

# NEWSLINES

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*A publication of the Association of Vermont Credit Unions*

## **Exciting Compliance News for Vermont Credit Unions**

No, that's not a misprint ... we used the words "exciting" and "compliance" in the same sentence. But by the time you finish reading this page, we think you'll agree that it's an accurate representation of a new service the Association will offer in 2008.



**AVCU Compliance infoSight** will quickly become your first stop when searching for compliance answers. Think of it as an online compliance manual at your fingertips, containing federal and Vermont-specific content that is accurate, concise, and detailed, on a wide range of topics and issues. There are easy-to-read summaries, checklists, direct links to laws and regulations, frequently asked questions, and links to additional important resources including CUNA's "E-Guide" online compliance resource.

There are currently 16 state credit union leagues and CUNA that participate in infoSight, which is not only a vast repository of completely searchable federal compliance information, but also a storehouse of state-specific data. Each state league creates and updates their information, and what makes it even more valuable is that every participating state has access to the information from all the other states. So if your credit union has members living in Massachusetts, New Hampshire, New York, Pennsylvania or any of a dozen other infoSight states, your credit union will have instant access to compliance laws that apply to their home state as well as Vermont.

In addition to the current Compliance infoSight channels shown in the inset box, there are plans to add model policies and more channels in the next few years. An Advisory Council, comprised of compliance experts from the partner leagues, meets monthly to review and revise content on the system, as well as examine usage metrics and discuss future offerings.

- Compliance infoSight Channels ...**
- **Accounts:** ownership, Check 21, Reg CC ...
  - **ACH:** origination, settlement, identity theft ...
  - **Advertising:** disclosures, regulations, promos ...
  - **BSA:** CTRs, SARs, OFAC, risk assessments ...
  - **Bankruptcy & Collections:** FDICPA, repos ...
  - **Board responsibilities:** job duties, liability ...
  - **Employment:** ADA, COBRA, OSHA, FMLA ...
  - **Field of Membership:** expansion, eligibility ...
  - **Investment:** powers, policies, safekeeping ...
  - **Loans & Leasing:** ALLL, FCRA, FACT, TILA ...
  - **Record Retention:** staff & board roles, laws ...
  - **Security:** identity theft, fraud prevention ...
  - **Tax Issues:** IRS 990 & all forms, UBIT, EITC ...

In the past year, Compliance infoSight has enjoyed a fourfold increase in usage by credit unions in the 16 subscribing leagues. Unique system

visits grew from 1,300 to more than 6,500 from June '06 to June '07. During that time, member responses showed a very positive opinion of the service, with 80% saying that it "provides accurate and reliable compliance information". An impressive 92% of current users would recommend Compliance infoSight to other credit unions.

The service also includes a weekly newsletter that provides timely updates on changing compliance issues, analysis of NCUA opinions and regulations, and more. It is currently distributed to between 5,000 and 6,000 credit union professionals around the country. Once AVCU's subscription begins, we will archive all of the newsletters on our website and plan to make them fully searchable.

So now that you've read through the commercial, you're waiting for the catch ... how much is this going to cost? Well, we've saved the best news for last. Every affiliated credit union will be able to purchase one Account License (with a unique User ID and Password) for AVCU Compliance infoSight for just \$100 for a full year of service. Additional individual licenses will be available for just \$35 each and there is no limit to how many licenses a credit union may purchase and assign to key staff members and volunteers.

We're excited to bring such an affordable, valuable, and needed service to our member credit unions in 2008 and beyond. We believe that AVCU Compliance infoSight will help our credit unions stay on top of the most important issues on which regulators and examiners focus. We plan to begin offering license registrations in early December.

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**Also in this issue ...**  
 ⇒ **Back Page Puzzle - Fall Word Search**  
 Find all 24 words associated with this time of year and you could win a \$25 gift card.

# Vermont Anti-Money Laundering / SAR Reporting Conference

On Wednesday, October 31, a conference for BSA and AML professionals will be hosted by the United States Attorney's Office and the Internal Revenue Service, Criminal Investigation Division at the Capitol Plaza Hotel in Montpelier. Although advance registration is required, there is no charge to attend the event, to be held from 8:30 am to 5:00 pm.

The Conference will provide a forum for the exchange of information between Financial Institution BSA and AML professionals and those in Law Enforcement responsible for investigating financial crimes.

Speakers at the conference will include an Assistant United State's Attorney, representatives from FinCEN, the United States Treasury, Regulatory Agencies and Special Agents from various departments of the U.S. Government. Topics will include:

- Legal Considerations Related to Suspicious Activity Reporting
- Vermont SAR Task Force Introduction and Case Examples
- Immigration, Smuggling and Counterfeit Merchandise
- Terrorism and Sections 311, 312 & 314 of the USA PATRIOT ACT
- Identity Theft, Counterfeiting and Fraud
- Banking Money Services Businesses (MSB's)
- Defensive versus Meaningful SARs, a Panel Forum



Attendees will gain a broader understanding of various SAR related topics and will have the opportunity to ask pointed questions regarding the use of information once a suspicious activity report is filed. The format of the conference will encourage the development of dialogue and future working relationships between the BSA / AML professionals and law enforcement.

Federal Law Enforcement officers will share case examples and outcomes as feedback to the financial community. Through dialogue, both the SAR authors and investigators can collaborate to develop best practices in SAR reporting.

## Who Should Attend?

The Vermont Anti Money Laundering and Suspicious Activity Reporting Conference is seeking participation from BSA / Compliance / Security / AML professionals from financial institutions of all sizes. A basic understanding of the BSA reporting requirements and the TD F90-22.47 Suspicious Activity Report form is requested.

The conference is open to the first 130 respondents from Vermont banks and credit unions, so don't delay. For registration information, download the brochure from the Member Support area of our website at [www.vermontcreditunions.com/support](http://www.vermontcreditunions.com/support).



## Speakers, Wegner Dinner, Promise Entertaining GAC '08

It's not too early to begin planning for the Governmental Affairs Conference (GAC), March 2-6, 2008 at the Washington Convention Center. CUNA has already announced an impressive lineup of keynote speakers, headlined by **General Colin Powell**, **Chris Matthews**, host of MSNBC's "Hardball", and humorist / author **Dave Barry**. The conference will also kick off with a performance by the band **America**.



Monday night, the National Credit Union Foundation's **Herb Wegner** Memorial Awards dinner will honor two individuals and one organization that have exemplified the spirit of Wegner, a visionary whose tireless efforts, innovative ideas, dedication, and deeds revolutionized the way credit unions serve their communities.



**Dr. Robert Hoel**, Ph.D. will receive the Lifetime Achievement Award for his body of research in financial institutions, marketing strategy, and consumer analysis. During his tenure as Executive Director of the Filene Research Institute, Hoel orchestrated the accumulation of research that has transformed into real benefits for credit unions and consumers. He led the creation of the Center for Credit Union Innovation, which has spawned initiatives such as REAL Solutions and the Filene I<sup>3</sup> ("Ideas, Innovation, Implementation") Group.

**State Employees Credit Union Foundation** in Raleigh, NC will receive the Outstanding Organization Award for quickly becoming one of the most successful private credit union foundations in America. This foundation is funded entirely by member contributions from the State Employees Credit Union. During the SECU Foundation's first three years, its work has already crossed over into diverse public sectors: education, energy, health care, housing, and human services. Their positive impact has been felt throughout the entire state of North Carolina.



**Harriet May**, President and CEO of GECU of El Paso, Texas, will receive the Individual Achievement Award in recognition of her heartfelt commitment and proactive approach toward the American Dream of home ownership for residents of her border city. Her grassroots efforts established the El Paso Affordable Housing Credit Union Service Organization in 2002. She is recognized as a tireless crusader of financial education, housing counseling, affordable credit, and foreclosure prevention.

For information on reserving a hotel room in our block, please contact **Jan Pearson** at [jpearson@vcu.org](mailto:jpearson@vcu.org).

## October is National Co-op Month - Please Share Your Stories and Pictures



info@go.coop

October is a busy month for credit unions, and not just because of International Credit Union Day on the 18th. It is extremely important that credit union employees, members, volunteers and the public-at-large understand that a huge part of what makes credit unions different is that they are financial cooperatives. That big green and white "\$" occupying the top right of the Go Co-op logo is **OURS** ... and we first have to understand what it means ourselves before we can tell others.

**So, what is a co-op? A cooperative ...**

- ... is a business. Co-ops range in size from small store-fronts to Fortune 500 companies. In many ways, it's like any other business; but in several important ways, it is unique and different.
- ... is owned and democratically controlled by its members — the people who use the co-op's services or buy its goods — not by outside investors. Co-op members elect their board of directors from within the membership.
- ... provides surplus revenues — income over expenses and investment — to members proportionate to their use of the cooperative, not proportionate to their "investment" or ownership share.
- ... is motivated not just by profit, but also by service, to meet member needs for affordable, high quality goods or services.
- ... exists primarily to serve its members.
- ... returns surplus revenues from the co-op to individual members who pay taxes on that income.

### **Working Together Across the Sectors**

Last October, your Association was a partner in coordinating the first ever Vermont Cooperative Summit, which brought together cross-sector co-ops in our state for a Political Candidate Forum and full day of celebrating co-ops. Building nationally on that effort, a new website, [www.go.coop](http://www.go.coop), now serves as the gateway to the entire co-op community. It includes links to the major co-op sector associations, including the National Cooperative Business Association, National Cooperative Grocers Association, National Association of Housing Cooperatives, Credit Union National Association, and U.S. Federation of Worker Cooperatives. Future enhancements are likely to include a directory of co-ops searchable by zip code. A new slogan: "Cooperatives are a Better Way to Do Business ... Cooperatives Change the World. Go Co-op!" has been introduced. Vermont's own Cabot Creamery Cooperative developed the slogan with help from representatives of various co-op sectors. The hope is that the slogan will be adopted by co-ops nationwide.

### **Share with Us, Help Tell the Story**

To help educate everyone about our most important attribute, we invite all credit unions to share with us the pictures and stories, not only from Co-op Month and International Credit Union day but all year round, that demonstrate the credit union difference and our cooperative foundation. In particular though, we're planning a big section of the November *Newslines* to be devoted to sharing ICU day pictures and stories from individual credit unions with all of our readers. Please send your pictures with brief explanations, names, and titles to John Cote at [jcote@vcul.org](mailto:jcote@vcul.org). Please help us celebrate National Co-op Month.

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## **New Endorsed Partner Meets with 19 Credit Union Leaders**



In late September, three representatives from **CU Members Mortgage** (<http://cu.homeloancu.com>), the Association's most recently added endorsed business partner, met with 19 of Vermont's credit union leaders at Lake Morey Resort in Fairlee. Attendees heard from a variety of experts on subjects such as:

- reasons why mortgages will always be critical to their credit union's success;
- marketing to members;
- the current state of the sub-prime market; and
- technological tools that will help them compete for their members' mortgages.

**Keith Kasmire** (pictured addressing attendees), Regional Sales Manager explained that the company's origins go back more than 50 years, but that they are very focused on technology in helping credit unions of all sizes offer their members affordable mortgages. Also on hand from CU Members Mortgage were Account Executive **Joe Polaski** and National Training Manager **Wallace Jones**. Together, the three representatives spoke of how the company has become a leader in the home financing industry by offering a variety of mortgages for today's marketplace, including single close construction loans, special first time homebuyer programs, no down payment loans, and FHA, VA and conventional loans.



**Len Patti** from CUNA Mutual Group Mortgage Insurance Company also presented during the session and answered questions. For more information about CU Members Mortgage, please contact **Bryan Kent** at [bkent@vcul.org](mailto:bkent@vcul.org).

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## Education & Special Events

QuickBites teleconferences, \$109 (fee includes 14 day audio archive)

- ◆ 10/2 How to Lend to the Underserved Market
- ◆ 10/11 Reg. B (Equal Credit Opportunity Act)
- ◆ 10/17 Teller Regulations (2 hours, \$159 fee includes archive)
- ◆ 10/25 Face to Face Selling Skills
- ◆ 10/30 Disaster Recovery / Business Continuity
- ◆ 11/7 Create an Irresistible Offer
- ◆ 11/15 Presenting with Power and Pizzazz
- ◆ 11/20 Indirect Lending
- ◆ 11/28 Business Development

Read descriptions and speaker bios or register at [www.vermontcreditunions.com/support](http://www.vermontcreditunions.com/support)

### Upcoming Special Events

**October 10: AVCU's IRA Essentials Seminar**

**October 11: AVCU's IRA Advanced Topics Seminar**

**October 31: Vermont AML/SAR Conference (see page 2)**

Brochures and information are available via the above link to our website

## Tom Glatt, CEO of Continental FCU, to Speak at AVCU's 2008 Annual Meeting

The CEO of the credit union that was the target of the first ever forced merger attempt by another credit union will be one of the featured speakers at your Association's 61st Annual Meeting and Convention, May 29 – June 1, 2008 at the Woodstock Inn. CUNA, state leagues, managers, and volunteers across the country watched with interest tinged with fear earlier this year when \$1.6 billion Wings Financial FCU attempted to force the Board of \$178 million Continental FCU into a merger by directly soliciting Continental's membership and offering them \$200 each if they would approve the merger. The unprecedented move by Wings drew the attention and ire of many in the movement, some of whom called it a "hostile takeover".

**Tom Glatt**, who took over troubled Continental FCU in August of 2006, went on the offensive to protect his credit union's members. He told them that after four unsolicited merger offers by Wings in the span of 18 months, Continental's Board and Management strongly believed that Wings "is interested in one thing: getting larger and more profitable at your expense." NCUA reacted to the unprecedented controversy, saying in their statement, "NCUA has reviewed the offer by Wings Federal Credit Union to pay members of Continental Federal Credit Union \$200 apiece if Continental merges with Wings, and has informed Wings that the payment is impermissible under the provisions of the Federal Credit Union Act."

Following NCUA's ruling, Glatt applauded the regulator, saying in a press release, "In its action, the NCUA has removed a direct threat to the member-owners of Continental FCU, who very much opposed this blatant attempt to steal their credit union. Thanks to the NCUA's independent involvement and oversight, we can now put this issue behind us and return our full attention where it should be: Serving the needs of Continental FCU member-owners by providing the best value possible."

We're thrilled to have Tom join us for Convention Weekend so that we can get the inside story of an act that shook the very foundations of the credit union movement. He joins previously announced former NCUA Chairman Dennis Dollar as our impressive lineup of Annual Meeting speakers grows ... and we're not done yet. We're just about ready to sign the contract for our third high profile speaker and will have full details in an upcoming issue of Newslines Express. For now, make sure that the dates of May 29 – June 1, 2008 are blocked off on your calendar ... it promises to be a weekend that credit union CEOs, employees, and volunteers will not want to miss.



To enter, fax entry to **802-864-4391 by Wednesday, 10/31**. The entry with the most correct words wins (in the event of a tie, prize winner will be randomly drawn). Contest open only to employees and volunteers of AVCU affiliated credit unions. Approximate prize value is \$25. Winning entry must include the entrant's full name, email address, credit union & title or volunteer position held.

### Fall Word Search

M	I	R	G	L	I	P	E	G	N	A	R	O	N
A	G	L	I	L	C	U	M	I	S	A	G	Y	L
Y	I	S	Y	S	R	M	U	A	P	P	L	E	P
K	L	O	T	H	A	P	T	N	L	L	A	F	P
T	O	T	H	A	N	K	S	G	I	V	I	N	G
I	R	S	A	L	B	I	O	H	E	B	P	C	S
C	T	E	G	L	E	N	C	S	L	L	O	K	S
L	H	V	A	O	R	T	H	E	Y	R	C	T	T
N	C	R	F	W	R	I	S	M	N	I	U	U	M
I	I	A	E	E	Y	S	O	C	R	F	N	R	R
H	C	H	A	E	I	U	E	T	F	R	R	K	S
A	L	T	A	N	T	H	G	I	N	A	O	E	T
R	A	A	G	H	T	G	N	G	R	N	C	Y	O
I	F	O	L	I	A	G	E	L	N	M	B	Y	I

For the word list and the full size contest entry form, visit [www.vermontcreditunions.com/support/newslines](http://www.vermontcreditunions.com/support/newslines).

Also visit the above link for the solution to September's **Sudoku** puzzle and to see who won the \$25 prize.