



Florida Credit Union News

A publication of the Florida Credit Union League 

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Bankers' actions signal new intensity to attacks

Very clearly the banking industry is raising the intensity level in their campaign to eliminate the credit union Federal income tax exemption. Apparently deciding to take a no-holds barred approach to what banking associations call the "credit union problem," two events during the past month suggest that this time the bankers are not kidding.

The first event is a coordinated mailing of a reported 1,200 post cards to a random list of credit unions as far away as Hawaii. The post cards, originating from an investment adviser who lives in Boca Raton, ask the credit unions about opening a "5-year CD for the amount of \$5,000 with your Credit Union. Please send me the paper work necessary to accomplish this as well as a list of documents you need from me." The post card then lists the name, address, phone number and fax number of Mark Dern, an investment advisor who resides in Boca Raton. Dern, according to his firm's website, is the Principal and Co-Portfolio Manager of Dern Capital Management.

At the Dern Capital Management website no one who has less than \$750,000 to invest or has a net worth of less than \$1,500,000 will be taken on as a client of the firm. This makes you wonder why Dern is sending out post cards to credit unions seeking to open up CD accounts for \$5,000. *Credit Union Times* attempted to find out by calling the number listed on the post card to talk with Dern, but the person who answered the phone said it was a wrong number. *Florida Credit Union News* checked out the number listed and found it was listed to Mark Dern of Boca Raton. Further examination found that the address listed has a 5,161 square foot home with a market value of more than \$500,000. This individual is clearly a very sophisticated investor.

The answer to this curious situation

may be found in an anonymous email received by FCUL. The email suggests that the post card campaign was orchestrated by the bankers. "I was told Alex Sanchez of the Florida Bankers Association and Dan Berger of America's Community Bankers (he is also from Florida) are behind the postcards. And that they are sending them from Florida, Virginia, Washington, DC and California," writes the email's author.

Another email from the anonymous author said that was what had been said "when the bankers came to visit," which suggests that the email's author is connected with an elected official somewhere.

CUNA believes that the post cards are a set up by the banking industry, looking to gather evidence on "loose membership practices" by credit unions. Which, if true, clearly means that bankers are looking for any means possible to play "gotcha" with credit unions to bolster their campaign with policymakers.

Meantime, the American Bankers Association said it would pay a \$1,000 reward to the banker who can come up with "the best photographic evidence of credit unions 'overreaching.'"

ABA says it's looking for examples of "a credit union billboard, advertisement or building that illustrates just how far some credit unions have deviated from their original mission."

According to CUNA's John McKechnie, senior vice president of government affairs, the bounty shows just how out of touch the banking industry has become.

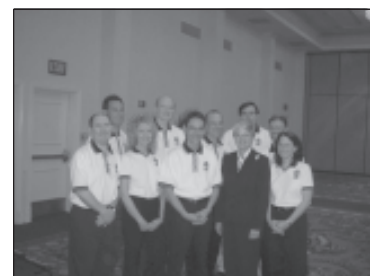
"Why don't they take the money they're offering and do something positive with it, like reducing fees or providing better rates? Consumers would be better off, but clearly that doesn't matter to the bankers," he said. Tactics such as the "bounty" are apparently

backfiring with Congress. CUNA's lobbyists report that this tactic has turned off a number of Congressmen and their staffs. CUNA President/CEO Dan Mica said ABA's zeal to shut down credit unions is absolutely beyond comprehension. He said you start losing adjectives for things like this.

FCUL Service Group's COO/CFO elected to CUNA council

Marvin Garland, Chief Financial Officer and Chief Operating Officer of the Florida Credit Union League Service Group, Inc. was recently appointed to a position on the CUNA CFO Council Executive Committee. His appointment is effective immediately.

He will fill the open position of a league representative. Garland's appointment will last until May 2005.



Marvin Garland (second row, second from right) with JoAnn Johnson, NCUA Chairman, and fellow committee members of the CUNA CFO Council Executive Committee.

Florida Credit Union League Board of Directors

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Jace Reyes, 2nd Vice Chairman

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Thomas J. Shea

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Tim Baldwin

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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.

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Transmitting the message

When Congress passed the Credit Union Membership Access Act in 1998 it was apparent to everyone except the banking industry that the intent of the new law was to promote credit union membership to as many people as possible. Credit unions did not have to “overreach” to expand their membership fields and accomplish what Congress intended for them to do. The banking industry’s deliberate act of ignoring the intent of Congress has led to their latest attack.

If you didn’t see or hear it, bankers are now offering “bounties” on credit unions. How ridiculous are these guys going to be before they come to their senses? Bounties? Please!!! But, before we get into a huff and try to out bounty the bankers, let’s remember what they are looking for.

The American Bankers Association is offering \$1,000 for any photographic “proof” of any credit union “overreaching.” And, through the miracle of Adobe PhotoShop, I’m sure they will find their “proof.” The only thing is that for every bit of “proof” they create, credit unions throughout the country can produce hundreds of photos showing credit unions doing what they have always done; serving their communities and their members.

The Dora Maxwell Social Responsibility Award and the Louise Herring Philosophy in Action Award are two programs that require any credit union seeking to be recognized worthy of receiving either award to provide real proof that they are deserving recognition. Dozens of credit unions in each state annually submit very precise and detailed reports, including photos, showing how these credit unions answer the guidelines laid down to be considered for the awards. The time has come, apparently, to share some of these with our elected officials. Why? Because you can bet all you own that whatever “proof” is eventually produced by the bankers will make its way into a fancy notebook and given to lawmakers in Washington.

Credit unions were granted a statutory fix in 1998 because bankers wanted to limit

membership in credit unions and got the courts to agree with them. Credit unions have taken what Congress gave them in 1998 and have successfully attracted millions of new members to the fold. And that, of course, is what this is all about. Bankers know that credit unions are growing and getting stronger. That is not acceptable in their monolithic, tyrannical need to crush all opposition and create a banking monopoly that will simply erase any consumer choice. It will allow them to dictate terms on our surrender.

Credit unions now have to stress two very important points when talking with lawmakers. First, and foremost, removing the credit union tax exemption is a tax on 84 million credit union members. We can and should talk about structure and the like, but the politicians have to know that taxing credit unions means a tax increase for 84 million members. Simple as that.

Second, we need to stress that credit unions are taking advantage of expanded membership fields by bringing in more and more people who are being ignored by the banks. Serving the underserved and stressing that was a project by recently retired NCUA Chairman Dennis Dollar. As a result of credit unions adding underserved communities to their fields of membership, credit union membership is now available to millions of individuals that have no one to turn to except the check cashers and payday lenders.

Credit unions do not need to apologize for their growth and we won’t. Bankers can slander and insult us all they want. Now, apparently they intend to fight dirty. A clear sign of desperation on their part. That becomes apparent when you read one frustrated banker’s comments on this anti-credit union rhetoric. He says that all this has proven fruitless and maybe it’s time to turn to other matters.

Logic from a banker. Do you believe in miracles?



*Guy M. Hood
President/CEO*

CU member responds to FCUL President/CEO's recent editorial

Sent: Friday, May 21, 2004 3:35 PM
To: Guy Hood - CEO
Subject: Hooray for Credit Unions!!!

Dear Mr. Hood:

I am in total agreement with you per your 5/15/04 editorial in the *Tampa Tribune*: "Credit Unions Are In Business To Do Good."

A number of years ago my husband and I decided we could no longer afford to have traditional BANK accounts. Given the ever-increasing fees being charged on all standard transactions; the on-going rise in loan rates; the continual drop in interest rates on savings accounts and the high minimum balance required to maintain our accounts, we determined that conducting business with any corporate bank was out of the question for those of us who must exist on a fixed income. It was then that we joined a credit union and we currently hold memberships in three which are located in our area.

I am well aware of the efforts and extent to which the banks are going to close down credit unions and have, in the past, sent letters expressing my concerns and support to officers in my local credit unions. I find the possibility of eliminating my access to any financial institution of my choice both appalling and undemocratic.

The business methods being practiced by the banks of today definitely leave a lot to be desired. It should be obvious to any thinking individual that the constant mergers of existing banks has resulted in the creation of such massive organizations that the ability to give personal attention to any type of customized service is impossible. Take into consideration the scenario of so many current applications for mortgages or construction loans: the home office of such a gargantuan business is often so far removed from the site being considered for these types of transactions that the one in position to decide the validity of the request is incapable of making a justifiable decision based on the generalization of the information being submitted for approval.

The result, as evidenced by the vast number of unused properties on the real estate market today, is the enormous quantity of outstanding mortgages and loans going unpaid due to poor investments made by bankers—this system alone has to be responsible for causing untold problems for communities as well as the citizens who must deal with the costly consequences caused by such practices. Over the years localized credit unions have proven to have a greater understanding of the needs involved in granting monies for purposes such as these when they arise within the perimeters of their boundaries and their wisdom in this area of business alone makes it essential for us to keep them active in our communities.

It is unfeasible for me to even try to list here and now all the ways corporate banks are corrupting the current money market in our country—unfortunately, the examples I read about daily and that I actually observe happening right here in my county are far too numerous to mention in this e-mail. However, I am so thankful that on the other side of the coin (no pun intended), there are tremendous advantages in favor of retaining credit unions and they continue to warrant my endorsement.

Thank you for bringing their many good features to the attention of the general public.

Dorothy M. Thrush
St. Petersburg, FL.

Adjustable rate mortgages: a "winner" for the CU and the member

As the market changes to a "purchase" market credit unions are making more Adjustable Rates Mortgages (ARM) available to their members.

Steve Browne, Regional Manager for CU Members Mortgage says "Credit Unions should aggressively inform their members about how those programs can allow them to qualify for that first home, a larger home, or a newer home. Programs are available that permit borrowers to borrow 100% of the purchase price. ARM loans adjust depending upon the program chosen but fixed periods range from a matter of months to years. That means the borrower knows exactly how long the interest rate is fixed for, how it adjusts, and what the maximum adjustments can be."

CU Members Mortgage provides the expertise for portfolio loan program development or delivers the loans directly

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 **CU MEMBERS
MORTGAGE**
A DIVISION OF COLONIAL SAVINGS, F.A.

Credit unions: take the challenge!

By B.J. Vonier, Credit Card Supervisor, FCUL – Card Services Department

The challenge I'm referring to above is to increase their credit card base and outstanding loans. In the past, credit cards were considered a convenience for members and an inconvenience to the credit union. Little attention was paid to the revenue generated by having a Visa or MasterCard program. All too often, the credit card program was pushed to the side to gather dust and literally wither on the vine. This is far from the case anymore!

Card issuers are paying close attention to the bottom line and the equation that makes it up: Cards Issued + Outstanding Loans = Interchange & Finance Charge Income. And, they want more of it – income that is. But there's only one way to get it – by issuing cards.

This is where the challenge comes in – letting members know what a great card

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Credit Union Political Action

U.S. Rep. Hastings - Co-sponsor of H.R.3579

U.S. Rep. Alcee Hastings was the guest at a luncheon held in Ft. Lauderdale, organized by FCUL on behalf of the credit unions with members in the congressman's district. The Credit Union Regulatory Improvements Act (CURIA), H.R. 3579, was the hot topic of conversation, and the group was thrilled when the congressman announced he would be a co-sponsor of the bill.

Representatives from the following credit unions participated in the luncheon: Broward Schools CU, City County CU, Eastern Financial Florida CU, Gold Coast FCU, IBM Southeast EFCU, Power 1 CU, and Tropical Financial CU. Grace Potter, FCUL Director of Political Action, was on hand for the event as well.



U.S. Rep. Alcee Hastings is pictured with one representative from each of the participating credit unions: Bill Marquardt, City County CU; Stephen McGill, Eastern Financial Florida CU; Ralph Crockett, Broward Schools CU; Lary McCants, IBM Southeast EFCU; Hastings; Henry Prior, Power 1 CU; and Linda Sorrells, Tropical Financial CU.

FCUL holds luncheon with Congressman Mike Bilirakis

On June 4, more than 20 credit union officials and League staff met with U.S. Rep. Mike Bilirakis during lunch at Niko's restaurant in the congressman's district. A free-ranging discussion occurred covering several topics of interest to credit unions including taxation of credit unions and the possibility of the congressman co-sponsoring H.R. 3579, the Credit Union Regulatory Improvements Act (CURIA).

Nearly a dozen credit unions were represented including Bay Pines FCU; Florida Central CU; Florida West Coast CU; GTE FCU; MacDill FCU; Pinellas County Teachers CU; Pinellas FCU; Railroad & Industrial FCU; Suncoast Schools FCU and Tampa Bay FCU.

It was virtually a family outing for the Bilirakis family as the Congressman's wife, Evelyn, and son, Gus also attended. Gus Bilirakis, who is a state representative, even brought two of his sons.



U.S. Rep. Mike Bilirakis and FCUL Executive Vice President Aletta Shutes

Bense meets with local credit union leaders



Rep. Allan Bense

Speaker-designate Rep. Allan Bense (R-6) met in early June with League staff and credit union representatives in Panama City. This is the second time in recent months this group has gotten together to strengthen the relationship between the credit union industry and the leadership of the Florida House of Representatives. Rep. Bense shared his successes as a representative for Bay and Gulf counties, and he spoke of his goals as the upcoming Speaker of the House.

Aletta Shutes, FCUL Executive Vice President, presented Rep. Bense with a \$25,000 CUPAC check for his Republican Party leadership fund. The check was the remainder of a \$50,000 pledge made to the leadership fund of the Speaker.

Others participating in the dinner meeting were: Greg Frith, Panhandle Educators FCU; Bill Medlock and Wesley Atkins, Bay CU; Jim Warren, Tyndall FCU; Jim Smith, FCUL Contract lobbyist; and Grace Potter, FCUL.

Voter information program set to take off

Last month, the League was well represented during Secretary of State Glenda Hood's recent kick off for the Voter Information Project.

The voter education coalition is an unprecedented coalition between the Florida Secretary of State, the Florida State Association of Supervisors of Elections and a number of partnering organizations, including the Florida Credit Union League, National Federation of Independent Business, the League of Women Voters and others. The coalition's purpose is to encourage and educate Florida voters with factual information on going to the polls in 2004.

The coalition is in the process of creating a website which will explain the GOTV

(Get Out the Vote) program and these efforts are in conjunction with the League's Get Out the Vote efforts. Make sure you stay tuned to see how your credit union can be involved in this important program.



Florida Secretary of State Glenda Hood, right, and FCUL Director of Legislative Development Mark Landreth

Insight Financial meets with Mica; delivers CUPAC check

Insight Financial held a lunch with U.S. Rep. John L. Mica of the 7th Congressional District of Florida. The credit union presented Mica with a check for \$2,000 from the Credit Union Political Action Committee. Those in attendance used this opportunity to discuss CURIA and other credit union initiatives with the congressman.



From Left to Right: Lynn W. Owen III, President/CEO; U.S. Rep. John Mica; and Maurice Webber, Chairman

FCUL dines with legislative leader

The Florida Credit Union League's governmental affairs staff had the opportunity to visit with Rep. Jennifer Carroll (R-Jacksonville) just prior to the end of the legislative session. Carroll is a longtime member of VyStar Credit Union. The group discussed the CU taxation issue, Carroll's political future as well as her perception of the upcoming races this fall.



Shown from left, Aletta Shutes, Rep. Carroll, Mark Landreth, Joe Mobley (Rep. Carroll's legislative assistant), and Grace Potter.

At the Florida Democratic Party's Annual Jefferson Jackson Dinner



At the Florida Democratic Party's annual Jefferson Jackson dinner, Rep. Ken Gottlieb (D-105) (left) and Joe Lanteigne of Mercy CU share a moment.



Former presidential candidate, Senator John Edwards (D-NC) and Mark Landreth discuss the vice-presidential nomination.



Rep. Eleanor Sobel (D-99) stopped by for a photo with Joe and Linda Lanteigne.

Also attending the dinner, but not pictured were Valerie Stewart and Pat Walker, both with Gold Coast FCU.

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.

Check 21

The FED has not issued their final rules on this regulation. They expect to issue their rule in June or July. The rule will contain a model disclosure that you can give to your members.

Until FED issues the model form, anybody who says they know what you are supposed to send your members is making a guess. They maybe right or they maybe wrong.

When FED issues that model, we will forward it to you via email.

At this point, the main thrust of Check 21 is two fold for your credit union.

1. As mentioned previously, there will be a disclosure that you will need to give to your members.

2. There is a training issue for your staff in that they will need to be made aware of what substitute checks look like and what to do with them.

I will be conducting a Check 21 workshop for the Palm Beach Chapter in late July.

If your chapter would like to host a similar workshop, ask a Chapter representative to send me an email or phone call. We can set a date and have a local training workshop for your chapter's credit unions.

CUs look to ATM upgrades for Triple DES

During the next 18 months, credit unions will need to upgrade their ATMs to comply with the Triple Data Encryption Standards (Triple DES), which will go into effect Dec. 31, 2005. However, credit unions should look carefully at their needs first.

Credit unions can expect to spend about \$200 million overhauling their ATMs during the next 18 months to comply with law and new technology changes.

Credit unions currently own more than 20,000 ATMs. The mandated changes and product upgrades confronting every ATM owner range from \$1,000 to \$35,000 per machine.

CO-OP Network, Star, Pulse, and NYCE will require ATMs to be compliant by that date. There are other regulations coming down the pike such as encryption pin pads (EPP) and new requirements mandated by the Americans With Disabilities Act to make access easier to persons with disabilities such as blindness. Although MasterCard International's Triple DES ATM deadline is April 1, 2005, it granted extensions to the Dec. 31 deadline, according to *ATM & Debit News*.

Visa International has the latest compliance date: July 1, 2007. However, all encrypting PIN pads must be certified by Visa by July 1, 2004. And, credit unions can expect new rules requiring ATMs to offer voice-activation features to comply with the Americans With Disabilities Act.

ATMs manufactured as of April 1, 2002, already are Triple DES compliant. All other ATMs must be upgraded to comply with the new standard. ATMs that are at least five years old probably need replaced, while newer ATMs can be upgraded, says CO-OP Network.

ATMs used at a branch for high-volume, customer-service purposes should be replaced with a multifunction ATM that has check-imaging capability for deposits—even though they're more expensive, says CO-OP. By using imaging check deposits, says the network, a credit union can lower the \$600 per month average cost of hiring an armored car service to pick up checks stuffed in deposit envelopes each day.

Other reasons to go with check imaging include CO-OP Network requires its members to share imaged deposits with other members if they already accept shared deposits. And the Check Clearing for the 21st Century Act, which goes into effect in October, allows electronic images for check settlement. Credit unions with ATMs at an off-premise, retail site where surcharge revenue is key should be upgraded at the most minimal cost possible, says the network. CO-OP Network also warns

against using a piecemeal approach to the upgrades.

The wave of anticipated upgrades has led some ATM manufacturers to offer promotional discounts. Diebold, for example, says that credit unions have until June 30 to save on Triple DES upgrades for TCS Plus, Agilis 91x and Sygate (installation and freight not included in the sale price).

Diebold says other upgrades credit unions might consider can include voice guidance, conversion from OS/2 to Microsoft Windows, addition of the Intelligent Depository Module or acquisition of a full-function ATM in preparation for Check 21.

The changes stem from several shifts in the ATM industry, including ATM saturation, consolidation, and mandatory upgrades. Credit unions are altering their business strategies to help minimize the unexpected expenditures.

CUs can opt out of 'extra' credit reports

Just as credit unions tell their members to check their billing statements, credit unions need to check the statements they receive for inconsistencies.

Recently Eastern Panhandle Community FCU, Martinsburg, W.Va., found a new service had been added to its credit reporting account by TransUnion, their credit reporting bureau. The TransUnion billing statement had a notice that a new score distribution report was being added at the cost of \$15 per month per subscriber code.

The problems with these fees was that there was no advance warning about the fee, the lack of the ability to opt in for such a service and the difficulty opting out—they had to send a fax to TransUnion.

Credit unions and their members alike should keep an eye on their billing statements for unanticipated and unwanted charges.

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 (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/VLP CERTIFICATES:

Fairwinds CU: John Coffey

Gulf States CU: Richard Ferlazzo

McCoy FCU: Fred Browne, Dennis Johnson, Jim Register, Charles Wiles

STAR CERTIFICATES:

Bay Pines FCU: Cynthia Hill, Betty Miller, Claudia Willis

Campus USA CU: Nichole Harrison

Community Educators CU: Nicole Carluccio, Jennifer England, Diana Heidenreich, Daniel Powell, Cynthia Wilson

Central Florida Educators FCU: Jeff Parrish, Frances Perez

Central Florida HealthCare FCU: Yasmin Jones, Petra Miskova, Onassis Nyariri, Mary Snyder

GTE FCU: Mindy Amoroso, Christina Givens, Maria Gonzalez, Melissa Hicks, Carolyn Hills, Frances Hopkins, Holly Miller, Celeste Perkins, Deborah Peetz, Anette Shimasaki, Mary Stevens, Sonia Sullivan, Reno Suwarno

Harvesters FCU: Aleta Emmons

Indian River FCU: Grant Doner, Kelly Ingersoll

Insight Financial CU: Kelly Clanton, Melody Cooper, Cindi Milburn, Alka Nayee, Andrea Oberly, Jackie Orendorf, Nancy Ortiz, Alice

Vorachek, Norwinna Williams

Jax FCU: Judith Brown, Kathy Fortenberry

JM Associates FCU: Glenda Dingle, Sandra Johnson

MacDill FCU: Sherry Kashakitis, Laurie Rose

NCSC FCU: Melissa Arrant, Mai Johnson, Patsy Medlin

Pen Air FCU: Darren Duke

Pinellas County Teachers CU: Estella Baggett, Kathleen Chambron, Renate Fiala, James Garland, Donna Wienke

Suncoast Schools FCU: Jessica Adame, Sylvia Alcaraz, Ashley Berg, Laura Bowen, Tina Brown, Debra Bryn, Erika Christensen, Jacqueline Diaz, Jami Edwards, Nilsa Farriss, Sherry Floyd, Deborah Gallagher, Stephanie Gullede, Amy Heckert, Kathryn Herriman, Sally Howard, Debbie Hughes, Julie Hunter, Heidi Litz, Ramona Lohr, Dianna Loudermilk, Karen Marcellin, Irene Martinez, Angela Morris, Jaime Patricella, Jessica Quintanilla, Amanda Reschke, Crystal Sanderson, Eduardo Sarragua, Krystal Shaw, Robert Smith, Kathleen Straub, Darla White, Ian Wild, Kimberly Wild

Tyndall FCU: Susan Downs, Linda Shaw

UCF FCU: Michael Aviles, Claudia Castaneda, Eva Dvorecky, Penny Jordan, Linda Martin, Gail Meyers, Lynn San Filippo, Sandra Wingefeld

VyStar CU: Alfred Aviles, Ezekiel Baumgardner, Cheree Bell, Janet Berger, Beverly Emmert, Renee Castillo, Lucilia Castenheira, Christina Crews, Louise Davis, Keri Fifield, Florida Garcia, Tracy Glidewell, Roxanne Gordon, Linda Grubb, Kathleen Jones, Stephanie Kilgore, Melissa Kleinsmith, Jennifer Kwiatkowski, Franchesca Martin, Brandon Mershell, Kelly McLaughlin, Penny Taylor, Donna Upchurch, April Walker, Susan White, Tiffany Wilson, Rose Workman

MERIT CERTIFICATES:

Florida Central CU: Julie Moyers

Florida Commerce CU: Kevin Meyer

Central Florida Educators FCU: Krista Pletcher

Florida Telco CU: S. June Burnett, Terri Thomas

Insight Financial CU: Alka Nayee, Lydia Tikasingh

Pen Air FCU: Kristal Kelley

Suncoast Schools FCU: Terri Bowlin, Ann Givens, CCUE

VyStar CU: Louise Davis, Myranda Heffner, Kasey Taylor

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, ext. 1040.

2004 Southeast Regional Directors Conference set for July

Attention credit union directors and volunteers: are you looking for valuable information and education, great resources and networking opportunities?

If you answered "yes," don't miss the 2004 Southeast Regional Directors Conference, Leadership Lagniappe: A little something extra... being held July 18-21 at the J.W. Marriott Hotel in New Orleans.

The education sessions include: The Director's Role in Creating Vision; Board/Management Relations and Teamwork; Directors' Success Depends on Succession; Business Ethics; Leading Your Credit Union in a Time of Rapid Change; Three

Marketing Trends Every Director Should Know; and much more.

The conference will also feature a golf outing and two companion tours - a tour of the New Orleans French Quarter and a Mississippi River cruise on the paddle wheeler, the Creole Queen.

Registration is \$450 for meeting participants and covers registration materials, education sessions and session handouts, welcome reception, three breakfasts, two lunches and the Farewell Fais Do Do. Companions can attend for \$275. This includes all registration materials, welcome reception, three

breakfasts, two tours with lunch and the Farewell Fais Do Do.

For hotel reservations, call 888.364.1200. For more information or to register for the conference, contact Jennifer Green at 800.452.7221, ext. 3024 or by email at education@lcul.com. Or, register by downloading the brochure at www.lcul.com; click on the 2004 Southeast Regional Directors Conference" logo on the home page. The registration deadline is Monday, July 5, 2004.



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

Insight Financial re-elects Board of Directors

Insight Financial is pleased to announce Maurice T. Webber, Steven C. Hoeltke, and Karen Johnson have been re-elected to Insight Financial's Board of Directors. These directors will serve a three-year term, ending in 2007.

Health Services Credit Union renamed HealthAmerica Credit Union

One of the nation's primary providers of financial benefits for healthcare employees has been renamed **HealthAmerica Credit Union**. Home office employees at BlueCross and BlueShield of Florida established the credit union 50 years ago. Originally known as BlueCross and BlueShield Employees Credit Union, it became Health Services Credit Union in 1982 when membership was extended to healthcare professionals at several area hospitals. The credit union now serves members in 46 of the 50 U.S. states as well as all area hospitals.



Florida State University Credit Union celebrates new branch opening with a donation to the March of Dimes

Florida State University Credit Union continued its ongoing expansion in Tallahassee with the opening of a new branch.

As part of the opening celebrations the credit union donated \$2,840 to the March of Dimes. The employees of the credit union raised \$1,300 in a short five-week time span through personal monetary donations, participation in the walk-a-thon and fund-raising efforts. The Board of Directors and Management Team of the credit union graciously agreed to match this amount. In addition, Dan Dhein,

President/Owner of Autowise Buying Services, Inc., donated \$240 to the worthy cause.

"I am very proud of Florida State University Credit Union's tradition of upholding the credit union philosophy of 'people helping people,'" said Kimberly Adcock, Florida State University Credit Union's Human Resource Director. "I am particularly pleased to partner with the March of Dimes, who contributes so much to ensuring a brighter future for babies in our community."

Pen Air FCU raises \$25,000 for Navy-Marine Corps Relief Society in charity golf tournament

Pen Air Federal Credit Union was the host and major sponsor of the 2004 Navy-Marine Corps Relief Society Golf Tournament held at the A.C. Read Golf Club on board NAS-Pensacola this past March. After expenses, Pen Air FCU was able to present a check for \$25,000 to the Navy-Marine Corps Relief Society that offers financial and counseling support to military families. The maximum number of players allowed on the course showed up for this event to support the cause and win prizes such as cash, a car "hole in one" prize sponsored by Sandy Sansing and golf equipment. Many community businesses showed their support through various sponsorship levels to help defray the cost of the tournament. A special thanks goes out to Commander John Lund of Schools' Command for his support and volunteers. "We are proud to support the Navy Marine Corps Relief Society," says John Davis,

President/CEO of Pen Air FCU, "because of all the good work they do for our military and their families." Due to the huge success, Pen Air Federal Credit Union plans on continuing hosting this annual fundraiser.



(left to right) John Ochs, Pen Air Exec. VP; Capt. John Pruitt; Nina Lohr-Valdez, NMCRS Director; and John Davis, Pen Air FCU President/CEO, pose with \$25,000 contribution check from proceeds of the NMCRS Golf Tournament.

GTE Federal Credit Union new Devil Rays sponsor

GTE Federal Credit Union has entered into an agreement to be a participating sponsor of Major League Baseball's Tampa Bay Devil Rays.

The agreement calls for GTEFCU to offer ATM locations at Tropicana Field, receive signage at Tropicana Field including ATM directional signage, to have a presence on Devil Rays television broadcasts, and to offer financial services to Devil Rays employees, players, and coaches.

"We are very excited to be teaming up with the Rays," said Traci Germain, senior vice president-marketing for GTE. "We know a lot of our members are fans, and we are proud to be able to offer ATM services to them and the rest of the community when they're at the field. This partnership will be beneficial for all involved and we're happy to be part of it."

CAMPUS USA CU raised more than \$4,500 for American Cancer Society

CAMPUS USA Credit Union raised more than \$4,500 for the 2004 Relay for Life benefiting American Cancer Society. The 8th Annual Relay for Life was held recently at the Santa Fe Community College track. The credit union was recognized as "The Top Financial Institution" for contributions to the American Cancer Society this year. This is the seventh year that Campus USA Credit Union has participated in the event and has contributed almost \$25,000 to date.

Southeast Corporate elects board members and officers

At Southeast Corporate's 29th Annual Meeting, held in Key West, the results of the membership's election of directors were announced. Ned Hines, chairman of the board/*Florida Central Credit Union* in Tampa and Tim McMurry, president/CEO of *PowerNet Credit Union* in Tampa were each re-elected to three-year terms.

Immediately following the Annual Meeting the board held a reorganization meeting to determine board officers. The board elected the following officers who will serve until the 2005 Annual Meeting: **Chairman** Tim McMurry, president/CEO *PowerNet Credit Union*

Vice Chairman Jim Mitchell, president/CEO *Army Aviation Center FCU*

Treasurer Linda Darling, CCUE, Executive Vice President/CFO *Suncoast Schools FCU*

Secretary Joe Mangum, president/CEO

Mississippi Telco FCU

Additional board members include: Ron Fye, president/CEO *Florida Commerce Credit Union* and Ron Gracie.



Front row (L to R): Tim McMurry, Chairman; Linda Darling, CCUE, Treasurer; and Ron Gracie. Back row (L to R): Jim Mitchell, Vice Chairman; Ron Fye; Joe Mangum, Secretary; and Ned Hines.

Equipment available:

Several used OkiData Micro line 320 Teller Impact Printers to share with other Florida Credit Union League Members. Also available are Verifone Tranz 330 and Verifone Zon Jr. XL credit card swipe machines. If you are interested and can use these printers and/or credit card swipe machines - for free - contact Joe Guffey at Suncoast FCU. Joe's email is joe.guffey@suncoastfcu.org.

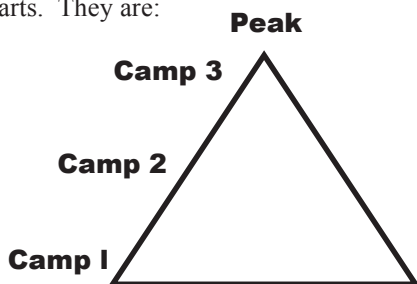
A 12-Step Program for Managers - Part 1

By Anita Stoumbelis, FCUL Vice President, Human Resources

The Gallup research, as reported in the Marcus Buckingham and Curt Coffman book, First, Break All the Rules, analyzed the results of interviews with more than a million employees from a broad range of companies and industries over a period of 25 years. What is special about the results is that Gallup was able to link the degree of employee satisfaction in key areas to the degree of success in four desired business outcomes:

- Overall productivity of the employees;
- Profitability of the business;
- Retention rates for staff; and
- Superior customer service.

As discussed in the April issue of the *Florida Credit Union News*, the Gallup project identified “12 Questions” as the most powerful indicators of the link between employee satisfaction and the 4 business goals. Using the analogy of climbing a mountain, with the peak signifying superior performance, Buckingham and Coffman attempt to break down the process into 4 parts. They are:



Starting at Camp 1, managers should be concerned with building a strong base with employees before beginning the ascent to the top. At Camp 1, employees are most concerned with the first six questions. These questions are the most powerful indicators of a strong and productive workplace:

1. Do I know what is expected of me at work?

Employees with accurate and realistic performance expectations that are clearly and regularly communicated will answer most favorably to this question.

2. Do I have the materials and equipment I need to do my work right?

Employees who have easy access to equipment and materials such as fax machines, copy machines, computers with up-to-date software and who believe they have some control over their workspace needs will answer most favorably to this question.

3. At work, do I have the opportunity to do what I do best every day?

Employees who are in positions that take advantage of their true talents will answer most favorably to this question. This is a matter of selecting the right person for the right job.

4. In the last seven days, have I received recognition or praise for doing good work?

Employees who have managers who are engaged and in step with their work process and accomplishments and who take the time to praise them regularly will answer most favorably to this question.

5. Does my supervisor, or someone at work, seem to care about me as a person?

6. Is there someone at work who encourages my development?

Employees with managers who encourage their personal and professional development and help them grow will answer most favorably to these questions.

Each of these six needs is important to the employee's sense of individual self-esteem and worth. It lets them know if they are doing well in their job and if others value their performance and contribution. These needs must be met before moving to the next level.

Next month we will continue the climb by discussing the remaining 6 steps to higher performance and productivity.

Credit union challenge

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program the credit union has and marketing that great program.

First the credit union has to decide how great their program is. Is my rate competitive? With my membership, should I offer “good, bad and ugly rates?” Am I only offering a Classic product when my membership needs a Platinum product as well? What kind of enhancements does my card program offer to encourage the member to use my product rather than a competitor's?

Next, the credit union has to market the credit card product. Who can better market the credit union's credit card program than their own personnel! Start at the front door with marketing and end up at the teller line. Give your personnel a reason to sell your credit card product – whether it is cash, days off, dinner tickets, etc.

Recently, Debbie Childress, Manager of Florida Healthcare Credit Union in Gainesville added the Certegy enhancement ScoreCard not only to her credit card program, but her debit card program as well. When asked about her bold move, Debbie replied, “We're a small credit union. The Board and I recognize the need to compete with the larger card issuers. While JFK may have said it best, my motto is “ask not what you can do for your credit union but what your credit union can do for you!”

Florida Healthcare Credit Union has taken the approach that card products are a key to securing future relationships. A loyalty program will only enhance the value of the cards offered by an Issuer. Additional income and member satisfaction are major reasons for offering a rewards type program. Debbie went on to say, “We can no longer rely on just the goodwill of the membership when it comes to utilizing credit union services. We must find product solutions that give members a reason to choose our card products over a competing offer.”

ScoreCard is designed to increase a credit union's outstanding loans. For every dollar spent on a purchase, the member receives

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Challenge

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one bonus point. Redemption begins with as few as 2,500 points. Members are kept informed about the program through their monthly statements. One of the features is on-line access to the ScoreCard program where they can view points, search for rewards and redeem points from the comfort of their own computer.

Credit unions take the challenge! Go over your credit card portfolio and think about the many ways you can enhance it. Then market it! If you need a nudge in the right direction, give B. J. Vonier a call at 800.3421266, ext. 1180.

Adjustable rate mortgages: a “winner” for the CU and the member

continued from page 3

to the secondary market and then services the loan for the member. Browne continues, “If the credit union chooses to portfolio any of the loans, they are not faced with any unusual interest rate risk because they know exactly when and how the rates will adjust. They have a loan totally secured by real estate and have maintained that important relationship with the member. It’s a win-win for both the credit union and the member. The credit union put’s a low risk loan on the books at attractive rates and the member gains the benefits of home ownership...provided by *their credit union!*”

Steve Browne can be reached at CU Members Mortgage in Tallahassee or through their website at www.easthomeloancu.com

CUNA Mutual

Member education key to avoiding phishing scams

The latest twist in Internet fraud is coming from criminals who won’t try to break into or hack your credit union’s data.

They don’t have to. All they have to do is trick your members into handing over personal financial information by impersonating your credit union in a bogus e-mail. The information is then used to obtain information to steal identities, obtain cash or create counterfeit card information.

The scam is called phishing, and it’s the fastest-growing type of Internet fraud. In February, a reported 282 phishing campaigns were sent to millions of consumers – a 50% increase over January. These frauds make up more than half of the 15,000 monthly citizen complaints filed to the FBI’s Internet crime center.

How phishing hooks the victim

A typical phishing scam works like this: an individual receives an e-mail, purporting to be from a business they deal with, such as their credit union or an online payment service. They’re asked to “update” or “validate” personal information, such as Social Security numbers, dates of birth, passwords and the like, to keep their account “active.”

They’re directed to a “look-alike” Web site of the legitimate business, further tricking consumers into thinking they are responding to a bona fide request. Unknowingly, consumers are submitting their financial information not to the

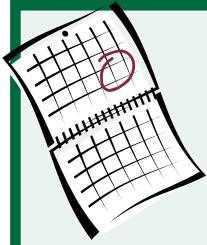
business but to scammers, who use it to order goods and services, and obtain credit.

Unfortunately, credit unions and their members can be vulnerable to phishing, because scammers are playing on the trust people already have in their financial institutions. Recently, for example, eight credit unions appeared on a bogus Russian Web site.

Educating members about the dangers of passing on private information

Member education is the key to credit unions protecting themselves and their members from phishing. Credit unions can remind members:

- That the credit union would not send them an e-mail asking them for card information.
- Not to respond to any e-mail requests for personal financial information and to delete any suspicious e-mails.
- To never disclose any personally identifying information if requested from an unsolicited e-mail or phone call. This includes credit union account information, card information, Social Security number, mother’s maiden name, or other private information. They should never reveal a private PIN number or other credit union password.
- To be suspicious if they’re asked to enter personally identifying information into an unexpected pop-up window – no matter how “official” it might look.



FCUL Calendar of Events

June 2004

Date Event

17 - 19 **2004 FCUL Annual Convention and Exposition -**
Wyndham Palace
Resort & Spa - Orlando



July 2004

Date Event

5 **4th of July holiday - FCUL**
will be closed
18-21 Southeast Regional Directors Conference -
New Orleans

CHAPTER MEETINGS

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

Broward Chapter
July 8

Central Florida Chapter
July 13 • July 22

Escambia Chapter
June 23-24 • July 15

Northeast Chapter
June 24

Sara-Mana Chapter
July 8

Tallahassee Chapter
June 24

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