bureau's chief. This is, without a doubt, one of the greatest triumphs ever accomplished by your League. The dream of establishing a regulatory structure within state government has been a goal of FCUL for as long as I've been here. A lot of tireless effort and focused attention was necessary to achieve this goal. But, achieve it we did.

The Florida Credit Union League has a strong and experienced lobbying team in place to work for you. Led by your Governmental Affairs Department, this team is known and respected in the hallways of the Legislature and in Congress. Our antennae are up and our radar is focused to the task at hand.

Yes, we will remain vigilant and keep our ear to the ground to detect any movement or activity that might threaten each of our Florida credit unions. We promise to never let our guard down and to maintain close contact with the legislative process to ensure a positive and productive credit union environment. We intend to continue to nurture that positive environment for the benefit of you and the four million members of your credit unions. I urge all of you to continue in your fervent efforts...together we will stand strong!



*Guy M. Hood*  
*President/CEO*

## 2003 FCUL Convention & Exposition Wednesday-Friday, May 28-30, 2003

CREDIT UNIONS: AN AMERICAN  
TREASURE



## Three Ways Credit Unions Can Flourish in a Tough Economy – No. 3

By Glenn Harrison for CUNA Mutual.

*This is the last of a three-part series.*

*In the December 2002 issue of the Florida Credit Union News, the first solution was “When questions abound, be the answer.” Economic uncertainty creates the perfect opportunity for credit unions to show members how to save money, and otherwise improve their financial situations, says Dave Colby, CUNA Mutual’s corporate economist.*

*In the January/February issue, the second solution was “Cooperation - the credit union’s secret weapon.” A key issue for credit union boards, especially for small CUs, will be reducing turnover among executive staff, says Bob Hoel, executive director of the Filene Research Institute. He predicts that credit unions will turn more often to a competitive strategy that has always served them well: sharing.*

This brings us to the last and final solution.

**Solution #3 Build a new credit union brand of sales and service.** Focusing on personal service to members isn’t new to the credit union philosophy, but how credit unions define “personal service” must evolve into a more proactive, collaborative process, says Debra Susens, channel marketing and sales leader in the Members Enterprise.

Insurance companies, retailers, e-tailers and other business entities have joined traditional providers of personal financial services, blurring the old lines in the marketplace and offering a complex array of products and services. Members need to be told exactly how their credit unions can help them achieve their financial goals, Susens says.

“CU employees can no longer simply handle transactions and assume that members know how the credit union could save them money, or help them meet other financial planning needs such as risk management and investments,” Susens says.

**Sales and service belong together** In short, sales can no longer be divorced from service. Susens, a 25-year veteran of financial services marketing, calls the credit union sales model “consultative service,” which is exactly what members need in a marketplace full of new options that can be difficult to sort through.

“In credit unions, sales should result from a dialogue: a ‘service dialogue.’ Engage members in a comfortable conversation to uncover their perceived and unperceived needs, as well as their dreams. Match their needs and dreams to the right solutions,” Susens says. “Credit union employees excel at this type of dialogue, she says, once they understand that the credit union brand of sales is simply to inform members about their options and let them decide, rather than push the product du jour.”

For such a culture change to succeed, it must start with the board and CEO, and flow through the entire organization, says Susens: “You can’t just announce that your credit union will now have a sales-and-service philosophy, and buy some customer relationship management software. Each person in the credit union must understand and believe that they are serving members’ highest needs.”

## SE Corporate’s Annual Meeting – April 10-11

Internationally renowned speakers.... a nighttime yacht cruise in Tampa Bay... outstanding educational sessions and a luxurious setting.... Southeast Corporate’s board of directors and management would like to extend an invitation to credit union managers, staff and volunteers to attend this year’s annual business meeting and conference April 10-11 at the beautiful and historic Belleview Biltmore in Clearwater.

- Obtain the latest regulatory update from none other than the chairman of the NCUA, Dennis Dollar
- Hash over today’s, and the future’s economic conditions with CUNA’s chief economist Bill Hampel
- Discover the newest and best e-commerce ideas from the clever and informed business strategist Rick Broadhead
- Understand the barriers to entry and the keys to success in serving the small business community with our panel of recognized credit union experts, and
- Hear and understand the opinions and viewpoints of the internationally renowned Bear Stearns’ economist and investor John Ryding

The conference is designed with our local credit union members in mind. It’s the perfect opportunity to ask that question you’ve always wanted to ask and share ideas with your peers and friends.

To register, visit Southeast Corporate’s website, [www.secCorp.org](http://www.secCorp.org), and follow the icons, or call Southeast Corporate and ask for Pamela Lovell, marketing specialist at 800.342.0203 ext. 206.

# Belize Credit Union Officials Visit Florida Credit Union League

A group of Belize credit union officials led by Belize Registrar of Cooperatives Zenaida Moya, and Belize Credit Union League Executive Director Natalie Goff met recently with officials from the Florida Credit Union League, Southeast Corporate Federal Credit Union and four Tallahassee area credit unions—FSU Credit Union, SCORE FCU, Tallahassee-Leon FCU and Florida Commerce CU. Cassandra Grayson, Vice President of Education and Training for the Florida Credit Union League and Jason Norton, Vice President of Marketing for Southeast Corporate Federal Credit Union organized the visit.

The group visited Florida to gain a better understanding of the technology, member service and products of U.S. credit unions, as well as examining the overall U.S. credit union system of interrelated league and corporate credit union service. In addition the group met with the staff of technology CUSO United Datatronics.

Jane Usher provided unique insights into the birth of the Belize credit union

movement. Usher was involved at the start of Holy Redeemer Credit Union when Father Marion Ganey, a Jesuit priest from the U.S. convinced three women from the parish to contribute 25 cents each to start



*(L to R) Zenaida Moya, Belize Registrar of Cooperatives; Ronald Hulse, Manager, St. Martin's CU; Natalie Goff, Belize CUL Executive Director; Clement Usher, Financial Controller, Holy Redeemer CU; Jane Usher, General Manager, Holy Redeemer CU; Mike Beall, World Council of CUs; Yolanda Gomez, Manager, La Inmaculada CU; Daisy Dawson, Manager, St. John's CU; and Dushinka Kuylen, Independence Office Branch Manager, Citrus Grower & Workers CU*

the credit union in 1944. Usher recounted the philosophy of Father Ganey as “if you sell fish, you have to smell like fish; if you sell money, you have to look like money.”

Usher remembers getting assistance from CUNA and the Michigan and Illinois Credit Union Leagues on draft legislation modeled after U.S. law. That assistance led to the passage of legislation in the 1950s.

Usher eventually took a pay cut from \$35 week in 1954 to \$25 per month to operate Holy Redeemer Credit Union. She remembers the books being off by \$60 when she started, and the local priest making a deposit to set the books straight as she began to manage the credit union. Today, Holy Redeemer Credit Union serves more than 34,000 members.

Belize recently passed new legislation that will open up a credit union's ability to offer checking accounts, credit and debit cards and ATM access to accounts. The Belize credit unions will be working to strengthen the Belize League to develop relationships that make offering these products and services a possibility via cooperative pricing for the entire movement, which consists of about 14 active credit unions.

## Compliance Officials from Five Leagues Meet

Compliance information and the best means of communicating it to credit unions was the subject of a one-day meeting between compliance officials from the Florida, Texas, Ohio, Georgia and Michigan Credit Union Leagues. The meeting was held at the headquarters of the Texas League, which has developed an innovative Internet-based compliance reference.

All five leagues pledged for the creation of a similar Internet system that would be fashioned to fit each state's unique

compliance needs. The discussions in Texas were necessary in order to determine the best way of bringing this thought to reality.

The group assigned various compliance areas to each league to develop the necessary documentation and Internet “key words” that would help a credit union more efficiently locate the compliance information that was needed.

The leagues are hoping to launch the new system by May 1, 2003.



*(L to R) Diana Houston, Georgia; Bill Braun, Texas; Todd Mason, Michigan; Aletta Shutes, Florida*



## 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 or 850.576.8171 ext. 1028, FAX to 850.558.1029 or e-mail [billb@fcu.org](mailto:billb@fcu.org).

### Proposal Revising NCUA Regulation Regarding FCU Employee Benefits

NCUA issued a proposed rule that amends section 701.19. These revisions clarify the scope of the rule and the investments FCUs may use to fund employee benefits. A proposal was issued in December 2001, which is substantially similar to this proposal. However, because of the comments NCUA received, this proposal addresses additional investment issues related to particular benefit plans.

### Proposed Rule Concerning Branching Outside the U.S. by Federally-Insured Credit Unions

NCUA issued a proposed rule that sets forth the requirements for federally-insured credit unions that wish to branch outside the United States. The NCUA Board is proposing an approval process that requires a credit union to obtain host country approval and develop a comprehensive business plan in order to obtain NCUA approval to establish a branch in a foreign country.

### Recent NCUA Letters to Credit Unions

#### Vendor Information Systems & Technology Reviews – Summary Results - Letter to Federal Credit Unions No. 02-CU-14

This letter includes the Financial Action Task Force on Money Laundering guidance, “Guidance for Financial Institutions in Detecting Terrorist Financing” to assist financial institutions in detecting terrorist financing. The guidance describes the general characteristics of terrorist financing and includes informative case studies.

#### Partnership Opportunities with the Corporation for National and Community Service - Letter to Federal Credit Unions No. 02-FCU-12

This letter identifies the Corporation for National and Community Service’s AmeriCorps VISTA program as organization

with which credit unions can partner in their efforts to create economic empowerment in the neighborhoods and communities they serve.

### Interest Rate on Judgments during 2003

Section 55.03(1), Florida Statutes, requires the Comptroller, on December 1 of each year beginning in 1994, to set the rate of interest that shall be payable on judgments and decrees for the year beginning the following January 1. Additionally, Sections 215.422(3)(a), 337.141(3) and 687.01, Florida Statutes, were amended to require the use of interest at the rate established in Section 55.03(1), Florida Statutes, for the payment of interest applicable to the late payments to vendors for goods and services purchased by the State, for late payments on applicable construction or maintenance contracts administered by the Department of Transportation, and for cases where a rate of interest is not specified in a contract. The interest rate for payments to health care providers pursuant to Section 215.422(13), Florida Statutes, remains at 1% per month or .0003333 per day. Rule 3A-25, Florida Administrative Code, establishes the procedures for computing the interest rate on an annual basis.

The rate for 2003 has been lowered from 9% to 6%, which mirrors the 41-year low in interest rates throughout the economy.

The Department of Banking and Finance has done a very nice job putting this information together at their web site [www.dbf.state.fl.us/interest.html](http://www.dbf.state.fl.us/interest.html)

### HMDA Exemption Threshold

Credit unions and other depository institutions with assets of \$32 million or less at year’s end are exempt from Home Mortgage Disclosure Act (HMDA) data collection in 2003, the Federal Reserve Board announced.

The Fed sets an asset-size exemption threshold for depository institutions under Regulation C (Home Mortgage Disclosure) each year. The Fed calculates the exemption

using the annual percentage change over 12 months in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

### Current and Prior Years’ Rates

Year	Per Annum	Daily Rate
2003	6%	.0001644
2002	9%	.0002466
2001	11%	.0003014
2000	10%	.0002740
1999	10%	.0002740
1998	10%	.0002740
1997	10%	.0002740
1996	10%	.0002740
1995	8%	.0002192
From 10/01/81 thru 12/31/94:		
	12%	.0003333

### Posting of Financials

Most credit unions post their financials in their lobby and have done so for years and years. If you are a state chartered credit union, there is no law, rule, or regulation that requires this information to be posted.

However, for federal credit unions, the standard bylaws: Article VII, Section 6(c), states, “Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and submitted to the board and **post a copy of such statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.**” – emphasis added. This standard bylaw does not apply to state chartered credit unions, but the NCUA encourages this disclosure.

Virtually all of this information is available at [www.ncua.gov](http://www.ncua.gov) which, makes a physical publication of them redundant.

### Mileage Rate for 2003

The IRS announced a change in the mileage rate to 36 cents per mile (down from 36.5 cents per mile during 2002).

## 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:

**Orlando FCU:** Debbie Owen  
**Tampa Bay FCU:** Robert Seth

### STAR CERTIFICATES:

**Bay Pines FCU:** Valerie Mahr, Elaine McCall  
**Bell-Tel CU:** Deana Crenshaw, Jonathan Harris, Alice Vorachek  
**Broward Schools CU:** Elizabeth Sandoz  
**Campus USA CU:** Tina Gehringer Minor  
**Central Florida HealthCare FCU:** David Blair, Lauren Dozier, Deborah Mckinney, Petra Miskova, Laura Sutphin  
**Community Educators CU:** Jennifer Favreau, Shelly King  
**Eckerd CU:** Angela Lingerfelt  
**Escambia County ECU:** Cynthia Hutchens  
**Fairwinds CU:** Maria Franqui, Jessica Henchy, Lourdes Morales, Michelle Russell, Simone Sterling  
**Florida Central CU:** Connie Nastars  
**Florida Commerce CU:** William Dixon  
**Florida Hospital CU:** Cora Green  
**GTE FCU:** Lisa Reho, Linda Sowell  
**Harvesters FCU:** Kimberly Saul  
**Jax FCU:** Jill Thomas Aviles, Kimberly Watson  
**Martin FCU:** Leroy Costner  
**Orlando FCU:** Debbie Owen  
**Pen Air FCU:** Cabrini Bowe, Carol Cole, Cindy Heal, Krystal Kelley, Karen Kling, Tracie Stevens  
**Pinellas County Teachers CU:** Susan Bayes, Sharon Buchanan, Emily Chabina, Marcia Cipich, Karie Cornell, Deborah French, Carolyn Gilmore, Cynthia Griffin, Angie Hausdorf, Linda Montgomery, Lisa Weaver, Tammy Williams  
**San Antonio Citizens FCU:** Alanda Orender  
**Seminole Schools FCU:** Alice Malone

**Suncoast Schools FCU:** Sylvia Alcaraz, Frances Aldridge, Kristy Broughton, Jennifer Byrd, Diane Clary, Hope Clough, Cheryl Cobble, Linda Fales, Ann Fischer, April Flasher, Vanessa Fletcher, Suzanne Foley, David Gonzalez, Glissette Gonzalez, Michele Green, Darlene Helms, Cynthia Jenkins, Callie Kepler, Tessa Littlejohn, Charlene MaybinLane, Thaciana Michel, Yolani Moraguez, Kristen Novakoski, Vicky Nguyen, Edward O'Neill, Kimberly Pellegrini, Raquel Perez, Marlyn Sanders, Laura Simmons, Amanda Stone, Donald Story, Lynn Thompson, Rochelle Thorne, Rebecca Vargas Boiter, Gretchen Watson, Michael Watson  
**Sunshine State CU:** Misty Smith  
**Tampa Bay FCU:** Robert Seth  
**Tyndall FCU:** Janie Balthazar  
**VyStar CU:** Ramona Chaplin, George Regan, Teasha Schaefer

### MERIT CERTIFICATES:

**Community Educators CU:** Susan Schoen, Christine Tindell Dawson  
**Florida Central CU:** Donna Haynes, Elearnor Maas  
**Pen Air FCU:** Kristal Kelley, Tracie Stevens  
**Power 1 CU:** Rosemary Sarmiento  
**SunState FCU:** Jack Gamble  
**TMH FCU:** Lyndell Maxwell

## 2002 Year-end Figures Show Double-digit Growth in Savings and Assets

The nation's federally insured credit unions posted growth in membership, assets, loans and shares during 2002 according to December 31, 2002, preliminary call report data.

Real estate lending, representing the largest segment of credit union loans, continues to outpace other loan categories while the amount of mortgage loans sold on the secondary market is showing a marked increase. The percentage of first mortgage real estate loans sold to first mortgage real estate loans granted grew from 29.2 percent in 2000 to 35.9 percent in 2001, and to 40.9 percent in 2002, demonstrating that credit unions access the secondary loan market as part of their asset-liability management programs.

The amount and percentage of growth reported in the major balance sheet and income statement categories and key ratio changes include:

- Assets increased 11.1 percent, up from \$501.5 to \$557.1 billion;
- Loans increased 6.3 percent, up from \$322.4 to \$342.6 billion;
- Savings increased 10.8 percent, up from \$437.1 to \$484.2 billion;
- Investments increased 25.3 percent, up from \$112 to \$140 billion;
- Equity increased 10.5 percent, up from \$54.7 to \$60.5 billion;
- Loan to share ratio declined from 73.8 to 70.8 percent;
- Net worth to total asset ratio declined from 10.8 to 10.7 percent;
- Membership increased 2 percent, up from 79.4 to 81 million; and
- Delinquency ratio declined from 0.82 to 0.80 percent.

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

## Insight Financial CU Appoints Executive



**Insight Financial Credit Union**, formerly Bell-Tel Credit Union, is pleased to announce Stacie Caldwell has been appointed Business Development Executive for the Seminole County area. Caldwell has more

than five years of experience in business development, sales and marketing. She is a graduate of the University of Central Florida and is currently a member of the UCF Alumni Association.

### Correction:

In last month's issue, the headline, "Government ECU of Florida Changes Name to Florida CU" should have read, "Government ECU of Florida Changes Name to *First Florida CU*."

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## Insight Financial Credit Union Sends Valentines to Local Vets

Candice Nowadly, Real Estate Manager at **Insight Financial Credit Union**, formerly Bell-Tel Credit Union, presented seven large boxes of valentines to the James A. Haley Veterans Hospital in Tampa, which serves approximately 350,000 veterans in Central Florida. The valentines included much needed items such as shampoo, soap, toothpaste, combs and socks. These goods were sent in addition to sugar-free candy and handmade valentines.

This is the fifth year for the staff at the credit union to participate in the Valentines for Vets program, which they won a First Place Louise Herring "Philosophy in Action" award for in 2002. Each year, employees and members are encouraged to make valentines for veterans in care facilities as part of the Department of Veterans Affairs (VA) National Salute to Hospitalized Veterans held during the week of Valentine's Day.

If your organization is interested in donating items to local veterans, check your local directory or contact the VA toll-free at 800.827.1000 or visit their website at [www.va.gov](http://www.va.gov) and click on "Health Benefits and Services" to find the nearest facility.



## Tampa Chapter Unveils New Logo

The Tampa Chapter of Credit Unions is proud to present their new chapter logo. Previously, the Chapter did not have one. The inspiration came from Chapter President Carolyn Parslow, Senior Vice President of member service operations for Suncoast Schools FCU, and Board member Sharmon Goins, Manager of Florida Customs FCU, after attending a Florida Chapter Presidents conference, recently in Tallahassee.

"The Tampa Chapter Board discussed it, and since it is our goal to stay involved in credit union and community events, we felt it important to have a logo that would provide a strong identity going forward," said Carolyn.

Chapter Board member Marilyn Bolling, Vice President of marketing for Railroad & Industrial Credit Union, worked with Mitchell Mayer Marketing Group Inc. to design the logo. They wanted an image that would convey not only the strength of

the organization but also Tampa's unique personality.

"We found that symbolism in Tampa's skyline, most notably the minarets of the University of

Tampa, whose buildings harken back to our city's past, while shining brightly towards its future. Add to that the sunrise colors in the word 'Tampa,' and we knew we had succeeded in capturing the spirit of the Chapter" said Marilyn.



## Credit Union Political Action

### Dinner and Discussion

Aletta Shutes, Grace Potter Freni, and Mark Landreth, CAE, enjoyed dinner, recently, with Senator Posey, Chair of the Banking and Insurance Committee, and his aide John MacIver. Also attending was Senator Posey's friend and FCUL lobbyist Bernie Parrish. During the evening, Rep. Bob Allen's aide, Matt Dupree, dropped by to introduce them to a candidate for the upcoming special election for House District 30, Ritch Workman.



(L to R) Mark Landreth, CAE, FCUL; Aletta Shutes, FCUL Executive Vice President; Senator Bill Posey, Chair of the Senate Banking & Insurance Committee, Grace Potter Freni, FCUL; and Bernie Parrish, FCUL contract lobbyist.

### Special Election for Senate Seat

Rep. Mike Haridopolis (R-30) is running in a special election for the Senate seat of Howard Futch who passed away early this year. Grace Potter Freni and Mark Landreth recently meet with Rep. Haridopolos and Senate President Pro Tempore Alex Diaz de la Portilla (R-34) at the office of Jim Smith, FCUL contract lobbyist. The Representative, a dedicated grassroots campaigner, mentioned he knocked on almost 30,000 doors during his last campaign and hoped to do 20,000 in this abbreviated election. He also said he appreciated the support he has received from Dave Brock at Community Educators Credit Union in Rockledge.



(L to R) Sen. Alex Diaz de la Portilla, Grace Potter Freni and Rep. Mike Haridopolos.

### Have You Registered for the FCUL Legislative Summit – April 9-10?

If not, why not? You still have time! Join FCUL in Tallahassee for the 2003 Legislative Summit. It is designed to actively involve credit union leaders in state and federal political and regulatory issues. This year's Summit will feature not only the all-important governmental affairs briefings from your lobbying team members, but also Pat Haggerty, a Washington, D.C. political and journalism veteran, and Richard Gose, CUNA's Vice President of Grassroots and Political Action.

The Summit will kick off, Wednesday evening, with a reception at the Governor's Club to which House and Senate members have been invited. The registration fee is \$100. If you would like to attend the reception only, you may by paying \$30.

For more information, contact the Governmental Affairs department at the League, 800.342.1266, ext. 1008.

### Do you Deduct-A-Buck?

Florida West Coast CU and GTE FCU are preparing for big CUPAC Deduct-A-Buck campaigns this spring. They are using the League's new and improved marketing materials as well as creating additional programs of their own. Two other credit unions are following up on campaigns they started last fall by including stuffers in

their spring quarter statements. Pen Air FCU and San Antonio Citizens FCU are ensuring growth for the program by getting the stuffers in front of their members multiple times. If your credit union would like to participate in the Deduct-A-Buck program, call Grace Potter Freni at 800.342.1266 ext. 1010.



## A' hunting We Will Go...

Grace Potter Freni, Director of Political Action, recently attended the annual "Doc's Quail Calcutta" in Washington County. Sen. Durell Peaden (R-1) hosts the hunt, which brings legislators from around the state together, allowing Sen. Peaden an opportunity to showcase the Panhandle. This event is also a great way for Grace to build relationships on behalf of Florida's credit unions with the legislators in a relaxed atmosphere. Grace says she sees the benefits of attending this type event almost every time she visits legislators on the Hill. "You don't win the 'Can't hit the Broad Side of the Barn' award and not make lots of friends," said Grace.



(L to R) Sen. Ken Pruitt (R-27) Chair of the Appropriations Committee; Grace; and Sen. Durell Peaden (R-1) who serves on the Senate Banking and Insurance Committee



Grace and Senate President Jim King (R-8)

## CUNA Launches New Consumer Web Site Under .COOP

At CUNA's Governmental Affairs Conference, Pete Crear, Chief Operating Officer at CUNA, announced the launch of the first national, consumer-focused credit union web site under the .coop Internet domain.

"At CUNA's new consumer web site, users will know, by the address that appears in the browser, [www.creditunion.coop](http://www.creditunion.coop), that credit unions are different and better financial institutions because they are cooperatives," Crear said of the organization's decision to launch the new educational site using the .coop domain. "Just like credit unions, this site is for service, and that's what .coop conveys."

CUNA developed the new site to provide consumers with targeted, relevant and timely information about credit unions and financial literacy tools in an easy-to-navigate format. Much of the information already appears on the [www.cuna.org](http://www.cuna.org) site, Crear said, but that site is not designed for consumers and the information isn't as easy to find.

In addition to credit union background information and educational materials from CUNA's Home and Family Finance

Resource Center, some of which are offered in Spanish, the site allows consumers to search for credit unions by zip code and distance radius, by town or city, or by a specific credit union name.

Crear urged credit unions to use the .coop domain for their web addresses so they can clearly identify their businesses as consumer-owned and governed financial cooperatives, allowing them to differentiate themselves from investor-owned banks.

The domain name [www.creditunion.coop](http://www.creditunion.coop) had been reserved under the dotCoop Community Names Program, which withholds generic sector web addresses, like [creditunion.coop](http://creditunion.coop), for use by the entire cooperative community, rather than one specific business. CUNA applied to dotCoop to serve as the steward of the [creditunion.coop](http://creditunion.coop) community site and was awarded the domain name late last year.

From now until March 31, U.S. credit unions will receive a 20 percent rebate on all .coop web addresses they buy at the regular price. For more information on the rebate offer, contact Richard Dines at 202.383.5442 or [rdines@ncba.coop](mailto:rdines@ncba.coop). For more information about .coop, see [www.coop](http://www.coop).

## Show Youth They Count at Your Credit Union – April 13-19, 2003

Your credit union faces a choice: Attract young members now, or pry them from other lenders a few years down the road. Either way, you'll need young adults to fill the growing shortage of borrowers.

Just 26 percent of consumers age 18 to 24 belong to a credit union, well below the adult average of 36 percent. One reason penetration is so low with this group is that they simply don't know what credit unions are or how they can benefit them.

Youth Week is your opportunity to introduce youth to the benefits of credit union membership and to offer youth some solid money management skills.

National Credit Union Week is a great time to raise awareness among young consumers (and their parents) about the many benefits of credit union membership. Use this week as a catalyst to launch your youth financial literacy program.

Start by building awareness and work up to joining credit unions around the country sending volunteer educators into high school classrooms through the free NEFE® High School Financial Planning Program®. You'll find some great celebration ideas online – visit [www.cuna.org](http://www.cuna.org) and enter "YouthWeek" in the search box.

# SBA Expands Loan Programs

*continued from page 1*

responsive, customer-centric organization. The SBA is committed to serving small business men and women as an effective and efficient 21st century national organization; including credit unions will help SBA achieve that goal.”

“We at CUNA consider this announcement by SBA to be very good news for credit unions,” says CUNA President and CEO Dan Mica. “Finally, credit unions will be able to offer more of their services to their members with small businesses. We appreciate SBA’s faith and interest in credit unions’ ability to help small business grow and prosper.”

However, Mica notes that “the banking industry is not likely to greet this announcement with the same enthusiasm. In fact, we have heard some rumblings that the bankers are considering legal action against SBA. We certainly hope the bankers will see the folly in that position, as it denies small business a significant channel for further growth—something the economy of this country certainly could use.”

Within hours of the original story posted on CUNA’s Web site, the American Bankers Association (ABA) blasted it. “Now credit unions have been given the opportunity to apply for a tax-funded program although they pay no taxes,” complained Floyd Stoner, executive director of ABA congressional relations. “This is another attempt by credit unions to take advantage of the same privileges and reap the same benefits without the same responsibilities that tax-paying banks have.”

All three NCUA Board members applauded SBA’s move:

· Chairman Dennis Dollar — “NCUA believes that credit union participation in the 7(a) loan program will not only expand the reach of that valuable program, but the loan guarantees built into the 7(a) program will be a risk management tool which will

allow more credit unions to positively serve their members and impact their communities through being a conduit for start-up business capital. SBA’s legal interpretation will serve to further NCUA’s Access Across America initiative even as it enhances the success of its 7(a) loan program. The results of this decision will greatly benefit agency initiatives of both SBA and NCUA, as well as that of the (Bush) Administration.”

· Vice Chair JoAnn Johnson — “This step is a solid demonstration of Washington being able to help the economy by eliminating obstacles to the delivery of credit to the small business community. The result is consistent with the Administration’s emphasis on expanding the pool of SBA lenders and focusing more attention on small borrowers. I believe there is a huge potential for credit unions to continue to assist existing and start-up small business financing needs.”

· NCUA Board Member Debbie Matz — “This demonstrates the benefits of partnering which I always advocate for credit unions. NCUA, credit unions and credit union trade associations, working with SBA, have achieved a tremendous result. Small business people who do not have access to other financial institutions will be the beneficiaries.”

## 2002 Year-end Figures Show Double-digit Growth

*continued from page 6*

The favorable rates and the fast-paced real estate market in 2002 saw first mortgage real estate loans, the largest lending segment, grow 13 percent, up from \$89.1 to \$100.7 billion while other real estate loans

grew 8.9 percent, up from \$42.6 to \$46.4 billion. In other large lending segments, used auto loans grew 8.7 percent, up from \$66.3 to \$72.1 billion while new auto loans grew 0.4 percent, up from \$60.2 to \$60.5 billion. Member-business loans (MBL) saw a marked increase in 2002. MBLs increased 23 percent, up from \$5.4 to \$6.6 billion during the year.

With an inflow of funds, member savings increased across the board. Regular shares, the largest category, gained 15.1 percent, up from \$149.4 to \$172 billion; money market shares gained 24.3 percent, up from \$69.5 to \$86.4 billion; and IRA/KEOGH accounts gained 8.2 percent, up from \$39.6 to \$42.8 billion. Share certificates, which represent a large portion of total shares, grew 0.1 percent, up from \$118.1 to \$118.3 billion.

While the loan-to-share ratio declined from 73.77 to 70.77 during 2002, significant deposit growth yielded continued investment growth. Investment deposits in corporate credit unions grew 37.7 percent, up from \$19.3 to \$26.6 billion; and CMO investments grew 24.8 percent, up from \$9.6 to \$12 billion.

Total equity at the nation’s 9,688 federally insured credit unions grew 10.5 percent, up from \$54.8 to \$60.5 billion. Regular reserves grew 3.7 percent, up from \$15.6 to \$16.2 billion, while net income increased 28.3 percent, up from \$4.4 to \$5.7 billion. The net charge-off ratio increased from 0.46 to 0.51 percent

Looking at electronic financial services (EFT), the number of federally insured credit unions offering worldwide web or internet browser service increase 18.7 percent during 2002, up from 2,894 to 3,434 institutions. Likewise, the numbers of homebanking/PC accounts, audio phone response, automatic teller machines and kiosks increased across the board while most types of electronic services offered also saw marked increases — membership applications, new loans, new share draft accounts, and loan payment mention just a few.

## Dream Realized

— continued from page 1

consisted of appointees of the Florida House of Representatives, Florida Senate, the Governor's Office, the old Department of Banking & Finance and the old Department of Insurance. The group made their final presentation to the Financial Services Commission on January 28.

The Office of Financial Institutions and Securities Regulation will be administered by Director Don Saxon, a long-time employee of the old Department of Banking & Finance, and Deputy Director Alex Hager. Sharon Whiddon, who has been the chief credit union administrator since 1984, will head the new Bureau of Credit Unions.

FCUL's Hood expressed thanks to all who helped achieve this victory. "There are several contributing factors to this celebratory event, but none greater than perseverance, credit union influence in the right places and just plain stubborn, hard work. Our entire team did all Florida credit unions proud on this one, and I feel a little pride myself. Today the trend in state governments is to downsize and consolidate. To succeed in the face of that trend is a tremendous victory for credit unions in Florida."

The new structure is expected to be ratified by the Florida Legislature during its annual session, which began March 4.

## Sales and Service: Identify Obstacles

*This is the second of a 5-part series of articles for this column. They will focus on developing a Sales and Service Culture, providing a few ideas for you to use with your credit union.*



Liz Russell

In last month's article, *Getting Started*, we looked at the importance of the decision to implement a sales and service culture. Once it is decided to buy into this concept, take the time to consider what kind of obstacles you will encounter. The only certainty is that you will run into difficulties. By acknowledging this and planning ahead, you will give yourself a strategic advantage.

Obstacle identification will require some honest inspection because they will come up in the most unlikely places. Is the Board of Directors willing to support you in this even when the going gets tough? Does the credit union's mission statement, both written and unwritten, reflect the commitment to developing a sales and service culture? Is it possible that the credit union movement itself can serve as a barrier to change? Are members likely to balk at the new developments?

While the answers to these questions shouldn't stop you from going ahead, it is helpful to realize that this might require the involvement of those who may initially perceive the change as threatening to or inconsistent with their character. When a change comes along that someone didn't seek, there can be a bit of anxiety or even fear. Since fear is commonly masked by anger, don't be surprised to encounter some expression of anger or hostility over the change.

One way to overcome this is by providing training and education. Can I say enough about that? This is one of the most critical parts of making a successful cultural transition. Not only do you need to have an initial training session, but an ongoing program, formal and informal. Product

knowledge gives your employees the ability to identify ways the product can help your members. Sales training gives your employees techniques for making suggestions and overcoming objections. Knowledge is power and power gives your employees the confidence necessary to suggest products and services that will benefit your members. The same principle applies to members as they learn the new routines dictated by new systems.

Obstacles will also be encountered in service delivery. Through my experience in management, I have found the best way to identify these hurdles is to go directly to the front line service providers...the employees. Staff meetings, focus groups and individual conversations can all serve to encourage feedback on the quality of

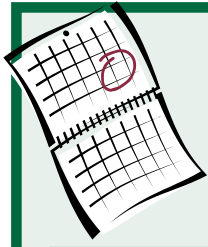
service and any problems regarding the delivery of these services. This is where the "unwavering commitment" by management is important. You might not always like what you hear but at least you know the issues! This approach is invaluable since it empowers your employees

and involves them in the occurring changes.

My next article will further address the importance of involving employees in change and developing a solid team to support the change.

**"The only certainty is that you will run into difficulties. By acknowledging this and planning ahead, you will give yourself a strategic advantage."**

FCUL is looking for a way to share what other credit unions have been doing. To accomplish this, we'd like to collect samples of incentive plans already being used to share with all credit unions. To do so, simply e-mail a Word document to [liz.russell@fcul.com](mailto:liz.russell@fcul.com) or fax a copy to 850.558.1143. If you have any questions, feel free to call me at 866.834.4479, ext. 1142. Thank you in advance for participating in the credit union spirit of sharing!



# FCUL Calendar of Events

## March 2003

Date	Event
7	<b>Fraud &amp; Identity Theft</b> Quick Bites - Fee: \$79
10-13	<b>SE Advanced Lending School</b> Hilton Head SC - Fee: \$975
18-20	<b>Supervisory &amp; Mgmt. Academy</b> Pensacola - Fee: \$229/session \$399/both sessions
25-27	<b>Supervisory &amp; Mgmt. Academy</b> Jacksonville - Fee: \$229/session \$399/both sessions

## Strategies for Reducing Bankruptcy & Increasing Recoveries

27 Ft. Lauderdale - Fee: \$229

## April 2003

Date	Event
8-9	<b>FCUL Chapter Leadership Conference</b> Tallahassee - Fee: no charge
9-10	<b>FCUL Legislative Summit</b> Tallahassee - Fee: \$100
16-17	<b>Compliance Workshop</b> Orlando - Fee: \$229
17	<b>Loan Marketing Strategies</b> Quick Bites - Fee: \$79
23-24	<b>Mortgage Lending Seminar</b> Tampa - Fee: \$329

## CHAPTER MEETINGS

For further information, please refer to the League Website

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

**Central Florida Chapter**  
March 6

**Gulf Coast Chapter**  
March 13

**Northeast Florida Chapter**  
April 24

**Southernmost Chapter**  
March 18

**Tallahassee Chapter**  
April 29 Annual Golf Tournament

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