Your online connection to important information, service updates, and happenings for Pennsylvania credit unions

May 10, 2013 Volume 44 Issue 10

In This Issue:

Page 2

Convention Countdown: Time to CONNECT in Hershey

Last a Lifetime

Page 3

MBL to Meet Members' Needs

How Secure is Your Money?

CFPB Releases Small Entity Compliance Guides on Mortgage Rules

CFPB Amends Card Act Rule

Page 4

Credit Unions in the News

Events Calendar

Serving Generations of Financial Needs

Last month, credit unions celebrated Youth Week and held special promotions and activities specifically directed at young members, from newborns to teens. Young people, particularly students, are the focus of financial education programs, as surveys continue to show a great need for developing money management skills and knowledge of personal finances.

The much-talked about Gen Y members are now roughly 19 to 31 years old, and credit unions are finding a growing demand among them for financial products. They are starting to shop for their first cars and homes, meaning they need auto loans and mortgages. They might have held only a credit card with their credit union, but with new jobs, they are now opening a checking account and setting up direct deposit.

Gen Y is the largest consumer group since the Baby Boomers. The Boomers are the aging credit union members, seeking special products to enhance their retirement years.

Serving generations requires a wide variety of products and services and many lending opportunities for each age group. Callahan & Associates has charted the Generations of Financial Needs.



Charting the Generations

Greatest Generation - 1901-1924

Looking For:

Accelerated/refinanced mortgages, reverse mortgages, wealth transfer programs.

Did You Know?

Journalist Tom Brokaw coined the term "Greatest Generation."

Famous Members:

John F. Kennedy, Jack Kerouac, Henry Kissinger, Jimmy Carter

Silent Generation - 1925-1945 Looking For:

Accelerated/refinanced mortgages, reverse mortgages, wealth transfer programs, retirement packages.

Did You Know?

Born during the Great Depression, the Silent Generation is noted for its fairly silent political causes compared with other generations.

Famous Members:

Marilyn Monroe, Mick Jagger, Elizabeth Taylor, Joe Paterno

Baby Boomers - 1946-1964 Looking For:

Accelerated/refinanced mortgages, reverse mortgages, retirement packages.

Did You Know?

Baby Boomers were born just after World War II, when U.S. birth rates skyrocketed. They were the first generation to grow up with television.

Famous Members:

Barack Obama, Patrick Swayze, Madonna, Tom Hanks

continued on page 2



Generation X - 1961-1980

Looking For:

Mortgages, investment insurance, college savings program.

Did You Know - Alias?

"Baby Bust Generation," for its sharply lower birth rates when compared with baby boomers.

Famous Members:

Jennifer Aniston, David Beckham, Leonardo DiCaprio, Brett Favre, Jodi Foster

Generation Y - 1981-1993

Looking For:

First car loans, first mortgages, credit cards, student loan consolidations.

Did You Know - Alias?

"Millennials," coming of age in the millenium.

Famous Members:

Venus and Serena Williams, Paris Hilton, Anna Kournikova

Generation Z - mid 1990s

Looking For:

Savings accounts, checking accounts, first credit cards, student loans.

Did You Know - Alias?

"Digital Natives" for having been born into the age of the Internet, text messaging, and smart phones. **Famous Members:**

Dakota Fanning, Justin Bieber, Selena Gomez

Click here to read more on serving the financial needs of all generations.

Convention Countdown

Time to CONNECT in Hershey

The 2013 Annual Convention & Exposition will open on Thursday, May 16, and is ready to help your credit union get connected for the future. See you there!

Connect face to face with colleagues, vendors, staff.

Opportunities to learn in 16 breakout sessions.

New products and services featured in the Expo.

Nationally known expert speakers deliver thoughtprovoking messages.

Enjoy special activities each day.

Congratulate CEO Jim McCormack on his upcoming retirement.

Take home new ideas, friendships, and leadership lessons to build your credit union for the future.

Education &

Professional Development _____

Lessons of Judge/Bradley Last a Lifetime

The Judge/Bradley Leadership School has been creating credit union leaders for 58 years.

Judge/Bradley faculty members offer attendees the opportunity to develop skills in leadership, communication, and team building; all with a focus on the credit union environment.

"By attending Judge/Bradley I learned more about who I am and what needs to change to make things happen within my credit union. It is something that cannot be put on paper or explained in a text book. Judge/Bradley challenges you to make a change and prove that what you have learned really can work if you use it the correct way. The experiences are a challenge and the networking skills we learned are amazing." — Kasi Kowal-Devinney, Keystone United Methodist FCU

Expect growth on both a professional and personal level regardless of your current position at the credit union. There are two tracks to choose from — Basic and Advanced Management Training. In addition, the invigorating Shaver's Creek experience will energize the team-building leader inside of you, and the inspirational stories shared by our current credit union leaders keep the energy going well beyond the week spent at Penn State.

"My time at Judge/Bradley made a profound effect on my continued development, and I highly recommend it to anyone who has an opportunity to attend." — Michael Patterson, AVP, Training and Development, TruMark Financial Credit Union

The two-year rolling format of Judge/Bradley Leadership School allows students to focus on developing core leadership skills without having to take significant time away from work. After completing their first year, students in both tracks are required to complete a project utilizing their skills and knowledge that will benefit their credit union.

This year's school is August 4-8. Download the brochure for more details on speakers, agenda, and course descriptions.



MBL to Meet Members' Needs

When SPE FCU decided to meet member needs by offering member business lending, the credit union did not have the resources for a comprehensive commercial lending department. The credit union chose to focus on a member business lending officer and outsource the credit analysis work to Molly Snody, Director of Business Advisory Services at the Association.

The credit union realized that member business lending is different from consumer lending, requiring a different set of skills in negotiating, underwriting, processing, servicing, and monitoring.

With the help of the Association's Business Advisory Services, SPE FCU confidently serves its member business owners and fills a need in the marketplace. First, the credit union does a quick initial underwriting and then passes it on to Business Advisory Services for credit analysis.

SPE has adopted a slow but steady approach to growing the MBL portfolio. The program has attracted new members and brought in additional interest revenue. By being conservative in its approach, the credit union has not suffered any delinquencies in the portfolio to date.

For additional information about the Association's Business Advisory Services, contact Molly Snody, Director, Business Advisory Services, at 800-932-0661, ext. 5209, or *molly.snody@pcua.org*.

How Secure Is Your Money?

In 1988, a crime fighting duo was formed when 3SI and CUNA partnered to offer proven 3SI security products, at reduced pricing, to credit unions through the CUNA Strategic Services and Pennsylvania Credit Union Association alliance provider program. This alliance, for credit unions only, provides protection solutions for cash wherever it is vulnerable to being taken during a robbery.

SecurityPac® Electronic Protection System, a dye pack money recovery system has been a valuable tool to thwart bank robberies.

When a Philadelphia credit union was hit by a serial robber, all the cash was recovered when the SecurityPac dye pack was activated, forcing the suspect to drop the bag.

The latest solution offered by 3SI, Electronic Satellite Pursuit (ESP), a GPS-based tracking product, provides the precise location of the thief and stolen assets as it silently tracks the robber.

After robbing two other locations, a robber hit a Newark, DE, branch. This time, the location was protected by ESP. The suspect took off with the cash and law enforcement tracked his every move. Just 16 minutes after the robbery occurred, the suspect was apprehended and a full recovery was made.

To learn how 3SI can help protect your credit union, contact your Association Account Executive.

Compliance & Operations _____

CFPB Releases Three New Small Entity Compliance Guides on Mortgage Rules

The Consumer Financial Protection Bureau (CFPB) released three additional small entity compliance guides detailing recent changes to the following rules: the Home Ownership and Equity Protection Act rule (HOEPA), the Equal Credit Opportunity Act (ECOA) rule on valuations, and the Truth in Lending Act (TILA) higher-priced mortgage loans (HPML) appraisal rule.

The new documents are part of a series of guides and other informational materials the CFPB plans to provide over the next few months on its new mortgage regulations. The Bureau has said the goal of the guidance series is to provide a comprehensive rule summary in a plain language and frequently asked question format, to make the content easier to understand for all industry constituents, especially smaller businesses with limited legal and compliance staff.

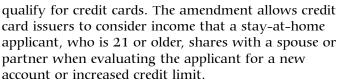
The guides give an overview of the rules, but are not substitutes for the underlying rules, the CFPB emphasized. CUNA is reviewing the guidance and will be

following up with the CFPB on any issues of concern. Similar plain-English guides on ability-to-repay and qualified mortgage rules, and escrow regulations, were released last month.

HOEPA Guide ECOA Guide HPML Appraisal Guide

CFPB Amends Card Act Rule

The CFPB also recently updated existing regulations to make it easier for spouses or partners who do not work outside of the home to



The final rule went into effect May 3, and credit card issuers, including credit unions, will have until November 4 (six months) to comply with the new regulation. The final rule is available here.

Credit Unions in the News



Left: Erie Community Credit Union employees and families participated in the March of Dimes "March for Babies" walk. The credit union raised more than \$3,057 through pledges and other fundraisers.

Below: M-C FCU employees participated in an MS Walk and held a bake sale to raise \$600 for the National Multiple Sclerosis Society.



WEST-AIRCOMM FCU presented scholarships during its annual meeting. From left: Ray Brunner, CEO; scholarship winners: Taylor Miller, Brandon Rogowski, Natalie Patura; and Rod Bear, Chairman.





West Branch Valley FCU held its annual Board Appreciation Dinner to honor board and committee members for their dedicated service. From left: Mary Chaya, Director; Ronald Hamm, First Vice Chairman; Ronald Bachman, Supervisory Committee Member; Mary Southward,

Chairman; William Sechler, Second Vice Chairman; and John Aderhold, Director. Not pictured: Larry Biacchi, Director, and John Bubb, Secretary/Treasurer. Right: CEO Bob Horner presented anniversary pins to Kendra Long, Executive Secretary/Marketing, 10

years; and Linda Balzer, MSR,

5 years.



First Capital FCU's "Spice Girls" participate in the Hula Hoop Challenge, as part of the Office Olympix fundraiser for Easter Seals Central PA. Nearly 40 teams from York County businesses dressed as their favorite rock bands to compete. First Capital was the Presenting Sponsor for the event.



Keystone Extra is published bi-weekly online by the Pennsylvania Credit Union Association 4309 North Front Street, Harrisburg, PA 17110-1618 800-932-0661 • www.pcua.org

President/CEO: Jim McCormack Managing Editor: Diane Powell, Director, Communications Editor: Janet Johnson, Communications Specialist

News stories and photographs are welcome. Submit information for publication to janet.johnson@pcua.org.



Events Calendar

May

16-18 Annual Convention & Expo, Hershey

> 27 Memorial Day Federal Reserve Bank Holiday

June

18-19 Big Ideas Conference, Bedford

30 - July 3 America's Credit Union Conference, New York City

July

4 Independence Day Federal Reserve Bank Holiday

August

4-8 Judge/Bradley Leadership School, State College

Visit www.pcua.org
or contact the
Association's Education
Department for details
on education programs
and webinars.