



# Florida Credit Union News

A publication of the Florida Credit Union League

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## FCUL League and Service Group combine efforts in aiding Pensacola credit unions

Four members of the staff from the Florida Credit Union League and the FCUL Service Group made the long trek to



Scott Morgan of FCUL Service Group and Bill Berg of FCUL deliver a generator to Harvesters FCU.

recently, to deliver supplies and support to the credit unions and members affected by Hurricane Ivan. League staffers Bill Berg and Amy Jowers along with FCUL Service Group employees Scott Morgan and William Ross made stops at 13 credit unions in the Pensacola area to deliver generators, water, paper products, nonperishable food items, charcoal, batteries, flashlights and other sundries to beleaguered credit union employees who have had to struggle to keep their credit unions open after Ivan struck the Pensacola area on September 16.

Many of the credit unions were just opening their doors for the first time when

FCUL staff arrived. Lack of power, water and staff made conducting business difficult. Long lines at ATMs and drive thrus and busy lobbies were evidence of Ivan's disturbance. At the time of the League's visit, the status of the credit unions continuing to improve; however, there were a few that were



Back to business as members of Gulf Winds FCU form a line to enter the lobby and use the ATM.

still waiting for water and/or electricity. One credit union, Santa Rosa County FCU, was still operating off generators. Central Credit Union of Florida's lobby had remained closed so water damaged carpet could be replaced. Many had abbreviated hours of business.

According to Bill Berg of FCUL, the



Pen Air FCU employees Juan Martinez, Clarence LeDay and Patty Veal along with Bill Berg and William Ross of FCUL take a moment to pose for a picture.

reaction that the League received for making the effort to deliver goods to the credit unions was "phenomenal." Berg said that most credit union employees were "surprised and pleased" that the League and Service Group had made the effort to deliver supplies to them. "Staff at Florida State Employees Federal Credit Union was very grateful for the pallet of water we brought them," said Berg,

"because although the credit union had electricity and phone service it didn't have water. The situation in their neighborhoods was no better." Sixty percent of both Pen Air FCU's and Gulf Winds FCU's



Scott Morgan with Florida State Employees FCU President Ellen Chatfield and members of her staff.

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## International Credit Union Day is this month...

The Florida Credit Union News wants to know what your credit union did to celebrate International Credit Union Day. Did you decorate? How did you involve staff and members? Do you have any funny stories? If so, let us know by emailing Amy Jowers at [amy.jowers@fcul.org](mailto:amy.jowers@fcul.org) so we can include it in our November issue.

## FCUL welcomes back...

Dade County Federal Credit Union as an affiliate of the League. The credit union has \$378,116,781 in assets and more than 73,000 members. FCUL is excited to have Dade County FCU and President/CEO George Joseph as an affiliate!

## Florida Credit Union League Board of Directors

**Trudy Prince, CCUE, Chairman**  
*District #4 Director*  
Central Florida Healthcare FCU

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**John Hirabayashi**  
*At Large Director*  
Educational Community CU

**Carolyn Parslow**  
*At Large Director*  
Suncoast Schools FCU

The **Florida Credit Union News** is a monthly publication of the Florida Credit Union League. For business information or subscriptions, write the Florida Credit Union League, call 800.342.1266, or email amy.jowers@fcu.org.

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**VP of Communications:** Mark Ivester  
**Managing Editor:** Amy Jowers  
[www.fcu.org](http://www.fcu.org)

## People helping people, part two

Last month, you may recall, I thanked all of those who had stepped up to assist victims of Hurricane Charley, the first storm to hit Florida during this current hurricane season. Since then, Floridians have had to bear up to the phenomenon of three additional major storms hitting the Sunshine State. That brought the total number of hurricanes to make landfall in the state to four, all within a six-week period. That makes 2004 unique to Florida.



*Guy M. Hood*  
President/CEO

Shortly after Hurricane Frances made landfall and made its way across the state, the League quickly turned its Hurricane Charley Relief Fund to the FCUL Hurricane Relief Fund. And, as those affected by all these storms continue to pick up the pieces, sweep away the debris and try to put their lives back together, credit unions and leagues from all over the country have made enormous contributions to assist those in our credit union family that have suffered.

Thanks to a lot of people, the FCUL Hurricane Relief Fund has raised, so far, a little more than \$700,000. But, it is more than the money that has been contributed that makes our movement so unique. Offers of help, ranging from volunteers to mobile ATMs have been received from as far away as Spokane, Washington. Spokane Teachers Credit Union was ready to drive their portable ATM into the Pensacola area to help. Fortunately, three other credit unions had already brought their mobile ATMs in and the generous offer from Spokane Teachers CU was not needed. But, we in Florida were very moved by their willingness to contribute something to help.

Although we are certain that hundreds of credit union employees and volunteers personally suffered damages to their residences as a result of these storms, many suffering total losses, one silver lining was the fact that so many of our credit unions escaped these storms with little or no damage. The biggest problem faced by

most credit unions was the lack of power and dependable phone service that made operations next to impossible. But, thanks to years and years of preparation for storm catastrophes, brought about by the challenges faced following Hurricane Andrew in 1992, many credit unions were ready. A number of credit unions had purchased expensive generator systems that allowed them to get up and running as quickly as possible to serve members and non-members alike who now faced new challenges as a result of the storms.

The spirit of the dedication and determination of credit unions can best be summed up by John Santarpia, President/CEO of Community First CU in Mulberry. John proudly told us that because of his preparation and his staff's dedication, his credit union was the only financial institution in the immediate area that was still open and operating following Hurricane Jeanne. John said that because he was open and others weren't, he served hundreds of desperate non-members who had no where else to turn. "I looked out in my lobby and saw a lot of fee income going away," John said, "but I was more interested in helping my community than padding our credit union's bottom line."

It is this type of dedication, the willingness to throw open their doors to serve, to contribute to recovery, to go the extra mile, to put people before profit, this is the dedication to serve and help that makes credit unions unique. It is a story worth telling.

It is a story we intend to tell.

## League and Service Group combine efforts

employees were still without power and/or water at the time of the visit. Several of the credit unions reported that one or more of their employees lost homes due to Ivan's wrath and the tornados that spawned from it. All had been affected in one way or another.

Armed with generators, flashlights and pillows, some credit union staff weathered the storm in their credit union. During one of the 140 mph wind gusts, Patty Wernicke, President of Escambia County Employees



FCUL staffers William Ross, Bill Berg and Scott Morgan pose with Patti Wernicke, Escambia County Employees CU after delivering supplies.

Credit Union, recalled seeing an eight foot dumpster bouncing across her credit union's parking lot as well as a couple of restaurant signs. Gulf Winds FCU President/CEO Chris Rutledge and several staff members, stayed at their credit union and woke up to find the structure of their new building under construction—located in front of the

*The devastation of Ivan was apparent all over Pensacola. Ivan with the wind of Charley and the rain of Francis ransacked houses, displaced boats onto land and into trees and toppled over huge trees.*



present credit union building—demolished causing approximately \$240,000 worth of damage.

Downed traffic lights and signs, debris-ridden roads, and the collapse of the I-10 Bridge added to the chaos caused by Ivan. Some intersections were manned by police; many were turned into four-way stops. Numerous credit union employees said their travel time to and from work could take up to three hours each way because they had to take alternate routes - along with the rest of the Pensacola area.



The view on Pace Blvd. near downtown Pensacola.

“Credit union members, volunteers and staff have all been working together to help each other out,” said FCUL Communications Coordinator Amy Jowers. “In one instance, a credit union member heard about two of the employees having lost everything. She asked that \$1000 for each be transferred out of her account and into the employees' account to assist them in their time of need.” Jowers said, “Even in the aftermath of Ivan, although devastating, we saw, first hand, the philosophy of “People Helping People” in action among our credit unions. It was absolutely amazing.”



## Back to the future: The ABA's message then and now

*“A number of legislators and financial leaders have stated that if financial institutions want to compete for the same depositors, for the same financial assets, and for the same borrowers, it is only reasonable that they should be subject to the same set of rules and bear the same burdens, including an equitable share of taxes—bearing out long established principles of fair competition on equal terms.”*

This is a very interesting quote from the American Bankers Association. It pretty well sums up the bankers feelings about the tax-exempt status of credit unions. Here's another:

*“The tax expenditure subsidizing credit unions creates a ‘super competitor’ in the financial services industry, allowing the...credit unions to eat away at the market share of other depository institutions.”*

Again, from the American Bankers Association. Again, stating that it was unfair to ask community banks to compete against tax-exempt credit unions. Both statements express the same sentiment. Both were written and distributed by the American Bankers Association in specially prepared pamphlets. The first quote appeared in a pamphlet entitled “The Credit Union's Changing Image.” The second quote was found in another publication entitled “The Morphing of Credit Unions.”

The second publication was printed and distributed in 2004.

The first pamphlet was printed and distributed in 1966.

The *Florida Credit Union News* was able to recently obtain the 1966 publication and examine it for consistency of message. The two quotes, produced 38 years apart, clearly detail how the bankers have remained on message for all this time. Even

— continued on page 11

# Credit Union Political Action

## Proof positive for political activeness



Aletta Shutes,  
Executive VP,  
FCUL

On the Governmental Affairs pages of the *FCUL News*, we strive to feature the advocacy activities of you—our credit union leaders. No doubt you've seen **Mary and Art Wood** mentioned more than once. Mary is the President/CEO of Florida West Coast CU and also a member of the FCUL Board. Her husband, Art, is President of Railroad & Industrial FCU. Together they make quite the team.

This election year has been an active one for Mary and Art on both the local and state level. Most notably they have worked hard on the campaign of Rich Glorioso, candidate for House District 62, to replace outgoing Speaker of the House Johnnie Byrd. Glorioso, who has been a member of a credit union most of his adult life, was challenged in the Primary Election by a

banker. Mary and Art helped Glorioso soundly defeat all his challengers.

Many of you were asked to support Glorioso at a fundraiser held at Mary's credit union. The following is from Mary and Art about the fundraiser and outcome of the Primary race.

"Since [we] asked for your financial support, and you responded, we wanted to follow up with the good news that the credit union candidate in our local Florida House of Representatives race beat [his challengers]. Rich Glorioso prevailed in the Republican Primary even though the campaign became one of the dirtiest in recent memory. So your contribution really helped, and the 'Good Guy' won!

"We found working in the campaign to be a very worthwhile effort. You not only got the satisfaction of having some affect on the outcome, but it was a great way to meet wonderful people and view another slice of life. We waved signs, walked up to about

700 houses, made phone calls and helped in back office chores. The candidate genuinely appreciated our effort, we made a good friend, and, if he wins the general election, credit unions will have access to a legislator. I only mention this because we found that it was something that we could do and we now know, could be done by others as well. So maybe you or a colleague will consider stepping up your involvement in local, state, and national politics. We think it is worth it for personal and professional reasons. So thanks again for answering the call."

Thank you Mary and Art for being the epitome of great credit union political advocates!

## Tampa Chapter holds Candidate Meet & Greet

Not even a loss of power could keep the Tampa Chapter from enthusiastically



Rep. Bob Henriquez (D-58) addresses the crowd and shares his ideas for what he hopes to accomplish if he is elected to a fourth and final term as a state legislator.

hosting a Candidate Meet & Greet reception last month at the Centre Club in downtown Tampa. The power loss, which came about five minutes after the event began, was not due to a hurricane...this time. The credit union professionals and volunteers, along with seven candidates and two previously elected

legislators, were good sports and endured the heat.

The candidates in attendance were: Trey Traviesa (R), candidate for House District 56; Neil Cositino (WRI), candidate for House District 56; Rep. Bob Henriquez (D), candidate for re-election to House District 58; Karen Perez (D), candidate for House District 60; Brooke McKnight representing Rich Glorioso (R), candidate for House District 62; Ashley Smith (D), candidate for House District 62; and Bob Hagenmaier (D), candidate for U.S. House District 12.



Linda Darling of Suncoast Schools FCU and her representative in the Florida Legislature, Rep. Ken Littlefield (R-61).

Rep. Arthenia Joyner (D-59) and Rep. Ken Littlefield (R-61), both elected without opposition, attended to thank their supporters and to show their support of credit unions.



Trey Traviesa (second from the right), a Republican candidate for House District 56, attends his first credit union sponsored event. He takes a moment here to visit with Nancy Blatner of Florida West Coast CU; Tim Baldwin of San Antonio Citizens FCU; and Rich Helber of GTE FCU.

# CUNA holds National Hike the Hill

More than 1,000 credit union volunteers and staffers from across the nation recently converged on Washington, D.C. Florida was well represented by several credit unions. CU leaders from Suncoast Schools FCU, GTE FCU, VyStar CU and Tropical Financial CU participated in meetings with nearly a dozen members and staff from the Florida delegation.



David Hickey of U.S. Rep. Stearns' Office (center) with Judy Walz and Rich Alfirevic of VyStar CU.



Tom Dorety, CCUE, (l) of Suncoast Schools FCU and U.S. Rep. Jim Davis (D-11th)



(L to R): Paul Webster of U.S. Rep. Weldon's office, CUNA lobbyist Linda Gualtieri; U.S. Rep. Weldon (R-15); and Doug Samuels of Space Coast CU.

Trudy Prince, CCUE, President of **Central Florida HealthCare FCU** and FCUL Board Chair, recently delivered a CULAC check to U.S. Rep. John Mica. Also pictured is Sandy O'Hern, Senior Vice President with Central Florida HealthCare FCU. U.S. Rep. Mica is the brother of CUNA's President/CEO Dan Mica, and while John Mica is mindful of the appearance of a conflict of interest because of this fact, he has always been very accessible and open to hearing the credit union story from his constituents.



(L to R): Prince, Mica and O'Hern

Bill Birdwell, President of Southeast Corporate FCU, presented a \$5,000 contribution to the Political Education Fund. Accepting the check is Aletta Shutes, FCUL Executive Vice President.



Shutes and Birdwell

Rep. Ed Jennings (D), who is running for re-election to House District 23, recently visited with President/CEO Mark Starr and his staff at **Florida Credit Union** in Gainesville. Starr gave Jennings a tour of his state-of-the-art branch and then he and Grace Potter, FCUL Director of Political Action, spent about an hour talking with the representative about high school financial planning curriculum and other issues important to the credit union industry. Starr is pictured below presenting Jennings with a CUPAC campaign contribution.



Rep. Jennings (l) with Starr

Francis Lee, President of Southwest Corporate FCU, presented a \$5,000 contribution to the Political Education Fund. Accepting the check is Grace Potter, FCUL Director of Political Action.



Lee and Potter

**Broward Schools Credit Union** recently held a reception for Senator Debbie Wasserman-Schultz (D-34). At the reception the credit union presented her with a CULAC check. Sen. Wasserman-Schultz is running for the seat being vacated by Sen. Peter Deutsch (D-20).



Senator Debbie Wasserman Schultz (D-34), center, with Dr. Dorothy J. Orr, Chairperson on the Board of Directors for Broward Schools CU; and Ralph Crockett, President/CEO of Broward Schools CU



Aletta Shutes, FCUL Executive Vice President; David Coley, House candidate for D-7; Bill Enfinger, CCUE, President/CEO, FOCUS CU; and Dennis Guy, FOCUS CU, pose after presenting a CUPAC contribution to Coley's campaign.



## Regulatory Update

**B**ill Berg, CCUE, CUCE, Vice President of Compliance, brings regulatory changes to your attention through this column. If anyone has questions or suggestions for additional topics, call 800.342.1266 or 850.576.8171 ext. 1028, fax to 850.558.1029 or email [billb@fcu.org](mailto:billb@fcu.org).

### Reduce regulatory red tape

CUNA commented to NCUA on how to reduce regulatory red tape related to lending and including those that have been issued by the Federal Reserve Board (FED).

When automobile dealers offer below market-rate financing, an additional amount should be included as a prepaid finance charge under the Truth in Lending Act to reflect the compensation that the automobile finance company is receiving from the manufacturer.

Consumers should have the authority to waive their rights under the three-day right of rescission rules for loans secured by real estate.

The FED is currently considering whether fees for overdraft privilege services should be disclosed as a "finance charge" under the Truth in Lending Act. There are a number of compliance difficulties if such a disclosure were required, including the difficulty of calculating and incorporating this fee as part of the annual percentage rate (APR) and that the Federal CU Act forbids federal credit unions from offering loans that exceed an interest rate of 18 percent. This will discourage credit unions from providing these services, which help members avoid the substantial fees that are imposed by merchants and others for checks that bounce. This will likely encourage consumers to use the services of pawnshops and payday lenders, which increases the risk that members will be exploited by predatory lenders.

The APR calculation under the Truth in Lending Act should be changed to accurately reflect that the cash advance fee is only imposed at the time of the advance and not on a monthly basis.

It should be permissible to disclose the APRs for purchases, cash advances, and balance transfers in one "Schumer box" if the rate is the same for all of these transactions.

For risk-based credit cards, it should be permissible to disclose the range of APRs,

instead of each APR that may apply.

Fees for debt cancellation coverage are not considered finance charges if three conditions are met. One of these conditions is that the consumer must request the coverage in writing. This requirement is burdensome for credit unions as well as for consumers and delays coverage for members.

The Federal Emergency Management Agency's (FEMA's) authority to extend flood insurance contracts under the National Flood Insurance Program (NFIP) must be periodically authorized by Congress. There is no guarantee that Congress will reauthorize the NFIP, or that reauthorization effective after the funding expiration date will be retroactive. CUNA encourages NCUA to work with the other federal financial institution regulators to seek a statutory remedy to this problem of periodic stopgap funding decisions by requesting that Congress permanently reauthorize the NFIP.

The revised categories regarding data collection required under the Home Mortgage Disclosure Act (HMDA) shifts those of Hispanic descent from the "race" to the "ethnicity" category. This may raise an issue of protection for this group of consumers, since "ethnicity" is not a protected category under Regulation B, the Equal Credit Opportunity Act.

With regard to the rules that will allow for the electronic delivery of the disclosures required under Regulations Z, B, E, M and DD, the definition of "electronic address" should be more flexible in order to accommodate the use of home banking programs and other Internet websites.

These electronic disclosure rules also require that a consumer must provide consent, or confirmation of consent, electronically and in a manner that "reasonably demonstrates" that he or she can access the disclosure information. More guidance is needed regarding the term "reasonably demonstrates."

### Computer Security

NCUA sent a letter to credit unions urging renewed focus on computer security. This alert is intended to raise awareness of a number of cyber attacks targeted at financial institutions in recent days, according to the NCUA. Federally insured credit unions should be aware of the vulnerability and increase the monitoring of their servers for unusual activity. Any problems should be reported to law enforcement, regulators, and any affected members. Credit unions also need to make sure that any third-party technology service providers also are on the lookout for trouble.

### Changes to specially designated nationals list

NCUA issued a Regulatory Alert (04-RA-09) to let credit unions know of updates made to the Office of Foreign Asset Control's Specially Designated Nationals and Blocked Persons (SDN) list. The latest version of the list and a list with all the changes made since 1994 are available at <http://www.treas.gov/offices/eotffc/ofac/sdn/index.html>. Given the significant impact the SDN list has on the nation's security, it is important for credit unions to check the SDN list frequently at the website listed above or by calling the OFAC Fax-on-Demand Service at 202.622.0077.



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## 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.

### STAR CERTIFICATES:

**1<sup>st</sup> CU of Gainesville:** Mary Harris  
**Central CU of Florida:** Nancy Hayes  
**Central Florida HealthCare FCU:** Pat Coon, Corene Croaker, Amanda Duerr, Yesennia Larrazabal, Petra Miskova, Gretchen Rivera  
**Community Educators CU:** Nicole Carluccio, Kathleen Connolly, Cynthia Wilson  
**Fairwinds CU:** Robyn Brisky, Sharon Kern  
**Florida Commerce CU:** Deborah Calvert, Angela Wable  
**FSU CU:** Allison Tremper  
**GTE FCU:** Andrea Adams, Rose Borgias, Donna Choate, Sophia Chow, Donna Codling, Wendy Collins, Misty Davis, Jackie Garofolo, Christina Givens, Sara Harris, Melissa Hicks, Carolyn Hills, Carol Humphries, Kathy Knapp, Tekela Jackson, Diana Lake, Lori Martin, Sandra Ostrander, Jaimee Pfeifer, Sharon Register, Daniel Smith, Melinda Southerland, Marife Talacay  
**Harvesters FCU:** Aleta Gonzalez, Marcia Taylor  
**Indian River FCU:** Nancy Cran, Kelly Ingersoll, Susan Knights, Stacy Wingate  
**Insight Financial CU:** Melina Depedro-Otto, Tommye Donald, Nicole Massie, Linda Newberry, Karyn Randall, Danielle Renz, Brandalin Smith  
**JM Associates FCU:** Glenda Dingle, Donna Jenkins, Sandra Johnson

**MacDill FCU:** Sherry Kashakitis  
**Pen Air FCU:** Darren Duke, Dawn King, Jessica Palmer, Jessica Shirley  
**Achieva CU:** Ian Adcock, Joni Johnson, Patricia Leach, Crystal Pandorf  
**San Antonio Citizens FCU:** Shawne Weaver  
**Sarasota Coastal CU:** Alan Thrall  
**Suncoast Schools FCU:** Marlo Bennett, Ashley Berg, Corey Durfey, Victor Franco, Renee Gravelle, Linda Huger, Pamela McCatty, Tiffany Ojeda, Zahaira Owens, Raquel Perez, Molly Pierceall, Alex Rhode, Jackie Sampson, Julie Smith, Trisha Smith, Susan Spin, Stacey Suggs, Kristine Valdes  
**TMH FCU:** Connie Humphrey, Lyndell Maxwell CUCE, Talaimoana Melendez  
**Tyndall FCU:** Brenda Hill  
**VyStar CU:** Kristen Buonopane, Laura Boykins, Ashley Cheshire, Christina Cooper, Christina Crews, Karen Daigle, Louise Davis, Benjamin Dowling, Ruth Dye, Beverly Emmert, Regan Foley, Jacqueline Garcia, Chrystal Gilliam, Kelli Griffin, Brittany Joiner, Estella Keese, Stephanie Kilgore, Margaret Klein, Melissa Kleinsmith, Angelia McDonald, Samira Nadarevic, Rhyvonne Osborn, Amy Pacetti, Carol Roberts, Jasmin Saavedra, John Silliman, Marlene Somera, Robin Thornton, Donna Upchurch  
**MERIT CERTIFICATES:**

**Central FL Healthcare FCU:** Mary Snyder  
**Florida Central CU:** Shirley Littleton  
**Insight Financial CU:** Alka Nayee, Cindi Steffens, Ellen Williams  
**THE CU of Palm Beach County:** Patrick Shandorf CCUE  
**Tyndall FCU:** Jamie Goodwin, Deanna White  
**VyStar CU:** Shannon Brown, Sherrie Carter, Tracey Glidewell, Karen Starling

### VAP CERTIFICATES:

**Florida Telco CU:** George Cauley, Cynthia deLassus  
**Lakeland Medical EFCU:** Dennison Davis  
**Metro North FCU:** Larry Ward  
**THE CU of Palm Beach County:** Patrick Shandorf CCUE

### VLP CERTIFICATES:

**Florida Telco CU:** Cynthia deLassus

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.

## You're invited!

- Who:** All member credit union staff and volunteers
- What:** 2005 FCUL Annual Convention & Exposition
- When:** June 15 – 18, 2005
- Where:** Orlando at the JW Marriott Orlando Grande Lakes
- Why:** It's a great place to gain valuable educational information; learn about the latest and greatest products and services; and network with your credit union friends.



JW Marriott Orlando Grande Lakes

### Stay tuned...

Watch for additional information in the *Florida Credit Union News*, at [www.fcul.org](http://www.fcul.org) and through the mail.

For more information about the JW Marriott Orlando Grande Lakes, visit their website at [www.grandelakes.com](http://www.grandelakes.com) or call the hotel at 407.206.2300.



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

## CAMPUS USA's Cruiser heads West after Ivan

The CAMPUS Cruiser, the Campus USA Credit Union Mobile Service Center, arrived in Pensacola to help with relief efforts for the victims of Hurricane Ivan. The CAMPUS Cruiser provided free ATM service and delivered emergency supplies donated by Credit Union 24.

"We are humbled that Larry Scott and Campus USA Credit Union would provide this resource to our community. In the credit union industry we often talk about 'people helping people' and Campus USA has put those words into action for credit union members and non-credit union members," said Patti Wernicke, President of Escambia County Employees Credit Union.

The President/CEO of Campus USA Credit Union, Larry Scott, commended the strength of CAMPUS employees and members stating, "Our members know they can count on CAMPUS, and so can our surrounding communities. CAMPUS is a heroic organization; our employees help people unselfishly."



The Campus USA Cruiser in Pensacola.

## SCORE FCU opens new branch

SCORE Federal Credit Union's Northside branch is now in full operation. A ribbon cutting was held in August. Board members, staff and other credit union friends were in attendance to celebrate. Mark Ivester was on hand from the League.



Board members and staff (L-R): Bill Fritchman; Amy Armstrong-Groszdos; Linda Frazier, Chair; Gail Kruse, CCUE, CEO; James Taylor; Hugh Stephens; and Tim Cook, Senior Executive Vice President.

## Pinellas County Teachers CU changes name to Achieva CU

Pinellas County Teachers Credit Union has adopted a new name: Achieva Credit Union.

"Achieva was selected from literally hundreds of possibilities because it is both reflective of our educational heritage and symbolic of our diverse future," said Wendell Brooks, President of the \$463 million credit union.

Brooks said, "We've chosen to take this step, not because of any buyouts or mergers, but to better reflect the true nature of our credit union. Our new name and new logo create a new face for the credit union, but our heart remains unchanged."

## Tampa Bay FCU donates \$7,000 to CMN

Tampa Bay Federal Credit Union recently donated \$7,000 to the Children's Miracle Network. This donation was presented at the annual All Children's Telethon, which is broadcasted locally on the NBC affiliate Channel 8 WFLA. News Channel 8 Personality, Bob Hite, accepted the donation from Tiffany Roberts, Marketing Manager at the credit union.



WFLA Channel 8 personality, Bob Hite graciously accepted Tampa Bay FCU's \$7,000 donation to Children's Miracle Network. The donation was presented by Tiffany Roberts, TBFCU Marketing Manager.

## Tampa Chapter Golf Tournament raises \$23,000

The Tampa Chapter raised \$23,000 through its 11th Annual Golf Classic at The Eagles Golf Club. More than half of the funds will be contributed to CUPAC. The remainder will go to various charities.

## NOME FCU joins GTE FCU

GTE Federal Credit Union and NOME Federal Credit Unions are pleased to announce that NOME members will be joining the GTE FCU family. NOME has served New Orleans Municipal Employees since 1943.

## Southeast Corporate FCU donates to the Hurricane Relief Fund

Employees at Southeast Corporate FCU did their part in helping raise funds for the Hurricane Relief Fund. Employees participated in the Corporate's "Dress Down for Dollars" program. With Southeast Corporate matching funds, \$3,336 was raised.

Southeast Corporate President/CEO Bill Birdwell delivered the check to FCUL President/CEO Guy Hood.



Bill Birdwell presents hurricane fund donation to FCUL President/CEO Guy Hood.

## Bay Gulf CU donates \$3,000 to victims of Hurricane Charley

Bay Gulf Credit Union in Tampa recently sent the Red Cross a check for \$3,000 to assist victims of Hurricane Charley. President/CEO, William DeMare, challenged employees and volunteers with a dollar for dollar matching contribution from the credit union. The credit union collected \$1,165, an average of almost \$20 per employee. According to Mr. DeMare, "the response was so terrific, we decided to increase the credit union's contribution. It's good to know that we not only have a great team of employees and volunteers, but more importantly, a caring team."

## Speaker/Panelists at CUNA Technology Council Conference

Three Florida credit union staff members spoke at the annual CUNA Technology Council Conference in Baltimore, recently. Brian Warfel, SVP, Sales and Service,

Power 1 Credit Union, was a session speaker. Henry Prior, President/CEO, Power 1 Credit Union; and Doug Samuels, President/CEO, Space Coast Credit Union, were panelists.

## GTE FCU contributes to the American Red Cross Hurricane Charley Relief Fund

GTE Federal Credit Union employees dug into their pockets and came together to raise a heartfelt \$5,290 for the American Red Cross Hurricane Charley Relief Fund.

The GTE Federal Credit Union Charitable Foundation matched employee contributions dollar-for-dollar, bringing the donation to \$10,580.

GTE FCU EVP/CFO and Charitable Foundation Trustee Rich Helber stated, "Our employees recognize the Red Cross as a key participant in our community. They serve as a conduit for people to help others in a time of need. We're glad to be able to help in their efforts. We know they'll put this money to good use."



(L to R): GTE FCU CEO Wendell "Bucky" Sebastian and Executive Vice President/CFO Rich Helber present American Red Cross Board Member and GTE FCU Supervisory Committee Member Brad Hines and American Red Cross Chief Development Officer Schezy Barbas with a donation.

## HealthAmerica Credit Union opening Health Savings Accounts

HealthAmerica Credit Union is one of just two of the nation's 9,700 credit unions and only a handful of banks to announce they will offer the newly-authorized Health Savings Accounts (HSAs).

Broad access to Health Savings Accounts through membership in the national HealthAmerica program would allow qualified depositors to save, tax-free, for approved medical expenses including prescription and over-the-counter drugs, doctor and hospital visits and other covered expenses. The new HSAs offer lower

deductibles, much more flexibility, and have the extra benefit of any funds remaining at year-end rolling over to the next year, and... after age 65, all remaining funds are usable for retirement, as with IRAs.

Qualifications under Treasury rules to open HSAs include establishing a high-deductible health plan with annual deductibles of at least \$1000 for an individual or \$2000 for a family policy.

# FSU Credit Union knows the A,B,C's of financial literacy and community involvement



Financial literacy is an important issue in today's world, especially for our youth. According to the National Endowment of Financial Education®, “[teaching] the basics of personal finance to young people while they are developing habits and attitudes about money will influence them for the rest of their lives. It is based on the philosophy that *learning* about money is as important as *earning* it—and that effective money management results from a disciplined behavior, which is most easily mastered if learned early in life.” That is why we see more and more credit unions reaching out to the youth in their communities with programs that provide this valuable education.

Also of importance to a credit union's livelihood is community involvement. Credit unions exist because of their community. Partnerships in the community allow credit unions the opportunity to contribute to the well-being of their communities through a relationship that

benefits both.

**Florida State University (FSU) Credit Union**, in Tallahassee, has found the perfect way to help educate students about financial literacy through community involvement. Last year, the credit union began a partnership with Sealey Elementary Science Magnet School. From this partnership, emerged the FSU Credit Union School Store.

Once a week, a representative from FSU CU sets up a school store on the school campus. Special tokens were created and issued to the teachers. At their discretion, teachers can pass the tokens out to their students as incentives for such things as good grades, positive behavior and perfect attendance, to name a few. The tokens can be passed out daily or weekly. On the day it is open, students visit the store where they can use their earned tokens in exchange for school supplies such as bendable pencils, scented erasers and stickers.

But as alluded to above, the school store wasn't created JUST to sell school supplies. Students, teachers and FSU Credit Union all win in this partnership.

The partnership teaches the students the value of money (tokens) and prompts them to make difficult decisions such as, “Do I

purchase small items each week with my token(s) or do I save my tokens and purchase a nicer, larger priced at the end of the month?”

It gives the teachers a means to provide their students with incentives in a fun manner that encourages positive reinforcement.

And, the partnership allows FSU Credit Union the opportunity to promote the credit union principle of “People helping people” while supporting local children in the Tallahassee Community.

Because this store went over so well, the credit union partnered up with another elementary school, FSU School at the beginning of this school year.

Financial literacy is a great way to get involved in your community. Organizations such as NEFE® ([www.nefe.org](http://www.nefe.org)) and the National Youth Involvement Board ([www.nyib.org](http://www.nyib.org)) provide great programs and ideas for youth financial literacy education.



*Students at Sealey Elementary use their tokens to purchase neat school supplies while learning the value of using money wisely.*

## Competing against the zero percent challenge

Research confirms that zero-percent auto financing from auto dealers continued to zap credit union loan volume in 2003, dramatically in some cases. However, some credit union efforts to educate consumers and to market better alternatives appear to be working.

Fifty-two percent of the credit unions surveyed for CUNA Mutual's annual Credit Union Lending Strategies and Trends report said that zero-percent financing had a significant, negative impact on auto lending. Lending executives at 300 credit unions of \$50 million or more in assets were surveyed for the report, and 15 were interviewed in-depth to find out how they're addressing competition from zero-percent financing.

One lender who was interviewed estimates that his credit union's auto loan volume was down 50 percent to 55 percent because of zero-percent financing. Another interviewee offers a different perspective, suggesting that volume has increased because the zero-percent hype draws more

car buyers into the market, and many will opt for an indirect loan for which the credit union can compete.

The exact effect on credit union lending of manufacturer rebates and low interest rates can't be reliably measured, but it's clear that many credit unions have found ways to compete: Used-auto loan growth has been strong, and even new auto loan growth has rebounded in recent months.

The lenders who were interviewed estimated that between 25 percent and 40 percent of their members qualify for zero-percent financing. The credit union execs said they compete by educating members about beating zero-percent interest deals by taking a good credit union rate and the dealer's rebate. Website calculators, newsletter articles, and face-to-face education are effective means of getting the point across to members.

However, education only works if members touch base with credit unions before they go to dealerships.

Credit unions have turned to preapproval campaigns to reach members before they head out to shop, and to refinancing campaigns to appeal to members who may have a touch of buyer's remorse.

Used-car lending has been strong of late, creating 70 percent of all vehicle loan growth and 26 percent of all loan growth in the year ending February 2004. Yet, the credit union execs surveyed perceive that it could be stronger without zero-percent new-car financing luring buyers away from used-car lots.

The thing to remember about the zero-percent challenge is that strong competition can build stronger lending programs. Some executives interviewed said they had grown in other directions, such as home improvement loans, to compensate for lost auto loans. Gaining niche marketing skills may prove to be an excellent long-term outcome of the auto lending challenge.

## Back to the future

their own definition of credit unions remained constant. Here are two examples:

*"Traditionally, credit unions were based on a simple concept: bring together a closely-knit group of people, pool their resources, and provide small loans for one another. The focus was on individuals with limited resources who might not otherwise have access to financial services."* This comes from the 2004 pamphlet.

*"The credit union is still viewed and promoted typically as a small organization, owned and operated by persons of little or modest means who have banded together to achieve certain praiseworthy goals, namely, the encouragement of thrift and the provision of low-cost credit for provident purposes."* This statement is from the cover letter sent out by the ABA when it mailed the "The Credit Union's Changing Image" pamphlet in October, 1966.

So, it is apparent that the banker rhetoric has changed very little over the past four decades, except now the banker lobby tries to wrap taxing credit unions with patriotism.

After all, say the bankers, look what the government could do for the people if it would just tax those giant credit unions. More teachers, more roads, better ways to fight terrorism are just a few of the lines uttered in today's debate.

In 1966, the ABA stated: *"Some credit unions actively promote loans for clearly commercial purposes."* In 2004, the ABA wrote: *"An increasing number of credit unions are offering deposit and loan services to businesses..."* acting as surprised as they could be that commercial loans are actually made at credit unions, forgetting, of course, that small commercial loans have been a small but vital part of credit unions since the formation of credit unions. Also forgetting that they have been speaking on the subject of credit unions and commercial loans for more than four decades.

Both the 1966 and 2004 documents conclude with a purported support of the credit union movement. *"Many credit unions continue to serve an important purpose in our financial system,"* says the

2004 pamphlet. *"Credit unions have a useful role to play,"* states the 1966 ABA pamphlet. But, as in 2004, the 1966 ABA document urges the members of the ABA to *"...make certain that your Federal and state legislators have the facts. Stress the need for credit unions to adhere to original purposes and the common bond as conceived by Congress in establishing the Federal Credit Union System."* In 2004, the ABA wrote: *"The public deserves a thorough review to assure that the tax expenditures are being appropriately spent and not disadvantaging competing businesses that carry out the same activities on which they pay taxes."*

The more things change, the more they remain the same.

*The Florida Credit Union News would like to acknowledge and thank Ed Baranowski, former President and CEO of FAIRWINDS Credit Union for sharing his files of ABA literature.*

— continued from page 3

# Special products for special members? Why not?

Although many credit unions meet the needs of most members by offering any of hundreds of traditional loan products, sometimes it takes something a little different to fill a special need or niche. Non-traditional or unique mortgage products can be very good business for credit unions and their members.

Steve Browne, Regional Manager for CU Members Mortgage says, "If a credit union wants to develop a 'special' product for their portfolio that will meet the needs of their membership, we'll be happy to assist. There is no "rule book" other than prudent asset and liability management combined with good origination, processing, underwriting and servicing. That's where we come in. We've helped many credit unions create loan products for their

membership that combine many of the best features available in the marketplace. The member wins by getting a special product offering good rates, terms and features and the credit union puts quality loans on their books."

CU Members works with dozens of credit unions throughout Florida and hundreds nationwide in providing state of the art loan origination services, processing, underwriting, closing and servicing. They can be contacted through their website at [www.easthomeloancu.com](http://www.easthomeloancu.com) or call 800.635.7128.

## CHAPTER MEETINGS

For further information, please refer to the League website

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

### Central Florida Chapter

November 16

### Gulf Coast Chapter

November 4

### Sara-Mana Chapter

November 18

### Tallahassee Chapter

November TBA

### Tampa Chapter

November 16

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