



AMERICA'S
CREDIT UNIONS™



FCUL

Florida Credit Union News

A publication of the Florida Credit Union League 

November 2003 • Vol. 12- No. 10

In This Issue

President's Message	2
Governmental Affairs	4
Regulatory Update	6
News from YOU	8

FCUL Compliance InfoSight Online off to roaring start

The launching of the Florida Credit Union League's Compliance InfoSight Online web experience has proven to be an unqualified success. Hundreds of credit union professionals have logged on to the secure Compliance InfoSight Online website and found the answers to their compliance questions were just a mouse click away.

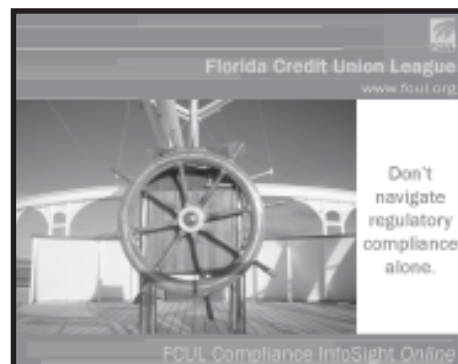
Because this website is a joint effort of the Texas, Michigan, Georgia, Ohio and Florida leagues, the information found on the site is material that not only covers federal regulations, but also covers materials that are state-specific to the above-mentioned states. Other leagues will be joining this program, making the site even more valuable in the future.

Be on the lookout for a chance to win a valuable prize. FCUL will be mailing a different postcard to your credit union monthly for the next three months. On each postcard there will be a question that can only be answered by going to the Compliance InfoSight Online website. After securing the correct answer, send your answer in an email to Bill Berg at the League at billb@fcul.org. All correct answers will then be entered in a drawing. The winner will receive an Olympus® D-390 digital camera as the prize for each postcard.

Pictures of the postcards that you will be receiving are shown here on this page. The first postcard was mailed last month. The first winner will be announced in the next issue of *Florida Credit Union News* and on FCUL's website on November 14. The

contest will continue into the month of February, so be alert, and be sure to join in on the fun.

Usernames and passwords have been sent to the President/CEO of all affiliated credit unions. To obtain a password and username, see your credit union's password administrator. If you are having any problems logging onto the system, please send an email to info@fcul.org.



Initial mailer containing username and password sent to each President/CEO of affiliated credit unions.



Postcard #1



Postcard #2



Postcard #3



Postcard #4

Florida Credit Union League Board of Directors

Greg Blount, Chairman
At Large Director

Tropical Financial CU

John Hirabayashi, 1st Vice Chairman

At Large Director

Educational Community CU

Jace Reyes, 2nd Vice Chairman

District #7 Director

Miami Postal Service CU

Chris Brooks, Treasurer

At Large Director

Monsanto Employees CU

Mary Wood, CCUE, Secretary

At Large Director

Florida West Coast CU

Charles Wesley Atkins

District #1 Director

Bay CU

Melba Jordan, CCUE

District #2 Director

State Employees CU

Jim Taylor

District #3 Director

SCORE FCU

Trudy Prince, CCUE

District #4 Director

Central Florida HealthCare FCU

Richard Helber

District #5 Director

GTE FCU

Thomas J. Shea

District #6 Director

THE CU of Palm Beach County

Tim Baldwin

At Large Director

San Antonio Citizens FCU

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@fcul.org.

President: Guy M. Hood

VP of Communications: Mark Ivester

Managing Editor: Amy Jowers

www.fcul.org

No matter how you slice it

The banking industry is quietly marshalling their forces to achieve a goal. That goal is to eliminate the federal tax exemption for credit unions. The American Bankers Association and their Florida counterparts have both assembled task forces whose sole purpose is to devise and execute plans that will eventually lead to a repeal of any and all tax exemptions currently enjoyed by credit unions.

Their scheme is simple. The bankers seek to portray credit unions as banks. This scheme looks successful to them because they know what the public and most policy makers think of banks. If they can paint a picture to the public that credit unions are simply banks that are not taxed, then they can succeed in their arguments that banks are being treated unfairly. It is a simple scheme that is dependent on one assumption that we must work to discredit. Banks are assuming that the structure and philosophy of credit unions can be overlooked and not taken into consideration.

The simple truth is that by imposing taxes on credit unions, lawmakers and policy makers would be imposing taxes on eighty-five million Americans and more than four million Floridians. Taxing credit unions would be the same thing as passing a tax on every person who belongs to a credit union. Unlike banks, credit unions have no stockholders and are not-for-profit. Therefore, any earnings that credit unions achieve would have to be taxed, which would reduce the benefits enjoyed by credit union members. Which, in turn, would lead to less money being available for loans and sending ripples throughout the local economy as money that normally would be passed on to members instead would be passed on to politicians in Washington and Tallahassee.

Bankers would have the public and policy makers believe that credit unions are an untapped source of money that would allow them to escape making the tough

decisions necessary to balance budgets and deliver government services to citizens. It

sounds easy and the bankers are very cleverly disguising their message so as to be perceived as being simply good corporate citizens who are only interested in the public good. And, if the public and policy makers are not shown what lies below the surface of the bankers' message it would be simple to look towards credit unions as just one more source of funding to satiate the needs and

wants of state and federal budget writers.

The Florida Credit Union League will not stand idly by and let this nonsense go unchallenged. No matter how you slice baloney, it is still baloney. Our lobbying team is working night and day to remind lawmakers what credit unions stand for, what the bankers really want to do and to present the truth. We will not let lawmakers forget that any tax on credit unions is a tax on our members. Our members, who vote in greater numbers than the rest of the electorate, will be reminded who stands for credit unions. Our efforts in supporting candidates that stand for credit unions will go forward thanks to your generous support that has brought us record contributions to our political action fund.

It is also vital that all credit unions be involved in this struggle. United we can accomplish great things. Not so united and we stand vulnerable to the bankers. Talk to your colleagues and make sure that their credit union is involved and ready to do what is necessary to defend the credit union movement.

Remember: a tax on credit unions is a tax on your members. Don't let them forget it.



Guy M. Hood
President/CEO

ID theft: Member education is key

Identity theft is one of the fastest-growing crimes in the United States. The number of fraud complaints has skyrocketed, soaring from 220,000 in 2001 to 380,000 in 2002. That's over ten times the 31,000 reported in 2000. ID Theft is not only a burden to consumers, but according to a survey by the Federal Trade Commission, identity theft cost businesses and financial institutions \$48 billion in 2002. Employee productivity can be affected, since victims on average spend up to 600 hours trying to resolve identity crime, which can affect their workplace productivity and morale.

Are your members at risk?

Precautions should be taken very seriously. Identity theft is more than an inconvenience to those that are attacked. It can haunt victims for years.

How you can help your members keep losses down.

You can help to hold down your members' losses by educating them about the dangers of identity theft. Members can take several steps to make it more difficult for a thief to succeed. Recommendations for your members include, but are not limited to:

- Checking Social Security earnings regularly. There have been cases where thieves have stolen identities to get a job.
- Limiting the number of identification cards carried in a wallet to one or two essential identification items.
- Reviewing charges on each credit card statement and reporting erroneous charges immediately.
- Reviewing their credit report at least annually.
- Keeping PINs in a secure location accessible only by the member, such as a safe deposit box.
- Using Visa's and MasterCard's online security programs (Verified by Visa, MasterCard SecureCode) when shopping on the Internet.

- Shopping online only on secure Web sites. (A secure site shows a small closed padlock in the lower right corner of the screen.)

- Taking credit, debit and ATM receipts with them from the point of sale, and shredding them before disposing.

- Never supplying their credit card, account number, or social security number to anyone over the telephone unless the member made the call in the first place.

Precautions: Have your members order a credit report.

Many times people don't realize they've have been a victim until long after identity theft has occurred. One way for members to be more vigilant and detect theft early is to order a credit report at least annually from the three major credit bureaus; Equifax, Experian, and TransUnion.

When reviewing the report, it's important for them to:

- Ensure all accounts listed are legitimate accounts and the balances are what they expect them to be.
- Look for anything suspicious. Review who has ordered their credit report and make sure they've authorized all of the inquiries. Names of companies they're not familiar with may be a sign of fraud.
- Check for addresses where they have never lived.
- Check for social security number typos.
- If there's any incorrect information in the records contact the credit bureau, creditor, employer or government agency immediately. Follow up with a letter describing what actions were taken.

Protecting members from identity theft can help keep your credit union in good standing with members. Educating members is an important component in curbing identity theft.

For more information, visit the FTC ID Theft Web site at www.consumer.gov/idtheft/index.html.

Website redesign can be a powerful move

by Amy Liesenfeld, Corporate Associate, Callahan & Associates, Inc.

Recent studies by Forrester Research have shown that more people prefer to get their financial information through the internet than by any other medium. In today's Web world, it's increasingly necessary to give regular attention to your credit union Web site in order to keep up with evolving technology and to maintain a fresh, desirable look for your members.

A good example of a credit union who decided to take a step back and reevaluate the design of their Web site is Power 1 Credit Union in Florida. Power 1 decided to start taking a careful look at the functionality and appearance of their Web site in September 2002. A year later, September 22, 2003, they put the site that they had had for 26 months to rest, and put a new face forward to their credit union members. (www.p1cu.org)

Brian Warfel, eCommerce Manager at Power 1, mentions that although they had originally planned to redesign only the portal, "the more you start looking into redesign, you may realize that you're changing the content so much that the site has a whole needs an overhaul. For us it became more cost effective to redesign the entire site than to simply enhance what we already had."

While working through the concepts for the new site, Power 1 held several focus groups on the subject, and had people outside of eBusiness and marketing give their feedback. Using this feedback Power 1 made several major site changes. For starters, the site now categorizes content under life cycles such as "getting married" and "buying a car," instead of just by product sets such as deposits, loans, or mortgages. "We wanted to get away from using financial verbiage that could confuse our members. Our site is now presented in a way where it's more like getting advice from your

— continued on page 11

Credit Union Political Action Tampa Chapter Meet & Greet



Aletta Shutes,
Executive VP,
FCUL

The Tampa Chapter of Credit Unions had a very successful "Meet & Greet" with a congressman and his district director, two state representatives and three aides attending on behalf of their House or Senate member.

Approximately 35 credit union leaders were on hand to present the credit union message.

U.S. Rep. Jim Davis had just returned from Iraq and had incredible stories from that visit. He spoke briefly, but said he didn't want to take much time because he was so pleased to



U.S. Rep. Jim Davis (D-11)

have an opportunity to visit not only with the credit union representatives, but also with the state legislators in attendance. Due to their demanding schedules, it's not often the two groups get together informally.

Rep. Ken Littlefield (R-61) spoke of the long-time friendship he has had with Tim Baldwin (CEO of San Antonio Citizens FCU) and his family. Rep. Bob Henriquez (D-58) spoke of his credit union relationship with several local credit unions and his

appreciation of Mary Wood, CCUE, at Florida West Coast. He also was very complimentary of the League Governmental Affairs staff. The legislators and aides discussed credit union and local issues at each individual table with the attendees.

Aides attending were: Brandon Wagner for Sen. Victor Crist; Jim Johnson for Rep. Kevin Ambler; and Denise Kuhn for Rep. Sandy Murman.



Tom Dorety, CCUE (left), Suncoast Schools FCU and Rep. Bob Henriquez (D-58)



Rep. Ken Littlefield (R-61) and Cinda Huntley Tampa Bay FCU

Legislators receive "push- poll" survey on credit unions

It began with a voice mail left for Aletta Shutes by Rep. Susan Bucher (D-Palm Beach). Rep. Bucher's voice mail detailed that she'd gotten a call from Greenwald & Associates, a survey firm later discovered to be retained by the American Bankers Association.

The "surveyor" asked Rep. Bucher, "do you think that credit unions, which once served people of modest means, but now serve doctors and lawyers, should get a tax exemption?"

During their many forays to the Capitol and fundraisers, Mark Landreth and Grace Potter Freni queried a number of legislators. They found several other democratic House members, besides Rep. Bucher, had been called by the "surveyors." Mark Landreth checked with several republican legislators and found none of them received the calls.

Discussing the calls with CUNA's Richard Gose, League staff learned the calls were also being made to Democratic House members in Kansas. Clearly an effort to sow dissension and chip away at credit union support among members of the minority party, the effort seemingly failed. Most legislators took the tone expressed by Rep. Bucher who said she told the caller they were wrong in their assertions.

FCUL donates to Leadership Fund

Three credit union leaders and several League staffers met with President of the Senate (designate) Tom Lee in Brandon recently to present him with a \$25,000 contribution to his Leadership Fund. Such funds are independent of their party's fundraising efforts and help the rising

leadership team in each chamber support candidates they would like to see elected.

L to R: Art Wood, Railroad & Industrial CU; Mary Wood, CCUE, FL West Coast CU; Sen. Lee; Jim Smith, FCUL contract lobbyist; Aletta Shutes, FCUL Exec. VP; and Bernie Parrish, FCUL contract lobbyist.



Northeast Florida Chapter golf tournament a success for CUPAC

The Northeast Florida Chapter of Credit Unions recently held its annual CUPAC golf tournament, and early estimates show the Chapter out did its wildly successful 2002 tournament which raised \$17,000! Pictured below are the tournament organizers: Bill Dagnall, Navy Federal Credit Union; Kathy Harrison, Florida Telco Federal Credit Union; and Jay Hogan, Duval Federal Credit Union. The Chapter will present the proceeds to CUPAC at its December meeting and the *Florida Credit Union League News* will announce the final total after the presentation.



Credit union presence at golf benefit

Tim Baldwin, CEO of San Antonio Citizens FCU, and Tom Dessy, volunteer board member with Suncoast Schools FCU, recently played golf with Grace Potter Freni, FCUL Director of Political Action, in the 10th Annual Littlefield Golf Tournament at Saddlebrooke Resort north of Tampa. The tournament benefited the campaign for Rep. Ken Littlefield (R-61).

Several other area Republican legislators were also a part of the event and these credit union leaders took advantage of the time to visit with many of them including Rep. Faye Culp (57), House Speaker Designate Allan Bense (6), Rep. Nancy Detert (70), Rep. Dave Murzin (2); Rep. Sandy Murman (56), Rep Leslie Waters (51), Rep. Dennis Ross (63), and others.



L to R: Tom Dessy, Suncoast Schools FCU Board Member, Rep. Ken Littlefield (R-61); and Tim Baldwin, CEO of San Antonio Citizens FCU

Crossing the line for CUs

Not only have Mary and Art Wood talked credit unions with Florida's legislators, they have crossed the state line to talk credit unions with one of Alabama's legislators.

During the recent Hike the Hill visit, Mary and Art stopped by Alabama Senator Spencer Bachus' office to say hello. Sen. Bachus served as Chairman of the Financial Services Sub-Committee and was a big player in the Fair Credit Reporting Act. He is also an acquaintance of Mary's brother – the honorable Judge John Ott, a federal magistrate judge in Birmingham.

Upon their arrival, Sen. Bachus greeted and welcomed Mary and Art into his office for conversation in which, of course, the subject of credit unions was discussed. Not only did Sen. Bachus spend time with Mary and Art, he gave them tickets to the House Senate floor and the opportunity to eat lunch in the House Members' Dining Room where he stopped by their table to visit.

"We urge our fellow executives to look for the opportunities to develop new connections to bring out the credit union message. We think it is a part of every CEO's job to get the credit union message to our legislators. That issue crosses state lines," said Mary and Art Wood.



Mary Wood, CCUE, Florida West Coast CU; Sen. Bachus (center); and Art Wood, Railroad & Industrial CU.

\$\$\$ for CMN and Florida CUPAC

The Pinellas Chapter of Credit Unions recently held its annual golf tournament on a beautiful Saturday morning and raised more than \$10,000 for Children's Miracle Network and Florida CUPAC. Marie Peet, Bay Pines FCU, is the Chapter President. She along with Annie Cox of CU Focus and Jolynn Coleman of Gulf Shores Credit Union were the main organizers of the tournament. Enterprise Car Sales was the "title sponsor" for the event. Pictured are members of the Pinellas Chapter Board and others who helped with the tournament.



L to R: Jolynn Coleman, Gary Wolf, Marie Peet, Annie Cox, Lore Lamoreaux and Merry Brocket



Regulatory Update

Bill Berg, CCUE, CUCE, director 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.

CUs advised on debt cancellation/suspension risks

In a letter to credit unions, NCUA provided a brief overview of the operational and potential legal issues associated with debt cancellation and suspension (DCS) programs and recommended accounting for such programs.

The letter also encloses a questionnaire to assist NCUA examiners in evaluating DCS programs. Reviewing this questionnaire may be helpful to credit unions in assessing their current or proposed DCS program.

Debt cancellation or debt suspension products are loan terms or contractual arrangements. DCS products can vary widely by the types of loans and triggering events covered under the terms of the DCS agreement. Debt cancellation agreements can provide for cancellation of all or part of the member's debt upon the occurrence of certain events, such as death, disability, involuntary unemployment, or the total loss of a vehicle. They can also defer all or a portion of monthly payments. Programs could also be established which share qualities of both cancellation and suspension approaches.

Unlike credit insurance (a three-party contract whereby an insurance company takes on the underwriting risk), debt cancellation is a form of self-insurance. DCS programs, therefore, can pose a greater potential risk, NCUA says.

Due to the increased risk, examiners will be reviewing DCS programs differently than credit insurance products, such as credit life and disability. As a result of increased risk, NCUA recommends that credit unions establish and maintain effective risk management and control processes over DCS programs. Such processes include appropriate recognition and financial reporting of income, expenses, assets and liabilities, and appropriate treatment of all

expected and unexpected losses associated with the products.

During the examination, examiners will determine whether the credit union's methodologies support participation in DCS programs as well as whether the policies and procedures for these supporting processes are appropriate.

According to a 2002 legal opinion letter, NCUA's position is that stop-loss insurance coverage is not a legal requirement for offering these loan-related products. However, credit unions may want to consider such coverage from a third party provider as an appropriate means to effectively manage risk. For credit unions with liability insurance coverage, regardless of the amount, credit union management must have procedures in place to evaluate the third party that provides the coverage.

In an NCUA letter to credit unions on due diligence over third party service providers, NCUA said the guidance should be used for both federal and state-chartered credit unions. NCUA's Office of the General Counsel has determined that insurance coverage is not required for the at-risk balance of loans covered by these programs.

Credit unions have the option of insuring all or part of the risk. Expanded examination procedures will be considered when examining those credit unions where full contractual liability coverage is not obtained.

In addition, Truth in Lending Act regulations set forth certain requirements if the fees for these DCS programs are not itemized as a finance charge. These requirements include:

1. A written statement that the DCS is not required by the creditor to obtain the loan;
2. Disclosure of the fee or premium and term of coverage in certain situations; and
3. A signed affirmative request for coverage.

Credit unions should also review the Office of the Comptroller of the Currency (OCC) rule on DCS programs for guidance as to best practices in the industry regarding DCS programs.

Finally, credit unions should account for DCS programs in accordance with Generally Accepted Accounting Principles (GAAP). NCUA says accounting procedures for DCS programs can be complex; therefore, credit unions may want to consider consulting with a certified public accountant or other accounting professional in determining the accuracy of their accounting treatment. Examiners will be evaluating credit union management's provisions for accurate accounting treatment, due diligence, and internal controls over these programs.

Homeowner Counseling

The Federal Financial Institutions Examination Council (FFIEC) has updated its exam procedures to include homeowner counseling requirements. Mortgage lenders currently are required to tell most borrowers about the availability of homeownership counseling if the borrower falls behind on payments. Any borrower whose mortgage is secured by their principal residence is eligible for counseling services, as are borrowers who lose their job or suffer wage cuts. The procedures were issued by the FFIEC's mortgage reform subcommittee. The Office of the Comptroller of the Currency currently requires that examiners determine whether a financial institution has notified eligible homeowners within 45 days of the initial default. The institutions must provide the borrower with names of nonprofit counseling organizations, or a telephone number borrowers can call to obtain a list of the organizations.

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:

City County CU: Neil Legters
Florida Telco CU: George Cauley
Gulf Shores CU: Linda Shannon
Gulf States CU: King Halikman
McCoy FCU: Janet Brewer
Orlando FCU: Grace Chewning
PanAm Horizons FCU: Kathleen Vanfleet Bailey
The CU of Palm Beach County: Carolyn Heffner
USF FCU: Scott Beasley

STAR CERTIFICATES:

Campus USA CU: Tonya Brown
Central Florida Postal CU: Jerry Torres
Community Educators CU: Lisa Browder
Duval FCU: Donna Muller, Elizabeth Mbomeh
Escambia County ECU: Simone Bartnikowski, Debra Hynes
Fairwinds CU: Maria Franqui
Florida Central CU: Julie Flatt, Michalea Williams
Florida Commerce CU: Tracy Duncan, Suzanne Poarch
GTE FCU: Tracy Ballard, Steven Bare, Hector Crespo, Karen Donovan, Leah Dixon, Kim Hatfield, Bonnie Henry, Holly Hindman, Susan Lowrance, Kathy McIntyre, Norma Miller, Sonja Newhart, Celeste Perkins, Sandra Pratt, Kelli Sabourin, Dawn Suni, Tammy Taylor, Vicki Thomas, Lana Walsh, Tresa Williams
Harvesters FCU: Kimberly Saul
Insight Financial CU: Melinda Butler, Veronica Keefe, Nanette Milton, Lydia Tikasingh, Alice Vorachek
Jax FCU: Ena Anderson
MacDill FCU: Leila Bowman, Cathy Kennedy
NCSC FCU: Iva Watson
Pen Air FCU: Cabrini Bowe
Pinellas County Teachers CU: Kathleen Chambron, Cynthia Griffin, Katherine Odell, Nancy Sanchez
Priority One CU: Jessica James
Railroad and Industrial CU: Deanna

Lemelin, Ashley Mann
Sarasota Coastal CU: Natasha Sinclair
Seminole Schools FCU: Carey Lee, Sally Pilch
Suncoast Schools FCU: Frances Aldridge, Alejandra Alvarez, Lora Atkins, Michael Berens, Laura Bowen, Terri Bowlin, Linda Calafiore, Amy Causey, Erin Chapman, Erika Christensen, Heather Cudworth, Elaine Farmer, Nilsa Farriss, Lynn Field, Amy Fleming, Carmen Garcia, Debbie Garwood, Vickie Gregory, Dilaida Guzman, Janice Hall, Debbie Hughes, Desmond Humes, Julie Hunter, Erin Howard, Esli Manzo, Karen Marcellin, Andrea McCasland, Diane McDaniel, Yolani Moraguez, Tonya Morrison, Jennifer Peterson, Jennifer Pontius, Bekki Rayner, Rosemary Rivera, Gwen Smith, Deborah Sparkman, Amy Sutton, Angie Topper, Christi Wadsworth
Sunshine State CU: Lillian Morejon
Tyndall FCU: Susan Hepner
USF FCU: Lisa Tuten
VyStar CU: Patricia Becton, Natasha Belanger, Jill Cruz, Darlene Davis, Tina Jones, Jason Kirchner, Deborah Koehler, Francine Landron, Susan Leisher, Marnita Lewis, Adora Mabini, Lindsay McGavic, Sarah Mills, LaTasha Mitchell, Deborah Oliver, Adriana Persellin, Dustin Reed, Heather Reis, Carol Roberts, Brenda Underwood, Carol Venson

MERIT CERTIFICATES:

Central Florida Educators FCU: Marion Arden
Educational Community CU: Christine Blacklidge
Florida Central CU: Julie Moyers
GTE FCU: Kimberly Bevis
IBM Southeast EFCU: Yvette Wilder
Suncoast Schools FCU: Susan Scott
Tyndall FCU: Kathy George
VyStar CU: Kevin Breeze, Kelly Gleaton, Danielle Parrott

June 2004

Thursday
17

**2004 FCUL
CONVENTION &
EXPOSITION++**

Friday
18

**THE WYNDHAM PALACE
RESORT & SPA**

Saturday
19

**JUNE 17-19, 2004
ORLANDO**

++DON'T MISS THIS!!!!



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

New branch for McCoy FCU

McCoy Federal Credit Union opened its newest complex at 35 West Michigan Street in Orlando, Florida. The two building campus includes an Administrative Center and an Operations Building occupying more than 23,000 square feet of space. The Administrative Center houses the Board of Directors, the Administrative Team and a community room. The Operations Center offers the members a full service branch and is also home to accounting, data processing, marketing, human resources and training. This state of the art facility features the secure Remote Teller System, safe deposit boxes, drive through tellers and the latest in ATM technology.

Memorial

Melanie Berman, Sr Vice President for North Broward Hospital District FCU passed away recently due to breast cancer.

Melanie started with the credit union when there was just she and one other employee. She recently celebrated her 15 year anniversary. Melanie's presence at the credit union will be greatly missed. Her dedication and compassion for all who were touched by her will live on through her memory.

Prince named 2003 ICCUE of the Year

At the recent Institute of Certified Credit Union Executives (ICCUE) 2003 Annual Meeting, Trudy P. Prince, CCUE and CEO of Central Florida HealthCare FCU, was named ICCUE of the Year.

Trudy has been actively involved in ICCUE and was one of the founding members of the Sunshine Chapter. She serves as a liaison for the Sunshine Chapter coordinating events and advising the Board of Directors. Through her leadership the Sunshine Chapter has won the 1998, 2000 and 2002



Trudy Prince

Chapter of the Year Awards.

Currently, Trudy is a Director for the Florida Credit Union League and actively involved in the local chapter in Central Florida. In addition to her efforts with the League, Trudy serves as a Legislative Advisor for Congressman Tom Feeney (R-Fl) and is an elected City Council Member for the City of Belle Isle.

In recognition of all of her efforts, Trudy is also a 2003 recipient of the coveted ICCUE Distinguished Fellow award.

Pen Air FCU participates with "all heart" during Annual Heart Walk

Pen Air Federal Credit Union teamed up with the local Pensacola, Florida American Heart Association to help make the Annual Heart Walk event a success by agreeing to help be the Donation Envelope Drop Off spot for all teams and individual walkers. The Pen Air Mobile Service Center was on hand on walk day to provide a covered area for Heart Walk Volunteers and Pen Air representatives to receive team donations and provide for a secluded counting area to verify contributions. It

was a great day for the American Heart Association that collected more than \$150,000 from the Walk.



The Pen Air Mobile Service Center

Tallahassee Chapter/ICU Day

In celebration of International Credit Union Day, the Tallahassee Chapter Dinner featured Kim Houck as the program speaker. Envision Credit Union hosted the dinner.

For the program, Kim spoke about her experience managing a financial institution in Kyrgyzstan, a former Russian Republic. She lived in Kyrgyzstan managing operations for a year and half and then returned to the U.S. in 1999.

Kim now works for Harland Financial Solutions as a product specialist for the Ultradata core processing system in Tampa.



Deb Woodlief, Tallahassee Chapter President and, special guest, Kim Houck (right).

Remembering Richard Filip

Richard “Dick” Filip recently passed away. He was huge advocate of and friend to the credit union movement.



Richard Filip

Filip’s credit union career began at Patrick AFB Credit Union, now known as Space Coast Credit Union. He was the manager of the credit union—back then, there were no president and CEO titles.

After his time at Patrick AFB CU, he became the first and only Executive Director of the Florida Credit Union Guaranty Corporation. This was where state-chartered credit unions came to guarantee and insure their members’ deposits. Approximately 150 credit unions were insured there. However, this corporation was dissolved when Florida credit unions decided to convert over to federal share insurance.

Sharon Whiddon, Bureau Chief in the Florida Office of Financial Regulation, worked closely with Filip during the conversion. Whiddon says Filip “was very good for credit unions in Florida. His actions were always at the forefront of the credit union movement.”

Filip then began consulting. He became a consultant for credit unions through out Florida, through out the country, and out of the country. The Winrock International NIS Farmer-to-Farmer Program sent Filip on a 4-week assignment to conduct credit union training in the Kyrgyz Republic, one of the New Independent States of the former Soviet Union. Filip worked with seven newly formed credit unions in the Karakol region

In Tallahassee, he served as a merger and new business specialist for the Sunshine State Credit Union.

“Dick was very highly regarded by credit union professionals,” said Florida Central Credit Union President Ed Gallagly who was friends with Filip for more than 35 years.

Whiddon adds that Filip, even while in the nursing home, still maintained his desire to be in the middle of the credit union business.

Performance management goal setting



Liz Russell

Performance evaluations are something we all live with in some form or another in both our professional and personal lives. Starting in kindergarten, continuing through highschool and college, we’ve been evaluated on our performance; with smiley faces in kindergarten and with grades and “pass/fails” in elementary and high school. After graduation, we had to learn to self-assess and make adjustments to our performance in relationships, school and hobbies, in addition to formal workplace evaluations. Along the way, many successful people learned that setting goals and objectives are useful techniques for achieving positive “performance evaluations” in all areas of life.

Our experience in developing and achieving goals can be incorporated into the workplace and is invaluable in charting a course for ourselves and employees alike. Unfortunately, not all organizations attempt to make this transition. Many professional employees find themselves in the position of having their “professionalism” and “conflict resolution” skills being rated on a 1-5 point scale without really knowing how these actually apply to their job description.

Goals and objectives should tie in directly to the functions of the position. They are set by the person in the position in conjunction with the manager, and they are measurable. This method is designed to improve an employee’s actual job performance by helping them reach their goals and keeping them focused on furthering the organization’s mission. It also enables the manager to assess their performance objectively with specific, measurable objectives.

When developing a goal-oriented performance plan, it’s important to keep it as short and simple as possible. Since a goal can be pretty broadly defined and used to convey an ideal or concept, it can be difficult to measure. Breaking a goal into smaller objectives makes it less overwhelming and

easier to quantify. For example, if the goal is to improve member service in the credit union, the objectives can focus on the number of transactions, manner of greeting, timeliness of response and accuracy of the process. It’s most helpful to have no more than four objectives per goal, with deadlines and action verbs to help an employee know what to do and when to do it.

You can add to the power of a goal-oriented plan by attaching some sort of a reward(s) as incentive to make the target. It’s important to recognize that different things are rewarding to different people and to incorporate this understanding into the plan. The rationale of some can be that achievement is a motivator and meeting objectives is achievement; therefore, meeting objectives is a motivator — something satisfying to a person. However, to paraphrase Abe Lincoln, “achievement is rewarding to some of the people some of the time, but it’s not rewarding to all of the people all of the time.”

Setting and achieving goals and objectives is a great tool for improving employee performance. Goals are related directly to the job description and are developed as part of a cooperative effort between employee and supervisor. Breaking a broad goal into a series of measurable objectives makes the plan easier to manage; effective rewards and incentives make the plan even more powerful.

Development of CU small biz lending project aim of NCUF/NCIF partnership

The National Credit Union Foundation (NCUF) recently announced its intent to grant \$50,000 to the Chicago-based National Community Investment Fund (NCIF) to develop a Credit Union Small Business Lending Project (CUSBLEP).

The project would assist CUs in utilizing the \$15 billion New Markets Tax Credit (NMTC) program, a Federal incentive for investment in low-income communities, intended to accelerate small business, commercial, and participation lending.

Lisa Richter, fund advisor of NCIF, stated that the CUSBLEPs provides some additional value over the NMTC in helping CUs build small business lending capacity in a quicker, more systematic, and profitable way.

Although all CUs are able to become involved in the NMTC program, CUs with community development focus or with small business loan lending capabilities in low-income areas are the best positioned to use the program.

“We’re pleased to have funded the National Community Investment Fund’s Credit Union Small Business Lending Project,” said Gary Officer, NCUF’s executive director. “Small business lending rates are substantially lower in low-income areas than in upper income census tracts. This project helps us help low-income credit unions develop the lending expertise and operational efficiencies they need prior to implementing a small business lending strategy.”

The three goals of NCUF/NCIF partnership are: (1) To identify and invest in low-income CUs that offer small business lending; (2) To identify and train low-income CUs that are strong lenders how to add small business lending; and (3) To develop a system where low-income CUs can share infrastructure to make small business and commercial loans, including originating participation loans and possibly sharing lending staff.

The NMTC program provides investors with a tax credit of 39% for their investment over seven years if the investment is placed in a designated Community Development Entity (CDE), which are entities focused on low-income area community development.

Under the NMTC program, CUs that qualify as a CDE will have the ability to take in new investments as secondary capital, unsecured loans, or deposits; but would need to quickly disburse “substantially all” of any new investment dollars in loans to small business or commercial projects.

For more information on NCUF or its grants, contact Bruce Wheeler, director of grants and communication for NCUF at 608.231.4979 or bwheeler@ncuf.coop.

Call centers capture loans before they head out the door

Call centers continue to grow in popularity. Eighty percent of credit unions with more than \$50 million in assets have entered the realm of 24/7 lending through automated, Web-based programs, according to CUNA Mutual’s 2003 “Lending Strategies and Trends” report.

A March 2003 Forrester Research Study shows that call centers remain consumers’ top choice for researching, buying and renewing financial products. Survey respondents said call centers combine consumers’ top two criteria for choosing a lending delivery channel: convenience and the human touch.

If you don’t think capturing business through a call center is worth considering, check out these numbers:

- In 2002, one-third of U.S. consumers

applied for a first-time mortgage through a call center.

- 39% of credit union consumer loan applications were taken over the phone in 2002.

- By asset size, credit unions with call centers include:

- \$50-\$100 million: 30%
- \$100-\$200 million: 62%
- \$200-\$300 million: 86%
- \$300-\$500 million: 94%
- Above \$500 million: 91%

- The average credit union call center handles nearly 16,000 incoming calls per month.

- About two-thirds of credit unions taking loan applications through a call center transfer members to staffers who specialize in loan applications.

In 2002, CUNA Mutual Group and APPRO Systems, Inc. formed The Loan Link Center. The call center combines CUNA Mutual’s established lending systems – LOANLINER forms and loanliner.com – with APPRO’s industry-leading loan origination system. More than 30 credit union leagues have invested in The LoanLink Center, which now serves the members of 244 credit unions.

For more information about The LoanLink Center, contact your Account Relationship Manager, or go to www.cunamutual.com, click “Products,” then “Operational Solutions,” then “The LoanLink Center” on the left column.

NCUF awards \$1.35 million to 2003 Callahan Fund recipients

The National Credit Union Foundation (NCUF) will give more than \$1.3 million through the Callahan Fund to help increase consumer financial independence and improve financial literacy through credit unions.

These funds will go to support projects sponsored by 12 U.S. credit unions and related organizations and will directly benefit over 37,000 consumers nationwide. The donor-directed Callahan Fund, a tribute to modern-day credit union pioneer, Ed Callahan, is overseen by an advisory board comprised of grant committee members and Ed Callahan himself. Proceeds from the fund support NCUF grantmaking in the areas of cooperative development and financial literacy.

"We're very excited about each of these grants," said Francois Henriquez, SVP and general counsel of U.S. Central, and chairman of NCUF's Grants Committee.

"We received more than 60 high-quality proposals last spring, totaling more than \$10.5 million in requested funds."

Following an initial review of all proposals, the Grants Committee made a first-round approval in September. The full NCUF board of directors unanimously approved the committee's recommendations at its October 15 board meeting in New York City.

Award recipients include:
(Organization, Project, Total Commitment and Dollars Leveraged are listed.)

- **GTE FCU & Suncoast Schools FCU, Tampa CU Development Demonstration Program, \$225,000, \$450,000**

- Vermont Development CU, Statewide Expansion, \$150,000 , \$316,000

- District Gov't ECU, Shared Branch, \$150,000 , \$412,500

- Riverside County's CU, Empowerment Zone Partnership, \$150,000 , \$1,500,000

- Hacienda Community CU, Hispanic Outreach, \$150,000 , \$7,000,000

- Northwest New Mexico CDC, Statewide IDAs, \$150,000 , \$986,710

- Montana CUs for Community Development , IDAs, AML, Counseling, \$90,000 , \$153,700

- Tyson CU, AML, \$75,000 , \$150,000
Central Appalachian Peoples FCU, Low-income Branch, \$75,000, \$875,000

- North Side Community FCU, Payday Lending Alternative, \$50,000, \$150,000

- Denver Community FCU, Check-cashing CUSO, \$50,000, \$1,500,000

- Lower East Side Peoples FCU, New Branch, \$40,000, \$115,000

Totals \$1,355,000 , \$13,608,910

For more information on the Callahan Fund or other NCUF grants, contact Bruce Wheeler, director of grants and communication for NCUF, at 608.231.4979 or bwheeler@ncuf.coop.

CU Personnel Solutions parent company achieves top 100 ranking in FL

The human resources family of companies, a group that includes CU Personnel Solutions, has once again been recognized as one of the Top 200 Private Companies in Florida. Landrum Human Resource Companies is ranked 65th among private companies throughout the state by *Florida Trend Magazine*, the state's leading business periodical. Landrum's ranking is up from a ranking of 92nd last year.

Landrum Human Resource Companies was also highly rated in the latest issue of *Staffing Industry Report*. In that publication Landrum Human Resource Companies was listed as 23rd among all Professional Employment Organizations (PEO's) in the United States.

The company, started in 1970, has grown significantly since then and now includes Landrum Staffing Services, AmStaff Human Resources, Medical Personnel Solutions, Landrum Technical Services, Landrum Professional Contract Services, as well as CU Personnel Solutions.

CU Personnel Solutions is a partnership between HRx, a subsidiary of the Florida Credit Union League Service Group, Inc., and AmStaff Human Resources, offering PEO services to credit unions throughout Florida and Georgia.

Website redesign

— continued from page 3

neighbor," Brian says. Additionally, Power 1 created a self service area across the top of the site that highlights the most popular pages members had previously accessed. Furthermore, the old site had "rolling menus" that a visitor had to hover over with their mouse in order to see the submenu links. On the new site, visitors can clearly see all products on the home page.

When exploring outsourcing design options, Power 1 had quotes ranging from

\$15,000 to \$120,000, and ended up redesigning their site at the lower end of the range. However, Cynthia Lasso, Power 1's eBusiness product manager, said it's important to keep in mind that "in months of work, the people who helped build the site spent 30-40 hours on it. Internal employees spent much more than that - and it's hard to put an exact cost on your internal resources." Cynthia emphasized that when estimated cost and price, it's also important

to take into account whether it's hosted in-house or external, and if the party hosting the site is the same as the party designing it.

© 2003 Callahan & Associates, Inc.
www.CreditUnions.com

Callahan & Associates, Inc. offers a CD-rom of the soldout webcast, Best Approaches to Credit Union Web Site Redesign, Content, & Navigation. For more information visit www.creditunions.com.

FCUL Calendar of Events

November 2003

Date	Event
4	IRA Essentials Workshop Jacksonville - Fee: \$169
5	IRA Advanced Workshop Jacksonville - Fee: \$199
6	IRA Essentials Workshop Tampa - Fee: \$169
7	IRA Advanced Workshop Tampa - Fee: \$199
12	Compliance Webcast - Fee: \$149

December 2003

Date	Event
	Happy Holidays!!

CHAPTER MEETINGS

For further information, please refer
to the League website
www.fcul.org

Northeast Florida Chapter
December 11

Tallahassee Chapter
December 11

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