

# KEYSTONE

## Extra

July 22, 2011

Volume 42 Issue 14

### In This Issue:

Page 2

July Deadlines are  
Approaching

Prepare for Re-setting of  
Retirement Expectations

Page 3

Right Technology Takes Worry  
Out of Staying Compliant and  
Ensures High Performance

Shifting Focus in the  
Payments Market

Page 4

Credit Unions in the News

Events Calendar

## ICU Day Theme: Credit Unions Build a Better World Get Ready to Celebrate and Support 2012 Year of Co-ops

It may seem a bit early to be talking about International Credit Union Day, but cooperatives have a big year ahead of them to celebrate the International Year of Cooperatives in 2012, as proclaimed by the United Nations General Assembly. The designation serves to highlight the contribution cooperatives have had in reducing poverty, creating jobs, and promoting social integration.

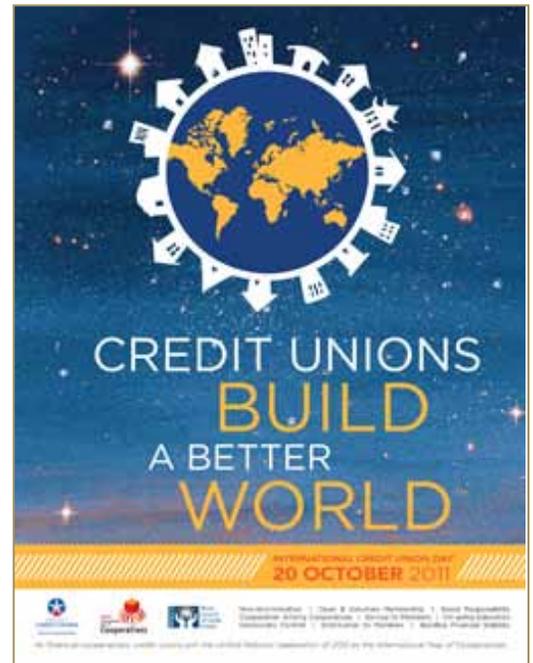
This celebration gives credit unions an unprecedented opportunity to increase public awareness about the movement's contributions to socio-economic development, promote membership growth, and encourage the adoption of policies and legislation that promote long-term growth and stability.

International Credit Union (ICU) Day — with the theme, *Credit Unions Build a Better World* — is October 20, and aligns with the 2012 International Year of Cooperatives theme, *Cooperative Enterprises Build a Better World*. Credit unions are encouraged to recognize their members and begin celebrating the International Year of Cooperatives.

The International Year of Cooperatives 2012 officially begins October 31, 2011, with a speech to the United Nations General Assembly by the U.N. Secretary General in New York. Recognition events will then extend throughout the remainder of 2011 and into 2012.

Cooperatives will be celebrated throughout October with Co-op Month in the United States; Co-op Week in Canada, October 16-22; and ICU Day celebrations on October 20.

Of the more than 29,000 cooperatives in the U.S. — including those in the agri-



culture, dairy, housing, grocery, and rural electric sectors — credit unions represent the largest component, with 7,400 institutions with nearly \$1 trillion in assets cooperatively owned by more than 92 million consumers.

For more information about how credit unions can get involved with the International Year of Cooperatives, visit [www.woccu.org/iy2012](http://www.woccu.org/iy2012).

The World Council of Credit Unions has customized the theme for credit unions and added a graphic for ICU Day 2011. Credit unions in the U.S. have access to the full-color poster art through the [CUNA website](http://CUNA website). Additional resources available on the website include promotional products, press release and ICU Day history, coloring page, and more.

## Compliance & Operations

### July Deadlines are Approaching

The end of July brings several important deadlines for credit unions. Here are some details from *The NCUA Report*, July 2011.

#### July 27 — Director Financial Literacy Rule Compliance

Early in 2011, the NCUA adopted a new rule (Section 701.4) concerning the general authorities and duties of federal credit union directors. This rule, which takes effect on July 27, requires board members to have a working familiarity with basic finance and accounting practices consistent with the size and complexity of the credit union. This requirement seeks to establish a baseline of financial statement understanding.

#### July 29 — NCUA Voluntary Prepayment of Stabilization Fund Assessment Commitments

The NCUA's Voluntary Prepayment of Stabilization Fund Assessments Plan will be implemented if credit unions commit to raising \$500 million in prepayments.

The minimum contribution is \$1,000 or at least 5 basis points of March 31 insured shares. The maximum prepayment amount a credit union may voluntarily prepay is 48 basis points of March 31 insured shares.

On August 9, NCUA will tally the responses to determine if credit unions commit to \$500 million. If commitments are less than \$500 million, the program will not be executed. If commitments exceed the \$500 million amount, all participating credit unions would be debited a prorated amount of their commitment on August 18, and a reduced assessment will follow.

#### July 29 — SAFE ACT NMLS Registration

Credit unions and their residential mortgage loan originators (MLOs) have until July 29 to complete initial registration on the Nationwide Mortgage Licensing System and Registry (NMLS). If you're just getting started, the NMLS website has a number of resources to help you with the registration process: [NMLS Resource Web Page](#).

The NCUA has authority to take enforcement actions against federally-insured credit unions and their employees who do not comply.

The *Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act)* regulation prescribes specific duties for both credit unions and individual MLOs. The regulation does have a "de minimus" exception. Registration requirements do not apply to any employee of a credit union who has never been registered or licensed through the Registry as an MLO if during the past 12 months the employee acted as an MLO for five or fewer residential mortgage loans.

All credit unions originating any residential mortgage loans are required to adopt, and employees will have to follow, written policies and procedures designed to ensure compliance with the rule. This includes credit unions that currently have MLOs who fall under the de minimus exception.

The *SAFE Act* provides more effective regulatory oversight over the mortgage loan industry, enhances consumer protection and access to information, and aims to reduce mortgage loan fraud.

Visit [NCUA's website](#) for more info on the *SAFE Act*.

If you have questions about these, or any other compliance issues, please contact the Association's Compliance & Operations Department.

## Education & Professional Development

### Prepare for Re-setting of Retirement Expectations

A recent study conducted by SunAmerica Financial Group shows Americans age 55 and older are re-setting their retirement expectations. Emerging from the recession, Americans are shifting "their expectations around purpose, timing, and funding of retirement." Credit unions are well-advised to follow suit and re-set their focus on retirement planning, the savings products offered, and financial education initiatives. You can read the full article from CUNA's *News Now*.

To prepare your staff for this shift in retirement planning, the Association is holding basic and advanced IRA training workshops. This year's *IRA Essentials and Beyond Essentials* training programs will provide an opportunity to improve member service, develop improved operational efficiency, as well as guidance to ensure your procedures are compliant with IRS regulations.



#### IRA Training Workshops October 18-19 (Pittsburgh) October 20-21 (Harrisburg)

##### IRA Essentials – Day One

IRA Essentials is a full-day workshop that gives attendees a solid foundation of IRA knowledge. Attendees will leave this session able to work with IRA owners and process basic IRA transactions with confidence.

##### Beyond Essentials – Day Two

Beyond Essentials is a full-day advanced workshop that builds on basic IRA knowledge to help address some of the more complex IRA issues. Attendees will participate in real-world credit union activities which will allow them to apply their learning immediately once back in the office.

[Click here](#) to download brochure and registration information.

### Right Technology Takes Worry Out of Staying Compliant and Ensures High Performance

As regulators put the finishing touches on rules affecting overdraft programs, credit unions are looking for assurances that their existing program will pass examiner scrutiny, while continuing to provide a much-needed boost to their bottom line and a valuable service to their members.

While many in-house overdraft programs are moderately successful, they are often based on limited compliance knowledge and rely heavily on manual account oversight and personal account holder interaction. In today's rapidly changing technology environment, having robust software that provides more efficient program management can give you a much greater return in increased revenue, regulatory compliance and human resource utilization.

John M. Floyd & Associates' Privilege Manager CRM® software was developed based on more than 30 years of experience helping financial institutions develop high-performing overdraft programs and a growing knowledge of the changing compliance environment.

Now in its seventh release, it's recognized as a leading-edge component of JMFA's proven overdraft solution that meets and exceeds member expectations, and carries a written 100 percent compliance guarantee.

In a recent survey gauging consumer reaction to Regulation E's opt-in requirement, 75 percent of respondents indicated they had signed up for overdraft protection for their accounts. If your credit union is committed to balancing regulatory requirements with your ability to provide a service that members clearly appreciate, you must be able to navigate the new rules effectively.

If you're not sure about your current overdraft program's ability to positively impact your bottom line, it's time to change your strategy. To have your overdraft program have a stronger impact on your bottom line with the help of John M. Floyd & Associates, contact your Association Account Executive at [cusolutions@pcua.coop](mailto:cusolutions@pcua.coop).

JMFA

John M. Floyd  
& ASSOCIATES

#### Privilege Manager CRM Software

It is designed to:

- automate account monitoring, allowing staff to focus more time on member service.
- manage risk for all negative balance accounts, not just those in your overdraft program.
- reduce risk associated with charge offs.
- monitor accounts and alert you to excessive overdraft activity.
- streamline the collection process.
- house all policies and procedures electronically, which is helpful during compliance exams.
- support member communication and automatically generate overdraft notifications.



### Shifting Focus in the Payments Market

The Pennsylvania Credit Union Association and Pacul Services, Inc. Card Services, along with Card Services for Credit Unions (CSCU) are bringing together industry experts to share their insight and discuss winning growth strategies in a new credit and debit marketplace at the 2011 Payment Systems Conference, September 28-29, in State College. You'll leave with the tools, tactics and excitement to revitalize your card portfolios in this new regulatory and credit environment.

Are you ready to shift focus?

Reach a greater share of your members' wallet. Gain business from emerging market segments. Revitalize portfolios with expanded product lines and technologies. [Click here](#) for more information or contact Sheba Wallish, Card Services Manager, at [Sheba.wallish@pcua.coop](mailto:Sheba.wallish@pcua.coop).

*"One of the most informative sessions ever attended. The topics were relevant and well presented," said Bernard Easley, Pittsburgh Central FCU, a past conference attendee.*



Diamond Credit Union President/CEO John Faust celebrated his 25th anniversary with the credit union in June. Presenting him with a gift are, from left: Lori Levengood, VP Lending; Faust; Tena Rohrback, EVP; Barb Pfeiffer, VP Retail Delivery; Kim Haines, Administrative Associate to the CEO; Barb Mitchell, VP/CFO; and Jim Daly, VP Information Technology.



Cross Valley FCU's Crush Cancer Relay for Life Team raised \$5,300 to benefit the American Cancer Society. In addition, the team received the second place award for tent decorations, and came in third for spirit points.



USSCO Johnstown FCU celebrated the re-opening of its extensively remodeled Moxham Community branch. Architect Ben Policichio joined the credit union's management team and Board of Directors in the ribbon-cutting ceremony. The Moxham staff serviced members out of a cramped trailer for 8 months while renovations were being completed. Wendy Hinshaw is the new Moxham Community Branch Manager.



First Capital FCU President/CEO Dennis Flickinger (left) gives a tour of the credit union's Green Branch during the 2011 Made in America Tour Event in York County. The Green Tour offers people a chance to see first-hand how the credit union is using a geothermal heating and cooling system; rain-water capture system; and advanced, ultra-efficient light system, among other things, to make the building energy efficient.



Belco Community Credit Union participated in the United Way's Stuff the Bus event at the Lebanon Valley Chamber of Commerce on July 11. Belco donated and delivered pens, backpacks, and calculator rulers to help fill the collection boxes with back-to-school items for underprivileged families in Lebanon County.

## Events Calendar

### July

25-28  
National Credit Union Youth Involvement Board Conference, Pittsburgh

26  
Marcellus Shale Webinar (2:00 p.m.)

28  
NCUA Credit Union Workshop, Pittsburgh

### August

5-6  
Chapter Leaders Retreat, State College

7-11  
Judge/Bradley Leadership School, State College

### September

8-10  
Fall Leadership Conference, Seven Springs Mountain Resort

28-29  
Payment Systems Conference, State College

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.pcuca.coop](http://www.pcuca.coop)

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.coop](mailto:janet.johnson@pcua.coop).



Visit [www.pcuca.coop](http://www.pcuca.coop) or contact the Association's Education Department for details on education programs and webinars.