

NEWSLINES

Volume 7, Number 1

A publication of the Association of Vermont Credit Unions

Your Association's Quarterly Newsletter Enters the 21st Century

Well, the big leap of faith has been taken. We've finally come to the decision that personal computers have a good chance to be an important tool in the business world and that electronic mail (or so-called "e-mail" for short) could wind up revolutionizing the way we communicate in the future.

Call us crazy, but as a result of this "outside of the box" thinking, we believe that the time is now right to leave quarterly printed newsletters behind us in favor of something more modern and a lot more timely. So starting now, this multi-page sister publication to our weekly *Newslines Express*, will be delivered directly to your Inbox the first week of every month.

This streamlined four page monthly PDF publication replaces the quarterly eight page printed *Newslines* that you've received previously. The new format allows us to publish photos in full color, develop regular and recurring feature sections like "Compliance Check", "Legislative Update", and "Education & Events" and most importantly, stay on top of what's happening in the credit union movement in Vermont and across the country.

It also gives us an opportunity to promote and recognize the achievements of our member credit unions. While we have always welcomed notifications of newly hired employees, special events, and other items of note, we will now be able to make those announcements, highlighted by color photos, to all of our credit unions on a regular basis. We encourage all member credit unions to submit items any time to jcote@vcul.org. We especially want to hear stories and testimonials of how your credit union has made a difference in your community or in the daily lives of your members.

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We're even planning to have some fun with a variety of recurring **Back Page Puzzles** (this month, Sudoku) and our "**C what U Know**" contest that challenges the reader's knowledge of credit union history and philosophy. Puzzle answers can be faxed and contest answers can be submitted on our website at www.vermontcreditunions.com/support/newslines.htm. Winners, prizes, and solutions will be published in the following month's issue.



Another regularly occurring feature we're planning is "**5 Minutes with ...**", which will bring our readers closer to a special person from within Vermont's credit union industry. This brief profile will allow readers to meet someone ... a CEO, volunteer, employee, even a member ... that has insights to share about their involvement with the credit union movement in the past, present and future. We'll be contacting potential interviewees soon and hope they'll be able to take a few minutes to pass along their stories and wisdom to our readers.

Also in this issue ...

- ⇒ **President's Thoughts ... page 2**
- ⇒ **"C what U Know" ... page 2**
- ⇒ **GAC 2007 Preview ... page 3**
- ⇒ **Back Page Puzzle - Do You Sudoku?**

Everyone at the Association is excited about this new format and about the increased opportunity it presents to share timely and important information. More than anything else, our goal is to inform, update, and entertain our readers and to increase the overall strength of the credit union movement in Vermont. Ultimately, we hope to assist credit unions as they continue to fulfill their mission of providing outstanding financial institution experiences to the more than 260,000 members they serve.

Thoughts from the President's Desk ... by Joe Bergeron



Welcome to a new year. I hope you had happy holidays and a great start to 2007!

You're reading our very first issue of a newly re-vamped **Newslines**. To be clear, this isn't a new version of the weekly **Newslines Express** you've been getting in your e-mail. For many years now, we've printed, folded and mailed **Newslines** as a quarterly print publication to credit union officials and staff. But with changing technology, ever increasing postage costs, and most all of you with e-mail capability, we decided it was time to go all digital! So now in your e-mail inbox you'll get . . .

- ◆ **Newslines Express** – weekly Vermont and industry up to the minute news highlights
- ◆ **Newslines** – a monthly four page full color PDF of industry issues of interest to volunteers and staff, complete with pictures and links to resources.

Why two e-mail publications? Newslines goes to just Vermont credit union leaders, while Newslines Express also goes to many parties beyond Vermont interested in current news about our credit unions. We hope you'll enjoy the new approach and welcome your comments!

The New Year also brings the time to renew credit unions' membership in the Association and CUNA. Details have gone to all Vermont credit unions and, on behalf of the Association and CUNA, we greatly appreciate those who have already remitted dues payments.

You might not know that the vast majority of dues dollars paid to the Association and CUNA are earmarked for support of all-important advocacy efforts in Montpelier and Washington. Non-advocacy operations are funded by other revenue sources.

Your credit union may have many options when it comes to buying products, services and education. But NOBODY else works to protect and advance your credit union in the statehouse and Congress.

Without doubt our Association's presence and effectiveness in the Vermont statehouse has skyrocketed in recent years, initially fueled by the three-year re-write of Vermont credit union law. Once you've raised your involvement in the statehouse or Congress, however, you can't ever allow it to lessen and still expect to be effective. That's why we continue to put large amounts of resources into the election process and our lobbying presence in Montpelier and Washington. Through Association and CUNA efforts, state and federal legislators recognize credit unions as a very influential and effective lobbying interest group. Since some legislator faces change with each election, we can't ever rest on the laurels of past success.

Your credit union may have many options when it comes to buying products, services and education. But NOBODY else works to protect and advance your credit union in

the statehouse and Congress. The Association and CUNA need every credit union's support and involvement to maximize effectiveness with elected leaders and regulators. Membership dues are at the core of that support, and enable us to effectively protect your credit union.

If your credit union has renewed membership already, it's greatly appreciated. If not, I sincerely hope your credit union will empower us to fulfill that advocacy role nobody else does, through membership renewal!

Have a great 2007!

what CU Know

The first three people to correctly answer all 5 of these questions on our website will win a \$20 discount off a QuickBite registration for their credit union. Only one discount per credit union is allowed each month.

1. In what country were the first true credit unions formed?
2. Who started the credit union concept in Canada?
3. Who founded the Vermont Credit Union League in 1947?
4. What is the single most important factor that differentiates credit unions from a majority of banks?
5. When was the World Council of Credit Unions founded?

Visit our website to submit your answers at
www.vermontcreditunions.com/support/newslines.htm



Last November, Vermonters elected to maintain a divided state government by returning Governor **Jim Douglas** (R) to the statehouse where he will work with a Democratically controlled Senate and House. While each side has their own top priority issues, both seem committed to working on equitable compromises.

The Governor will focus on his "Affordability Agenda", including:

- ◆ More public money into higher education
- ◆ Less property tax payer money into k-12 education
- ◆ More middle income housing
- ◆ Health care cost control

The Legislature is by nature more wide ranging in its focus, which translates into a diversity of opinion as to what issues should be top priority. The agendas of senior leadership often

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Multiply the Power of Your Involvement!



Credit union employees and volunteers each have just one voice ... but imagine the power of representing 88 million voices!

Across the country, credit union strength in numbers has never been greater. As a new and much-changed Congress begins, attendance at the CUNA Governmental Affairs Conference (GAC) guarantees our numbers will add up to an even broader and deeper awareness of credit unions on Capitol Hill.

Limited hotel accommodations with the Vermont delegation are available but are likely to fill quickly. To reserve a room, contact Mary O'Brien at meo@vcul.org right away.



Scheduled speaker: Senator Joe Lieberman

Now entering his fourth term representing Connecticut in the U.S. Senate, Joe Lieberman has earned a national reputation as a thoughtful and principled legislator. He is a champion for the consumer, fighting to ensure that public and private watchdogs meet the highest standards of independence and integrity.



Scheduled speaker: Brit Hume, FOX News

With more than 35 years of journalism experience, Brit Hume anchors the highest rated political program on cable television. He is Managing Editor of the Washington, D.C. bureau of FOX News and appears as a panelist each week on FOX News Sunday. Prior to joining FOX, he was the chief White House correspondent for ABC News.

Compliance Check

— Reg. CC & Check Holds

Q: What is Reg. CC and why should I know about it?

A: A large part of Reg. CC defines check types and the maximum hold period allowable for each type of check. It was implemented to ensure timely access to funds deposited to transaction accounts.

In the past, some credit unions were reluctant to impose deposit hold periods, as it was thought to be contrary to the way credit unions serve members. But check holds are necessary to reduce fraud and protect credit union assets, which of course belong to the members. Training is required to ensure that staff can identify the maximum hold period for each type of deposit transaction and can provide the member with this information.

Test your Reg. CC knowledge (answers are at the bottom of page 4)

1. Cash, ACH and "on us" checks are examples of _____
2. "Local" checks are those that are drawn on or payable through _____
3. The Fed's check processing center for Vermont is in Boston (True/False)
4. Non-local checks are subject to a maximum hold of ___ business days
5. On a \$7,000 U.S. Treasury check deposit, \$ _____ of it must be available by _____ but the rest can be held for up to _____ days.
6. The maximum holds are identical for teller and ATM deposits (True/False)
7. The credit union has up to 5 business days to send a Funds Availability Disclosure to someone opening up a new checking account (True/False)

If you were unable to answer some questions correctly, you might want to sign up for the two hour "Reg. CC" QuickBite on January 11

Visit www.vermontcreditunions.com/support for more information or to register

Legislative Update ... continued from page 2

provide insight and Speaker **Gaye Symington** has already indicated her top agenda items as:

- ◆ Working to control the cost of K-12 education, property tax revisions based on ability to pay
- ◆ Developing efficient energy saving programs, creating renewable power supplies in Vermont
- ◆ Controlling health costs and fair access for all
- ◆ Economic development, especially rural areas
- ◆ Broadband access in more communities

Credit Unions and Issues

2005's Statute Modernization Act gave the credit union community a strong presence in the state capital, which we'll continue to grow through additional lobbying efforts, more Committee testimony on proposed legislation, and private meetings and networking with key lawmakers.

We continue to need increased visits by credit union leaders to the statehouse and welcome all employees and volunteers that would like us to arrange personal contacts with local legislators.

Finally, we'll schedule more events designed to bring credit union supporters into contact with legislators. October's Cooperative Summit is a key example of our commitment to these kinds of events that raise the profile of credit unions.

The most specific policy matter on the 2007 horizon is the statutory rule revisions on which BISHCA is currently working. Although the main activity on these rules is at BISHCA, if there are aspects that credit unions find unsatisfactory, we could ask the Legislature for clarification.

With the retirement of BISHCA Commissioner John Crowley, we're anticipating Governor Douglas' appointment of a successor soon.

We will remain ever vigilant in our mandate to safeguard the tax-exempt status of credit unions as we review the state's budget balancing efforts.

Key Leadership

Overall, leadership in the State Capital has a proven track record of credit union support. Governor Douglas supported the modernization bill in 2005 and is a credit union friend, as is re-elected Lieutenant Governor **Brian Dubie**.

In the Senate, President Pro Tem **Peter Shumlin** and Majority Leader **John Campbell** are both pro credit union and Minority Leader **Bill Doyle** is also friendly to us. And Finance Committee Chair **Ann Cummings** is a strong credit union supporter.

In the House, Speaker Symington, Majority Whips **Carolyn Partridge** and **Floyd Nease** are all pro-credit union, as are Republican Minority Leader **Steve Adams** and Progressive Minority Leader **Chris Pierson**. Also, both Ways and Means Committee Chair **Michael Obuchowski** and likely Commerce Committee Chair **Kathy Keenan** are strong credit union friends. Keenan's status as chair won't be confirmed until January 5.

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Education & Special Events

QuickBites telephone training conferences

- ◆ 1/9 Member Service: How to Keep Them Rushing Back for More
- ◆ 1/11 Reg CC (2 hours)
- ◆ 1/17 ABCu's: Teaching our Educators, Students, and Parents
- ◆ 1/30 Getting Over the Supervision Blues
- ◆ 2/6 Home Equity Lending
- ◆ 2/13 How to be a Culturally-Ready and Culturally-Friendly Employer
- ◆ 2/15 Coaching and Counseling Your Employees (2 hours)
- ◆ 2/22 Right to Financial Privacy Act

Read descriptions & speaker bio's or register at www.vermontcreditunions.com/support

Special Events

February 25 - 28: CUNA Governmental Affairs Conference, Washington, D.C.

Save the dates for these important AVCU special events!

March 28: Business Continuity & Disaster Recovery Seminar
Capitol Plaza, Montpelier - 8:30 to 4:00

May 3: Executive Summit Dinner (Speaker: Callahan & Associates)
Pond Pavilion at The Equinox Resort & Spa - 6:00 to 9:00 p.m.

May 4 - 6: 60th Annual Meeting & Convention
The Equinox Resort & Spa, Manchester, VT

Peruvian CU Leaders & World Council Visit Vermont

In November, your Association hosted six leaders of the Peru credit union movement. The dignitaries were here for an in-depth exploration of American credit union operations and to experience Vermont culture. The goal was to share with South America's leaders the knowledge and success that Vermont credit unions have

acquired through more than 60 years of service to consumers. The program is coordinated by the World Council of Credit Unions (WOCCU).

Peru has five times more credit unions than Vermont but only two times our members. Their combined assets reflect their country's economic situation; their 150 credit unions hold assets equal to just 1/3 of those held by Vermont credit unions.

During their three day trip, the group visited (clockwise from top left) **Central Vermont Medical Center, Inc. CU** in Berlin, **Credit Union of Vermont (formerly Federal Family)** and **Heritage Family FCU** in Rutland, **Vermont State Employees CU** in Montpelier, the state credit union regulator (**BISHCA**), and **Caswell CU** in South Burlington. The visit is the first step of a multi-year relationship between Vermont and Peru credit unions where representatives will travel to the each other's country multiple times per year. The cooperative exchange program is designed to bring advancements and technologies enjoyed by American credit union members to their fellow members in Peru.



Do You Sudoku?

If so, you could win a prize. The rules are simple:

Each of the nine blocks has to contain all numbers 1-9 within its squares. Each vertical nine-square column and horizontal nine-square row must also contain the numbers 1-9 without repetition or omission.

Fax your solution, along with your name, credit union, and email address, to 802-864-4391 by 5:00 p.m. on Friday, 1/26/07.

One winner will be randomly drawn from among all correct entries and will be announced in next month's *Newslines*.

Contest open only to employees and volunteers of AVCU affiliated credit unions. Approximate prize value is \$25. For rules or to download the full page contest entry form, visit www.vermontcreditunions.com/support/newslines.htm.



PUZZLE

	7		5		2			
9								
		6					2	4
	9	1		5				
			5		7		2	
					4		8	3
4	1						7	9
								8
				1		8		5

Answers to "Reg. CC Compliance Check"

1. Next-day items (i.e. the funds must be available on the next business day)
2. An institution located in the same Federal Reserve processing region as the credit union
3. False - It moved to Windsor-Locks, CT on 2/25/06
4. Five
5. \$5,000 ... the next business day ... 11
6. False - the rules differ for ATMs, especially those not owned by the credit union
7. False - it must be given BEFORE the account is opened

It is important to note that your credit union's Funds Availability or Exception Hold policies may be different. Be certain that you know your policy thoroughly.