



AMERICA'S
CREDIT UNIONS™



FCUL

Florida Credit Union News

A publication of the Florida Credit Union League 

In This Issue

President's Message	2
Regulatory Update	5
News from YOU	6
Governmental Affairs	8

May 2003 • Vol. 12- No. 4

Bankers Step Up Their Attack on Credit Unions

An editorial that appeared in the April 28, 2003, issue of the *South Florida Sun-Sentinel* heralds the new strategy now being employed by Florida's bankers. The first step in their campaign was to hire Florida TaxWatch, a noted private think-tank in Tallahassee, to perform a study on the credit union tax exemption. Considering that several powerful bankers sit on the board of Florida TaxWatch, the "study" was done using the parameters assigned to it by the bankers.

To absolutely no one's surprise, Florida TaxWatch concluded that the credit union tax exemption was "harder to justify." TaxWatch President Dominic Calabro said the tax exemptions "are designed to serve their limited array of members, not the general community at large." TaxWatch went on to conclude that if every tax exemption currently in place for credit unions were repealed, the Federal tax coffers would increase by some \$70 million, while state tax revenues would grow by \$30.3 million. The "study" totals assume every credit union would pay the maximum tax in every instance.

Bankers flooded the news media with copies of the "study." Five newspapers wrote stories the day after the TaxWatch report was issued. The headlines were not favorable for credit unions. The *Tallahassee Democrat* headline: "Report: Credit union taxes too lax." The *South Florida Sun-Sentinel*: "Credit union exemption questioned." The *Sarasota Herald Tribune*: "Questions raised over tax breaks." And, finally, the *Orlando Sentinel*: "Study attacks credit unions' tax status." The *Tampa Tribune* reprinted the *Sarasota Herald Tribune* story.

Florida Bankers Association President Alex Sanchez reported what his association's strategy would be. "We're now in the educational stages. We want to educate our elected officials. Where it will lead us, time will tell." Sanchez insisted that FBA is targeting the large, diversified credit unions, not the smaller ones. "We're not talking about St. James AME Church Federal Credit Union or First Baptist Church Oakland Credit Union," said Sanchez. "We say, 'those credit unions, that's what credit unions have historically been. Leave them alone.' We're really talking about those tax-exempt banks who masquerade as credit unions."

The next phase is already beginning in the bankers' "education" efforts. One newspaper editorial, appearing in the *South Florida Sun-Sentinel*, quotes the Florida TaxWatch "study" almost verbatim in suggesting that it was time for a review of the tax exemption. "At a time when vital and worthwhile programs are being slashed, government cannot afford to blindly keep an exemption for a purpose that may no longer be served," states the newspaper in its concluding paragraph.

Florida TaxWatch has laid the groundwork for comparing government budget decisions to the "value" of the tax exemption. TaxWatch concludes that the taxes credit unions don't pay could instead be collected and it would pay for 1,100 first-year teachers, and provide funding for 7,000 miles of highways.

Florida Credit Union League President/CEO Guy Hood calls the banker sponsored attack on credit unions "ominous." "There

Credit Union Tax Exemptions Pale in Comparison to Bank Tax Breaks

Bankers in Florida and all over the country are stepping up their attacks on the credit union tax exemption. Here in Florida, a report by Florida TaxWatch, suggesting that credit unions could cough up over \$100 million in additional tax revenue to help pay for schools and roads is being waived around by bankers. Alex Sanchez of the Florida Bankers Association is button-holing every business reporter and legislator he can find and pointing to the TaxWatch report.

Apparently overlooked by TaxWatch, the Florida Bankers Association and others is a study conducted by the Consumer Federation of America. The CFA study looked into the total impact of every tax break and subsidy afforded to financial institutions and financial providers. It concluded that the tax benefits enjoyed by credit unions were between \$1.1 billion and \$2.6 billion annually, while the banking industry's benefits were between \$46 billion and \$60 billion annually.

In Florida alone, 46 banks are able to take advantage of tax breaks offered to Subchapter S corporations. Those 46 banks total assets exceed \$9 billion. It is estimated, nationally, that in seven years, the total tax breaks given to Subchapter S banks will exceed the credit union tax exemption.

And, do these tax breaks for banks mean anything to consumers? According to a study conducted by CUNA, a detailed examination of Subchapter S bank financial

continued on page 3

continued on page 3

Florida Credit Union League Board of Directors

Laida Garcia, Chairman

*District #5 Director
Florida Central CU*

Trudy Prince, CCUE, 1st Vice Chairman

District #4 Director

Central Florida HealthCare FCU

Melba Jordan, CCUE, 2nd 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

Jim Taylor

District #3 Director

SCORE FCU

Thomas J. Shea

District #6 Director

THE CU of Palm Beach County

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

Mary Wood, CCUE

At Large Director

Florida West Coast CU

Carolyn Parslow

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.

President: Guy M. Hood

VP of Communications: Mark Ivester

Managing Editor: Amy Jowers

www.fcu.org

George Orwell Would Be Proud

Winston Smith, the tortured and doomed hero of George Orwell's dark fantasy 1984, was eventually conditioned by his tormentors to believe that "War is Peace," "Ignorance is Knowledge" and "Slavery is Freedom." The entire population of the novel was eventually conditioned to believe whatever the authorities wanted them to believe by constantly re-writing the past. It was called "doublethink." A modern day example of this is "bankspeak." In the mythical world that the banking industry is trying to create, credit unions are monolithic parasites that are denying the public adequate tax dollars to help fund better schools, better roads, and the means to win the war on terrorism.

By continuing to continually bombard the public and the media with this "bankspeak," the bankers have been conditioning the institutions that we all rely on to govern us and to inform us, so that they, like Winston Smith, will eventually believe that "Ignorance is Knowledge" and "Slavery is Freedom." For, if successful, the bankers will eventually destroy the credit union movement and leave all of us to the mercy of the bankers. Remember, when bankers talk about a level-playing field they mean that they would be the only ones left standing. As we have seen by a recently released "study" of the credit union tax-exemption, the bankers have succeeded in conditioning a formerly well respected private research group known as Florida TaxWatch.

By conducting a study commissioned and paid for by the Florida Bankers Association, Florida TaxWatch has destroyed the integrity that the taxpayers of

Florida have come to rely on for tough questioning of government programs and policies. Florida TaxWatch has conducted a study with a false premise, handed to them by the bankers, that with the conditions placed on them, could only lead to the conclusion the bankers wanted.

With the release of this report the banking industry has set down the challenge. They have fashioned a theme and with their persistence they have succeeded in convincing the well-respected Florida TaxWatch to produce this study. It is no secret

what their next move will be.

Bankers, now armed with their bought and paid for propaganda piece, will waive this report in front of lawmakers, "educating" them with the "verification" bankers have long sought. They will contact opinion makers and point to Florida TaxWatch as proof that the credit union tax exemption is deserving of review. What they didn't count on was most of the reaction our lobbyists found when they shared this report with legislative staffers. Nobody is buying this study. Everyone knows who paid for this study. And credit unions are not going to ease up in efforts to continue to win the hearts of policy makers and lawmakers.

All credit unions must continue to gear up for the fight that is here now. Bankers are single-minded in their quest. We must be just as single-minded and united in our determination to preserve the credit union difference and provide consumers with a real choice. Your League is on alert, strapping on the armor and ready to march with all credit unions arm in arm to victory.



*Guy M. Hood
President/CEO*

Tax Exemptions Pale in Comparison

continued from page 1

results for 2001 shows that these banks charged depositor fees that were a bit higher than the fees charged by other small (and large) banks. At the same time they recorded earnings (ROA) that ranged as much as two times higher than peer commercial banks. For example, Subchapter S bank average ROA was 1.69% for the year while non-Subchapter S banks with less than \$100 million in assets earned 0.79% and non-

subchapter S banks with less than \$1 billion in assets earned 1.05%. Subchapter S bank cash dividends as a percent of assets averaged as much as 2.5 times higher than those at peer banks.

Unlike credit unions, when banks get tax breaks they pad their bottom lines. They don't pass those breaks along to their customers.

Bankers Step Up Attack

continued from page 1

is no question that bankers have a plan and they intend to pursue it aggressively."

Hood went on to say that FCUL would maintain its current advocacy programs to ensure that policy makers and law makers know that the tax exemption is not determined by the size and services of any particular credit union.

"To suggest such is simply not true," said Hood. "The Credit Union Membership Access Act of 1998 reiterated the reason why there is a tax exemption." The law, passed by the House, 411-8, and the Senate, 92-6, stated in its preamble: "Credit unions, unlike many other participants in the

financial services market, are exempt from Federal and most State taxes because they are member-owned, democratically operated, not-for-profit organizations generally managed by volunteer board of directors and because they have the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means."

Hood points out that nothing has changed since that law was passed and to imply that Congress needs to re-examine the issue is an insult to the Congress who debated the tax exemption at some length in 1998.

Ahoy Mates, Treasure Arrives from Italy!

During the Swashbuckling Ball at the Annual Convention, keep your first mate's eyes on the horizon during the **Silent Auction** for the treasure recovered from the deep seas of the Mediterranean off the coast of Italy.

Of course we're pulling your wooden leg, but we are pleased to offer for bid a diamond and ruby designer necklace valued at \$1,450.

The necklace was purchased from an estate in Italy and is convertible so that it may be worn two ways (see picture at right). It has 37 round brilliant-cut diamonds and nine princess-cut natural rubies. This is a must have!

The opening bid will be \$600, so be prepared with your share drafts/checks or credit cards. Once you feast your eyes on this

most unique treasure, no amount of swashbuckling will change the mind of your first mate.



Florida CUs Help State with Pay-day Loan Education

The Florida CU League and credit unions in the state are participating in several of the five "consumer outreach" forums about payday lending coordinated by Chief Financial Officer of Florida Tom Gallagher.

In addition to the League, representatives from AARP, the Florida Bankers Association, Florida Association of Mortgage Bankers, and the University of Florida Extension Service participate in the forums.

At the first forum, April 10 in Jacksonville, Larry Kirkman of First Florida Government Employees CU, Jacksonville, participated. April 22, Bill Cox, Vice President of Operations of Pen Air FCU, Pensacola, was among the speakers.

Other forums will be Tampa, May 12; and Fort Lauderdale, May 23.



(L to R) Bill Cox, VP, Operations, Pen Air FCU; Gallagher; Patty Veal, Director of Marketing, Pen Air



(L to R) Larry Kirkman CCUE, President, First Florida CU; Tom Gallagher

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:

Bay CU: Wanda Fischer
Florida West Coast CU: Carmen Bell
Gulf States CU: Richard Ferlazzo
IBM Southeast EFCU: Kathleen Boyd
Miami Police FCU: Sabrina Jackson
SunState FCU: Jack Gamble
The CU of Palm Beach County: Patrick Shandorf, CCUE
Universty CU: Mary Natiello

STAR CERTIFICATES:

Bay Pines FCU: Elaine Mccall
Broward Schools CU: Amanda Ruddy
Campus USA CU: Vicki Moore
Escambia County ECU: Cynthia Hutchens
Fairwinds CU: Simone Sterling
FirstChoice CU: Robin Gendreau, Pat Wade
Florida Central CU: Michalea Williams
Insight Financial CU: Alice Vorachek
GTE FCU: Tammie Alessandrini, Tracy Ballard, Kimberly Bevis, Nicole Bonnick, Lynn Cooler, Karen Donovan, Terri Fisler, Therese Fontes, Delphine Green, Lisette Gonzalez, Debbie Harris, Rodney Hicks, Deborah Larson, Cynthia Mills, Kristene Paul, Celeste Perkins, Sandra Pratt, Kelli Sabourin, Melinda Southerland, Anne Steinbach, Rene Suwarno, Jennifer Trout, Heidi Whittington
Harvesters FCU: Marcia Taylor
MacDillFCU: KathyMayes, KathleenMcminn
Pen Air FCU: Melinda Cannon, Cindy Heal, Tina Linn, Lucy Ward
Pinellas County Teachers CU: Angie Hausdorf, Katherine Odell, Nancy Sanchez, Connie Thomas, Kimberly Wolcott
Priority One CU: Deana Hennessey
Sarasota Coastal CU: Dawn Muller
Seminole Schools FCU: Linda Cara, Lynda Kavanaugh
Suncoast Schools FCU: Frances Aldridge, Lora Atkins, Michael Bassett, Julie Baumhardt, Barbara Blair, Jan Breakfield,

Kristy Broughton, Terri Bowlin, Jennifer Byrd, Melissa Chappell, Rebecca Chiasson, Sandra Chubbuck, Hope Clough, Robin Coleman, John Cunningham, Linda Dunmire, Lynn Field, April Flasher, Vanessa Fletcher, Sherry Floyd, Tracy Furches, Renee Glassman, David Gonzalez, Dawn Harlan, Raylina Heldenbrand, Desmond Humes, Cynthia Jenkins, Barbara Jones, Pamela Lamatrice, Andrea McCasland, Dianne McDaniel, Esli Manzo, Jessica Martinez, Thaciana Michel, Deborah Nodine, Edward O'Neill, Alisha Pellegrini, Kimberly Pellegrini, Raquel Perez, Molly Pierceall, Lisa Prichard, Victoria Roberts, Vanessa Rodriguez, Deborah Rosebrough, Laura Simmons, Donald Story, Betty Tom, Heather Trachsel
Sunshine State CU: Patricia McDaniel, Shawntavia Robinson, Misty Smith
Telco of Florida FCU: Debora Roberts
The CU of Palm Beach County: Patrick Shandorf, CCUE
UCF FCU: Gail Meyers
VyStar CU: Farida Elbessam, Gail Hersey, Cora Perry, George Regan

MERIT CERTIFICATES:

Bay Pines FCU: Becky Harris, Valerie Mahr
Educational Community CU: Sharon Gunter
Florida Commce CU: Jan Sheffield
Insight Financial CU: Alka Nayee
Suncoast Schools FCU: Kristy Broughton, April Flasher
Tyndall FCU: Shanon Brown
VyStar CU: Marie Hemans

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.

Tips and Tools to Show Training Dollars as an Investment



Cassandra Grayson

In every corner of the training and development field, the pressure to measure the return on investment (ROI) is increasing. At some time or another, virtually every credit union will face this important issue. Here are some thoughts to take into consideration when trying to increase training ROI:

- Choose training programs that have defined objectives that are in line with the needs and goals of your employees and credit union. Once training is chosen, take the time to prep the staff for that training. This is often the most neglected, yet the most effective means for increasing ROI. Preparing employees ensures that staff is tuned in and thinking about ways to apply the new knowledge or skill after the training is completed.
- Have employees target their training expectations. For example: What skills do they want to specifically learn? What information or answers to questions do they want to find? How the employee plans to use this training.
- Have employees recycle what they learned when it's an off-site training. For example: Route printed materials received, make presentations to fellow employees at a staff meeting or during a brown bag lunch meeting of information learned.
- After training is completed, follow up with the employee. Discuss what was learned and how information learned will apply to their job or cause them to do a job or procedure differently. Discuss what the plan of action will be for applying the new knowledge or skill(s).
- Reinforce newly acquired knowledge or skill. Studies estimate that 20-30 percent of training received isn't being used on the job 90 days later.

Give training time to realize its benefits. Often time ROI may not be measurable and evident in a month or two. Know what you are looking for and be patient with your expectations. Once you understand the factors that influence training cost and its effectiveness, then you can raise your ROI.

Training is an investment that pays big dividends. Join us next month and discover training... Is it worth it?



Regulatory Update

Bill 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.

“Do-Not-Call” registry legislation becomes law

President Bush signed a bill into law that would fund the Federal Trade Commission’s (FTC’s) new national “Do-Not-Call” registry to give consumers control over telemarketing calls.

The Do-Not-Call Implementation Act (H.R. 395) authorizes FTC to establish fees by regulation to implement and enforce the provisions relating to the registry.

The bill would allow FTC to collect access fees for Fiscal Years 2003-07. The funds would be spent on offsetting the costs of activities and services related to the implementation and enforcement of the Telemarketing Sales Rule.

The legislation also mandates that the Federal Communications Commission (FCC) issue Do-Not-Call registry regulations consistent with FTC regulations within 180 days after the bill is enacted.

CUNA’s Governmental Affairs Committee voted last month to support this legislation as a way to address unwanted and fraudulent telemarketing practices.

Final changes made to Suspicious Activity Reports

Six agencies have jointly made final changes to the Suspicious Activity Report (SAR) form to improve its usefulness to law enforcement as well as regulators.

No new reporting requirements are being added. The changes fall into two main sections:

- The SAR Instructions section has been updated to conform to the wording of the Safe Harbor Provision regarding suspicious activity reporting and disclosure liability that’s contained in the PATRIOT Act; and
- The revised SAR form includes two new check boxes in Part III - Suspicious Activity Information (Box 35, Summary Characterization of Suspicious Activity).

The new check boxes are for Terrorist Financing and Identity Theft.

In response to comments from CUNA and others recommending that the SAR form provide more detailed guidance—such as when these two new boxes should be checked—the agencies included guidance in the Suspicious Activity Information Explanation/Description, or Narrative section (Part V). At the bottom of the Narrative section, the new SAR form states, “Tips on SAR Form preparation and filing are available in the *SAR Activity Review* at www.fincen.gov/pub_reports.html.”

The *SAR Activity Review* is a semiannual publication that contains examples of suspicious activities and definitions to assist in completing the SAR form. Once at the Web page listed in the Narrative, users can click on “FinCEN/Treasury Reports.”

The changes were made by the U.S. Treasury’s Financial Crimes Enforcement Network (FinCEN), NCUA, and the other four federal financial institution regulators.

The new SAR form is effective July 1.

On-line Protection

Ordering merchandise through the mail or over the phone is a quick, convenient way to shop. But what if the only thing that comes in the mail is the bill? There are steps to take, backed by law, if you are billed for merchandise you never received.

The Fair Credit Billing Act (FCBA) and the Mail or Telephone Order Merchandise Rule protects consumers from having to pay for items that never arrived. Many credit card issuers also have policies against businesses that charge credit cards before merchandise is shipped.

Under the FCBA, you can dispute a billing error on your credit card in the following way:

- Notify the credit card issuer about the bill in question. Include your name, address, and account number. Send it to “billing

inquiries,” not the payment address.

- Send your complaint within 60 days after the erroneous bill arrives.
- Send copies (not originals) of any documents that support your argument.
- Be sure to send it to the right place. In the case of Visa and MasterCard, you should send it to the card issuer.
- The credit card issuer must acknowledge your complaint in writing within 30 days after receiving it, and must resolve the difference within two billing cycles. Meanwhile, you can withhold payment on the disputed amount (and any related charges) during the investigation, but you’ll have to pay any other part of the bill not in question.

Final Rule on Prompt Corrective Action

The NCUA Board issued a final rule implementing revisions to improve and simplify prompt corrective action (PCA) rule, Part 702. The final rule provides a tiered system of minimum capital standards for federally insured credit unions and corresponding remedies to restore net worth. The numerous rule revisions include:

- New risk-based net worth (RBNW) “alternative components” for “callable” long-term real estate loans and for loans sold with partial recourse;
- Relaxed minimum quarterly earnings retention requirement for “adequately capitalized” new credit unions; and
- Relaxed requirements for regulator consent to charge losses to the regular reserve, and to pay dividends from the regular reserve when undivided earnings are depleted.

This rule is effective on January 1, 2003.



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

GTE Federal Credit Union Breaks Ground for New HQ

GTE Federal Credit Union broke ground on its new headquarters, recently. The headquarters will be located at 711 E. Henderson Road.

Reynolds, Smith and Hills, Inc. is providing master planning, architecture and engineering services for the new headquarters.

This twelve and a half acre campus is designed to serve as a hub for the credit union's operations in the revitalized Tampa Heights area. Phase One encompasses the construction of two buildings; a four-story 125,085 square foot headquarters building and a 20,000 square foot Information Technology center. Additional space is earmarked for future growth and expansion.

Darling Elected to SE Corporate's Board of Directors

At Southeast Corporate's 26th Annual Meeting, the results of the membership's election of directors were announced. **Linda Darling**, CCUE, Executive Vice President/CFO at Suncoast Schools FCU was elected to a three-year term, succeeding John Blount, President/CEO of Central Florida Postal CU. Congratulations, Linda!

Northeast Florida Chapter Busy with New Officers, Campaigns

The Northeast Florida Chapter is pleased to announce the following election results:

Elected to the Chapter Board for 3-year terms: Sheree Eddie, Jax Metro CU; Kathy Harrison, Florida Telco CU; Jim Ryan, JM Associates FCU.

New Officers for 2003: Kathy Harrison, President; Kaye Stephens, First Florida CU, Vice-President; Sheree Eddie, Secretary; and Rich Alfievic, VyStar CU, Treasurer.

The Chapter recently rolled out their new branding campaign which included a new logo (shown at right) that reinforces the close alignment with the League. As part of the campaign, the Chapter



published their 2003 Program Calendar outlining topics that will focus on education and will benefit credit unions of all sizes (to view visit www.fcul.org and click on Chapter Calendars.

In addition, the Chapter committed to partnering with the Horizons Program and will offer a complimentary registration to a small credit union for each Chapter meeting throughout the year.

After contributing more than \$20,000 in 2002, and what is believed to be the largest donation from any Chapter to CUPAC, the Northeast Florida

Chapter will continue its commitment to CUPAC and remain politically active hosting campaign receptions and "meet & greets."

Lakeland Medical Employees FCU Celebrates 45 Years of "People Helping People"

Lakeland Medical Employees FCU held its 45th Annual Meeting on April 22, at the Lakeland Center with a Hawaiian theme.

Chairperson Lori Phillips was re-elected for a second term. Other members elected were Doug McInnes and Stephanie Guise.

Bill Berg of the Florida Credit Union League was the special guest speaker.

Ruth Keeney, a Charter credit union member, was recognized for her 45 years of membership and commitment to the credit union movement.

Mr. Al Austin was announced as the new CEO of the credit union.

FAIRWINDS CU Youth Savings Program Wins Diamond Award

FAIRWINDS Credit Union youth savings program won a Diamond Award during the CUNA Conference in Phoenix. The Kids S.A.I.L (Saving As I Learn) savings program uses a combination of educational tools to encourage kids to save.

Young members receive a financial goal chart, record keeper, and educational coloring book that encourage them to set financial goals and save money. Other special features include the *Financial Family Fun Day* and *Be a Millionaire* game session that give kids hands on opportunities to learn about money.

State-of-the-Art for Space Coast Credit Union; \$1 Billion in Assets

Space Coast Credit Union recently unveiled its new corporate headquarters in Melbourne. The new \$8.5 million, 80,000-square-foot building makes it possible for departments that had been previously located throughout Brevard County to work together under the same roof. It's unveiling was perfect in timing, as SCCU has just reported \$1 billion in assets— the sixth Florida credit union to do so.

Doug Samuels, President and CEO of SCCU stated, "We're extremely pleased to have reached this milestone. This achievement is a byproduct of our intense focus over the past two years to improve member retention, increase member participation in our unique products and improve the overall value of membership in our credit union. Opening our new

headquarters at the same time just happens to be a befitting coincidence."

The state-of-the-art building took roughly one year to build and has many smart features. For example, the floor covering is made of carpeted tiles that have computer generated designs. If something happens in an area, the tile design is re-created by computer and only those few tiles will have to be replaced. The design also incorporates natural light. The building has 176 doors and 478 panes of glass.

The credit union, that has 290 employees in Brevard County, started in 1951 as Patrick Air Force Base Credit Union with only seven civil service employees.

Grace Potter Freni, FCUL Director of Political Action was on hand for the ribbon cutting.



Space Coast Credit Union's state-of-the-art corporate headquarters in Melbourne.

Location, Location, Re-location

The St. Lucie Community Credit Union has relocated its office to 2620 South US 1 in Fort Pierce. The credit union was established in 1969 and was originally formed to serve county government employees. In 1993, the State of Florida approved a change to the by-laws to include all persons who live or work in St. Lucie County.

The two main reasons for relocating the office are to attract more people to join the credit union and increase the working area for staff and members. A grand opening ceremony was held March.



Chamber representatives, Board members and credit union staff were on hand at the grand opening ceremony.

ECCU Sponsors Trip to Tallahassee for "Take Stock in Children"

Educational Community Credit Union, with strong ties to the communities it serves, helped to sponsor a Take Stock in Children lobbying trip to Tallahassee in early April. ECCU Vice President Linda Murrow serves as Acting Chair of the Board of Directors of the St. Johns County Education Foundation, which sponsors the St. Johns County Chapter of Take Stock in Children. Take Stock in Florida has programs in all of Florida's 67 counties and held a rally at the state capitol to request additional funding from the legislature to support and enhance core program services (mentoring, case management and performance monitoring).

Due to ECCU's involvement in the

organization and its membership to the Florida Credit Union League, the St. Johns County Chapter of Take Stock in Children, led by Jackie Albritton, the Program Coordinator, had the opportunity to have lunch at the University Club located at Florida State University's Doak Campbell Stadium.

ECCU, a values driven and community minded organization, encourages other organizations to support programs that focus on children, education and the community such as Take Stock in Children. Take Stock in Children is an extraordinarily successful program for improving the lives of deserving, low-income children in Florida. They provide students with an extensive network of early

intervention and long-term support, college and vocational-technical scholarships, volunteer mentors, student advocates/case managers, tutoring, parental involvement, and community support. During the last two years, 80 percent of high school students participating in Take Stock with Children in Florida enrolled in post-secondary education. This enrollment rate is 25 percent higher than the statewide rate for students of all income levels. Students are tracked, monitored, held accountable and agree to maintain good grades, remain drug and crime free, and meet regularly with their mentors.

Credit Union Political Action

FCUL's 2003 Legislative Summit: Positive Experience



Aletta Shutes,
Executive VP,
FCUL

Eighty-plus credit union leaders representing 40 credit unions traveled to Tallahassee in April for the League's annual Legislative Summit. The overall reaction to the event was very positive according to both the credit union attendees and the legislators that attended the reception.

Twenty-one Florida House members and one Senate member attended the cocktail reception held at the Governors Club. Most notably, the "next-in-line" Florida House Speaker, Allan Bense (R-Panama City), who has close banking ties, came by and visited with the group. We are hopeful this visit means the future Speaker will give credit unions an ear.

Also stopping by was Rep. Mike Hogan (R-Jacksonville), who is not only a legislator but also a credit union board member at Florida Telco CU. Unfortunately for the Florida House, Rep. Hogan has decided to leave his seat to run for Duval County Tax Collector. He will be missed.

The diverse legislative turnout represented almost all areas of Florida. If you weren't able to attend the Summit but would like to know if your legislator attended, give the League GA Department a call.

Ray Cromer welcomed the group the following day for our Hike-the-Hill briefing and he said something I want to share with you all. He essentially said he appreciated everyone for coming, but noted it's the same group of loyal attendees. He

encouraged everyone there to bring a friend next year. I applaud his comments and want to repeat his call for not just more attendees, but first-time attendees. The political action of credit unions can only

veteran, inspired us all with his patriotic speech encouraging everyone to get politically involved.

The dates for next year will be announced soon. Please make every effort to attend in 2004.



Jack Kelley, board member (left), and Lesli Dooley, both from Community Educators CU, greet the newest member of the Florida House, Thad Altman (R-30).



L to R: FCUL Board Chair Laida Garcia, Florida Central CU; FCUL Board Member Carolyn Parslow, Suncoast Schools FCU; Rep. Charlie Justice (D-53); Lee Moffitt, FCUL contract lobbyist; and Ray Cromer, Envision CU.



Aletta Shutes, FCUL Executive Vice President; Guy Hood, FCUL President/CEO; and Tom Shea, FCUL Board Member from THE CU of Palm Beach County; are building a relationship with freshman legislator Rep. Adam Hasner (R-87).



Rep. Allan Bense (R-6) visits with Aletta Shutes, FCUL Executive Vice President, and Jim Smith, FCUL contract lobbyist.



Rep. Roger Wishner (center) visits with Tropical Financial CU's President/CEO and FCUL Board Member Greg Blount and his credit union board members Tad Rubin, Fred Fetzer, and Hilda Geer.



Trudy Prince, Central Florida HealthCare FCU, discuss the credit union difference with Rep. Fred Brummer (R-38) and Joe Melbourne, Central Florida Educators' FCU.

increase if we get more people involved. This event is a great way to start.

I also want to mention what a good job our featured speakers did at the briefing. Richard Gose, CUNA's Vice President of Political Action and Grassroots, gave a thorough political outlook for the next election cycle, and Pat Hagerty, a Washington D.C. political and journalism

Lunch with a Congressman

More than a dozen credit union officials participated in a lunch with Congressman Jim Davis in March. Included were several FCUL Board members: Board Chair, Laida Garcia, along with Directors Tim Baldwin, Carolyn Parslow and Mary Wood, CCUE. In addition, several CEOs attended—Tom Dorety, CCUE, (Suncoast Schools FCU), Bucky Sebastian (GTE FCU), Ed Gallagly (Florida Central CU) and Art Wood (Railroad and Industrial CU)—as well as several senior managers, Ernest Allen (Tampa Bay FCU), Linda Darling and Rich Helber (GTE FCU). Also attending were Congressman Davis' Chief of Staff, Karl Koch, and League Director of Legislative Development, Mark Landreth. The topics discussed ranged from the, then, potential war in Iraq, to Davis recent trip to Cuba, to the Credit Union difference. Board Chair,

Laida Garcia presented Congressman Davis with a CULAC check and several personal checks from a number of credit union managers.



Laida Garcia, Florida Central CU and FCUL Chairman, presents Congressman Jim Davis with a CULAC check.

Project Zip Code

With the release of Florida TaxWatch's "independent study" of credit union's tax-exempt status, there is no better time to prepare for the inevitable banker attack that will follow.

One of the easiest methods to help the League prepare for the bankers' assault is to take part in CUNA's Project Zip Code. All you need to participate is a computer tied to your credit union database and Internet access. Implementing PZC is as easy as inserting a disk into your disk drive. It automatically boots itself and walks you through the process of counting the members

in your database by zip code and cross-referencing the numbers with members of the State and National legislatures. There is no need to worry about your members' privacy. PZC does not utilize your members' names. It simply uploads their zip code data so CUNA's software can assess it and determine the appropriate legislative district.

By now, your credit union should have received a PZC disk from the League office. If you have not received one, please contact Mark Landreth at 800.342.1266 ext. 1012 or email him at markl@fcul.org.

Insight Financial CU Awards \$4,000 in Scholarships to Local High School Students

In the spirit of "people helping people," Insight Financial CU and the Paul H. Higgs family awarded four \$1,000 scholarships to graduating high school seniors this year. Lynn W. Owen, III, President/CEO of Insight Financial CU and Chairman Maurice T. Webber presented the scholarships at the credit union's annual meeting.

Applicants for this year's scholarships were required to submit an essay focusing on the credit union philosophy and what it means for their generation. The four winners included Robert Brian Chabot, Jr. of Apopka High School, Megan DeFoor of Apopka High School, Adam Freehling of South Lake High School, and Amanda Victor of St. Cloud High School. The winners and their families were invited to attend the annual meeting for the presentation of awards.

Insight Financial's Board of Directors established the Paul H. Higgs Memorial Scholarship Fund to honor Paul H. Higgs, former Chairman and active member of the board for more than 28 years. It is also a tribute to the founders and many volunteers who have served the credit union and its members throughout its long history.



(L to R) Lynn W. Owen, III, President/CEO; Amanda Victor; Adam Freehling; Megan DeFoor; Robert Brian Chabot, Jr.; Maurice T. Webber, Chairman

Political Discussion

Congressman Allen Boyd (D-2) recently met with Aletta Shutes, FCUL Executive Vice President, at the League office to discuss his possible run for the U.S. Senate. Also included in the meeting were Carmen Cummings, a member of Congressman Boyd's staff, and FCUL staff Mark Landreth and Grace Potter Freni.



FCUL Executive Vice President Aletta Shutes and Congressman Boyd

Management...Coaching Style



Liz Russell

We've talked in previous articles about how important it is for a cultural change to occur from the top down and how it requires a commitment by management. While this all very well said, just exactly how does management go about showing that commitment and supporting their staff in changing behavior?

It can be helpful to look at an example set by a coach teaching a player to throw a ball. The coach starts by demonstrating how to throw the ball (the target behavior) or has another, more experienced player demonstrate the technique. He then watches and gives feedback while the player throws the ball, then finally lets the player join in the game and gives feedback at the end.

Similar to the sports situation, credit union management can teach new skills by coaching their employees to act in a consultative and service-oriented manner. As you decide what you want to target, remember that the term is "sales and service" and be sure to choose behaviors that will support both concepts.

Demonstrate: To have the greatest impact, a manager should demonstrate the target behavior—whether it's proper greeting or consultation—every time he or she works with a member. The employee will get to observe the action, which is very reinforcing in itself, as well as seeing the manager lead by example.

Practice: Similar to a coach running his or her players through practice drills, have employees role play with each other. Learning the words and having an idea of what to say before you're "in the game" makes playing much easier and more fun.

Play ball!: It's important to make sure the employee is applying the skill to the workplace. The only way to be sure that's happening is by being there. After a coach has been through the demonstrations and practice drills, he doesn't go home to listen to the game on the radio. He is right there on the sidelines, encouraging, yelling and throwing his hat down...whatever it takes to help the team play the best game possible. A manager needs to do the same thing. Get out on the floor! Give feedback as quickly as possible, celebrate the successes and correct the mistakes without interfering with the delivery of service.



Overcoming employee resistance and establishing a new culture are going to require a high degree of interaction between manager and employee—this might be a shock if management has historically been hands-off. I know that each person has their own style of leadership and one is not necessarily better than

the other. Just like the employees in their interactions with members, managers have developed a style of management that is comfortable and works for them. In this case, however, I am convinced that an interactive management style—getting together with the employee, setting goals, watching and coaching them to help them achieve the goals—is the most effective in establishing a new "sales and service" culture.

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, e-mail a Word document to liz.russell@fcul.com or fax a copy to 850.558.1143. If you have any questions, feel free to call Liz Russell at 866.834.4479, ext. 1142.

Convention Schedule

Wednesday, May 28

6:45 a.m. – Golf Tournament Registration
7:30 a.m. – Golf Tournament - Shotgun start
8:30 a.m. - 6 p.m. – Convention Registration
12 - 12:45 p.m. – Governmental Affairs Sessions
Session 1 – Federal Regulatory Update
Session 2 – State Regulatory Update
1 - 3 p.m. – Governmental Affairs Luncheon
3:15 - 4:15 p.m. – Credit Union Directors' Institute
Session 1 – Asset/Liability Mgmt. for Directors (V415M)
Session 2 – Maximizing Board Performance (V702M)
Session 3 – Intro. to Mortgage Lending (V600M)
3:15 - 4:15 p.m. – Concurrent Education Sessions
Session 1 – Marketing for Small Credit Unions – Learning to Survive and Thrive
Session 2 – Preventing Mutiny and Increasing the Bounty
Session 3 – Children's Miracle Network
Session 4 – Credit Union & Chapters: Successful Fundraising/How to Get Politically Involved
3:30 - 4:30 p.m. – Expo Preview (Invitation only)
4:30 - 4:45 p.m. – Volunteer Reception
4:30 - 6 p.m. – Opening Reception and Exhibits
6 - 7 p.m. – CUPAC Reception (Invitation Only)

Thursday, May 29

7:15 a.m. – CUES Breakfast
8 a.m. - 2:30 p.m. – Convention Registration
8:30 - 9:30 a.m. – General Session
9:30 - 10 a.m. – Awards Presentations
10:15 - 11:45 a.m. – Concurrent Education Sessions
Session 1 – Enhancing Credit Union Image and Awareness – A Cooperative Approach
Session 2 – Red, White, Blue & You – A Call for Leaders
Session 3 – 90-Minute Technology
Session 4 – In the Face of Change: Laughing, Crying and Finally Thriving
Session 5 – Got Brand? Successful CU Branding Strategies
Session 6 – The Internal Auditor as an Internal Consultant
Session 7 – Your Members are Controlling Your Business
Guest Session: Estate Planning
11:30 a.m. - 1:30 p.m. – Exhibits Open with Lunch-eon (Free box lunch for Education Day registrants)
1:45 - 3:15 p.m. – Concurrent Education Sessions
Session 1 – Thinking of a Name Change & Identity Transition?
Session 2 – Born to Soar
Session 3 – 90-Minute Technology
Session 4 – Becoming a Great Communicator
Session 5 – Marketing Across the Generations
Session 6 – The Ever-Changing Economic Environment
Session 7 – The Fired-Up Workplace
Guest Session: Who Wants to Be a Millionaire?
3:30 - 4:30 p.m. – Closing General Session
4:30 - 6 p.m. – Exhibits Open
5:30 - 6:30 p.m. – CCUE Reception
8 - 11 p.m. – The Swashbuckling Ball (Silent Auction, Live Entertainment and Dessert)

Friday, May 30

8 - 9 a.m. – Delegate Registration
9 a.m. - 12 p.m. – Annual Business Meeting

69th Annual FCUL Convention & Exposition Sponsors...

Keynote Speaker

SOUTHEAST CORPORATE

Keynote Speaker Booth Signing



Golf Tournament



Education-Day Lunch



Annual Dinner & Entertainment



May 28 - May 30, 2003



Peer-to-Peer Workshops



Connie Stoutamire

Recently, I hosted several peer-to-peer workshops. These meetings were round-table discussions held between peers with a peer guest speaker to discuss tips and ideas for running a profitable credit union. There was also time to discuss any questions or concerns. For this round of workshops, the guest speaker was Jane Meyers, President/CEO of Ocala Community CU.

Jane gave the group tips for areas such as management and operation cost-cutting as well as some revenue-producing suggestions. Jane said a big tip for management is to know where you are by looking at your financial statement on a daily basis. By doing this, you will know

what is going on and will be able to make necessary changes faster. You have to be prepared to act quickly, nothing is forever...rates change every day. In the area of cost-cutting, Jane suggested you should review the cost of every service the credit union provides, at least, annually. Consider open-end lending since it speeds up the loan process. Don't be afraid of risk-based



(L to R) Angel Ramirez, President, and Alicia Valdez, Vice President, Community Trust FCU; Lynn Hough, President, Florida Episcopal FCU; Deborah Seymour, CCUE, President, Multi-Media FCU; Jane Meyers, President/CEO, Ocala Community CU

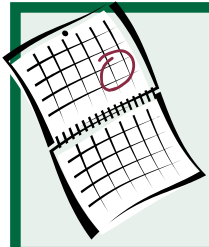
Marketing Ideas for Small CUs

-Molly Hevia, Vice President, Growth by Design (a marketing agency of The Alliance for Credit Unions)

Yes, marketing can be time consuming job, but marketing does not have to be an expensive job in order to be effective! This column will be devoted to those who understand how important marketing is for your credit union. Periodically, I will give you suggestions for effective but inexpensive marketing ideas that will help your credit union

20 Easy Loan Marketing Tips that Save You Time and Money

- Ease the loan approval process.
- Extend loan limits and lines of credit.
- Use loan incentives for both members and employees.
- Make versatile loans.
- Have on-going pre-approvals.
- Refinance! Refinance! Refinance!
- Include a loan application with any loan marketing you do.
- Use postcards.
- Market to mid-life members – make marketing more visual and emotional.
- Market to younger adults – speak in terms of facts, figures, quantifiable benefits and a little good old-fashioned peer pressure.
- Use simple messages repeated over and over and over and ...
- Market to members that are soon to be college graduates. They are ripe for car loans, post-graduate student loans and virtually all the services your credit union offers.
- Insert loan stuffers in your daily mail.
- Learn how to market against 0% financing.
- Decrease loan approval turn-around times.
- Use testimonials.
- Use the same marketing message in newsletters, statement stuffers, postcards, posters and any other outlets you use to get your loan marketing to your members.
- Convert all loan marketing messages to the home page of your web site.
- Use pre-sort and bar coding on all direct mail. Use bulk mail postage instead of first class postage for direct mail marketing.



FCUL Calendar of Events

CHAPTER MEETINGS

For further information, please refer to the League Website

www.fcul.org

May 2003

Date **Event**
28-30 **69th Annual Convention & Exposition**
Orlando

May-June **Critical Credit Union Security Issues**
Webcast - Fee: \$499
Includes six sessions below*:

- 22 Pro Active Approaches to Faud Prevention
- 23 New Accounts Procedures
- 28 Embezzlers: Working with Liars, Cheats & Thieves
- 29 Forgery, Altered Documents & Counterfeiting

*See June calendar for last two sessions. (June 3 & 5)

June 2003

Date **Event**
3 Developing Your Information Security Program
5 Workplace Violence Survival Program

6-13 **SRCUS CU Mgmt. School**
Athens, GA - Fee: \$1,049

18 **Deposit Account Compliance**
Webcast - Fee: \$149

25-28 **CUNA Mutual Discovery Conference**
Boca Raton - Fee: TBD

26-28 **SE Supervisory Committee Conference**
Savannah, GA - Fee: \$300

Escambia Chapter
May 15 • July 10

Tallahassee Chapter
June 19

The *Florida Credit Union News* is a monthly publication of the Florida Credit Union League (www.fcul.org). For business information or subscriptions, write the Florida Credit Union League, P.O. Box 3108, Tallahassee, FL 32315-3108, call (800) 342-1266, or e-mail amy.jowers@fcul.org. Two copies are supplied free to each affiliated credit union in Florida. Additional copies may be purchased for \$3 per issue or \$36 for a single one-year subscription. Articles may be submitted to the editor for publication and are subject to editing and approval.

President: Guy M. Hood
VP of Communications: Mark Ivester
Managing Editor: Amy Jowers



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

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