



ALERT

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A VIEW FROM THE BOARD ROOM

The BLO/CULO Deskguide — It's All About Relationships!

*Robert E. Morgan, DCUC Board Member
Board of Directors, ABNB FCU, VA*

Late last year, the Department of Defense prepared and distributed the first-ever Installation Banking and Credit Union Liaison Officer guide to assist Commanders and Liaison Officers in the execution of their duties. As a former President/CEO, I find this desk guide publication to be invaluable for it not only outlines basic policies and procedures, but also highlights major responsibilities. And it does so in a 15 page summary document (plus appendices)!

Prior to this guide being published, when a new commander or liaison officer was assigned to our base, I had to look through various documents and regulations to provide information about credit union operations on DoD installations. No longer the case! Today, all you have to do is print a copy of the guide (off the DCUC website — www.dcuc.org), pen a short note, and send it to the Commander and/or the Liaison. Let them know that you are in-process of coordinating an office call and would like to familiarize them with your operation. Use this opportunity to give him/her an assessment of what works well and what needs improvement. Highlight some of his/her major responsibilities.

At a minimum, advise the Commander that aside from working with and

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CEO UPDATE

A Time for Action!

Roland A. "Arty" Arteaga, President/CEO, DCUC

The Department of Defense's report on Predatory Lending was delivered to Congress last month. It is the culmination of many hours of preparation, coordination, and examination by the Military Departments, and in particular, by the Office of the Deputy Under Secretary of Defense for Military Community and Family Policy. The report responds to the requirement in Section 579 of the Fiscal Year (FY) 2006 National Defense Authorization Act (NDAA) and addresses Congressional concern regarding predatory lending practices directed at members of the Military and their families.

Bottom line upfront: Predatory lending practices prevail around military installations and target military personnel. Though a number of studies were referenced and used by the Department to substantiate this conclusion, for those of us who have served and/or been stationed in military communities, DoD's statement of fact was a foregone conclusion.

That notwithstanding, DoD's report brings clarity to the predatory lending issue and provides Congress the wherewithal to act. It confirms predatory lenders are: a) heavily concentrated around military installations... b) charging high fees and triple digit interest... c) targeting individuals with checking accounts and steady jobs...d) focusing on borrowers with little or no savings...e) seeking-out young, financially inexperienced borrowers...and f) looking for individuals who have a steady guaranteed income. In essence, the Department of Defense report substantiates predatory lending practices are directed at our Armed Forces and their families...and recommends certain actions be taken by Congress to protect those who serve.

The Department of Defense is asking Congress to: a) cap the annual percentage rate at 36%...b) ensure unambiguous and uniform price disclosures are clearly noted and given... c) prohibit lenders from extending credit to our troops and their families without due regard to repay...d) prohibit provisions in loan contracts that require service members to waive special legal protections and/or their rights to take legal action...and e) prohibit states from discriminating against service members and their families stationed within their borders and prohibit lenders from violating state consumer protections. Feasible?



Roland A. Arteaga

Predatory lending practices prevail around military installations and target military personnel...for those of us who have served and/or been stationed in military communities, DoD's statement of fact was a foregone conclusion.

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DEFENSE CREDIT UNION COUNCIL, INC.

is an association of credit unions serving Department of Defense personnel, military and civilian, worldwide.

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Service CU Opens In-Store Branch in Salem Wal-Mart

Jill Shaw, Service CU

Service CU opened a new full-service branch inside the Salem Wal-Mart. The Salem branch is the second of seven branches planned to open in New Hampshire Wal-Mart stores over the next 12 months.

“We are delighted to have the opportunity to provide banking services to current and new members 7 days a week and during extended weekday hours. This expands upon our current convenience strategy, which includes a 24/7 staffed Contact Center and online account opening and funding,” says Gordon Simmons, President/CEO. This also provides members from our existing Salem traditional branch and other surrounding branches to have another convenient service location.”

The Salem Branch location offers complete banking services, mortgages, consumer loans, and a full-service ATM, 7 days a week. Future branch locations inside Wal-Mart stores include Manchester, Rochester, Portsmouth, Hooksett, and Hillsborough.

The Ribbon Cutting Ceremony was recently held on July 27 at the new branch. New Hampshire Banking Commissioner Peter Hildreth, Greater Salem Chamber of Commerce Chair Nanci Carney, and Salem Selectman Beth Roth joined Gordon Simmons, Service CU President/CEO, and other credit union and Wal-Mart staff at the event. Service CU members were also present.



Fort Lee FCU & AFFN to Contribute \$3,000 to the BOSS Program for Single Soldiers

Melissa Miesnik, Fort Lee FCU

Patsy Stuard, CEO, presented a \$3,000 check from Fort Lee FCU and Armed Forces Financial Network to the Fort Lee BOSS (Better Opportunities for Single Soldiers) program.

BOSS is a program that supports the overall quality of single soldiers' lives. BOSS identifies well-being issues and concerns by recommending improvements through the chain of command. BOSS encourages and assists single soldiers in identifying and planning for recreational and leisure activities.

Thanks to the grant by Fort Lee FCU and AFFN, single soldiers will have a place to call home. The \$3,000 is being used by the BOSS program to improve the quality of life for single soldiers stationed on Fort Lee.

Soldiers now have access to computers with free internet access, big screen T.V., X-box and other video games. The BOSS building has a full service kitchen, deck and outdoor grill.

The check was accepted with open arms by Fort Lee. According to Command Sgt Major Wayne Hall the BOSS program is kept together by volunteers. Fort Lee garrison command sergeant major; SPC Muria Nisbett, BOSS representative; and SPC Michael Grey, BOSS president were also present for the presentation. SPC Grey shared his deepest appreciation on behalf of the single soldiers. Single soldiers will have a place to relax and enjoy without stress.



New Tower Branch with the Latest Teller Station Technology Opens in Anne Arundel County

Natasha Henry, Tower FCU

Tower FCU recently held a grand opening ceremony for its twelfth branch. The new branch is located at Arundel Mills, 7049 B Arundel Mills Blvd., off of Route 100 and is equipped with the latest technology of interactive remote teller stations. Remote teller stations enable live tellers to communicate with members through a microphone or telephone and send paperwork and currency through a pneumatic tube, making each transaction safer, quicker and easier. The branch is managed by Patricia Hanyok and has a 24-hour walk-up ATM and convenient reserved parking spaces for Tower members. Senior management and Tower staff, Board Directors, invited guests and the local media attended the ribbon cutting and breakfast. The new branch is the fourth Tower branch to open in the last 21/2 years.

“This new state-of-the-art branch technology allows our staff to operate more efficiently, providing members with better service, a substantial reduction in wait time, and the ability to serve a greater number of members,” commented Martin Breland, Tower President & CEO, during the opening ceremony.

Tower President and CEO Martin Breland and Chairman of the Board George Cumberledge do the honor of cutting the ribbon at Tower's new branch grand opening in Hanover. Photo provided by Tower FCU.

World Council of Credit Unions in CFC 1020

Valerie J. Breunig, CUDE, Worldwide Foundation Funds Manager, WCOCU

Military and federal employee credit union members can watch for a “credit union charity” in the upcoming federal government’s Combined Federal Campaign, a charity drive for government employees between September and December.

The World Council of Credit Unions (WOCCU) helps alleviate poverty, promote democracy and credit union soundness around the world through international credit union development projects. Credit unions with military/federal government employee members can let their members know World Council’s foundation, Worldwide Foundation for Credit Unions, is charity number 1020. Credit unions can also help by publicizing WOCCU’s participation in the campaign on their web site or with a credit union newsletter article. A sample article is available at www.woccu.org/ecard2/poverty/. WOCCU is also seeking a few credit unions to serve as pilots to promote the program to their members.

More information on the Worldwide Foundation for Credit Unions (WF), WOCCU’s charitable arm, can be found at www.woccu.org. For details contact Valerie Breunig, WOCCU, vbreunig@woccu.org or 608.231.7353.

Treats for Troops

With the holiday season fast approaching, please remember our troops. Visit www.Treatsfortroops.com and send a care package to our soldiers. You can choose from dozens of themed packages or hundreds of individual items, all selected after lots of input from soldiers and family members.

Individuals, organizations and groups who don’t personally know anyone in the military, but want to show their support can sponsor soldiers through our unique Foster-A-Soldier Program. Sponsors can choose their soldiers by branch of service, home state or gender.

Langley FCU Wins National Marketing Competition

Sue Thrash, Director of Research & Communications

Langley FCU has won a 1st Place Award in the Marketing Awards Competition sponsored by the National Association of Federal Credit Unions (NAFCU). Langley won ‘Best Lending Promotion’ in the \$150M or more assets category for its balance transfer product, ‘Tryalorate — the cure for the common card.’

The Tryalorate promotion was designed around ‘Cold & Flu’ season, which at that time, was receiving an overabundance of publicity because flu shots were in short supply. Langley FCU invented a medicinal product to cure high credit card rates. NAFCU is a national organization that represents the interests of credit unions. The Marketing Awards Competition is held annually and winners are recognized at the NAFCU Annual Conference & Exhibition.

“Once again, NAFCU has shone a spotlight on the very best within the association’s membership,” said NAFCU President Fred Becker. “We’re proud to recognize this year’s winners and excited to celebrate their accomplishments.”



Lila Dressen, Executive Vice President, Travis CU; Stuart McIntosh, Chairman of the Board, Travis CU; Bob Purves, Asst. Vice President Corporate Relations, Travis CU; and Col. Michael Shanahan, C-17 Program Office Chief. Photo provided by Travis CU.

Travis CU Helps Celebrate C-17'S Arrival

Sherry Cordonnier, Director of Corporate Relations

As the first of the 13 C-17 cargo planes and their crew arrived at Travis Air Force Base on August 8, 2006, Travis CU was there to welcome them.

"Travis Air Force Base is an integral part of our history at Travis CU," says Travis CU Executive Vice President Lila Dressen "We are honored to be part of this historical event."

The initial C-17 – the Spirit of Solano, named in appreciation for the immense support the base receives from the surrounding communities and its sister aircraft will help the Travis Air Force support strategic, tactical and refueling missions for the U.S. and the world. The long-awaited arrival of the cargo planes will not only enhance the mission of the local air base, but also the national security of the United States.

"The Spirit of Solano and her sister aircraft [the follow-on C-17's, the C-5 and KC-10 aircraft] will allow Travis to 'Span the Mobility Spectrum' by accomplishing all three of Air Mobility Command's major flying missions," said Col. Michael Shanahan, C-17 Program Office chief. "Travis is now the only base in the world to have all three missions assigned to it."

Many VIPs attended the ceremony honoring the planes arrival and Travis CU provided attending dignitaries including Congresswoman Ellen Tauscher and General Thomas Kane, who flew the C-17 into the base, with special gift bags. The Tarmac Survival gift bags were filled with a commemorative bottle of wine with the C-17 Spirit of Solano logo on the label and a boxed set of two crystal wine glasses engraved with the C-17 Spirit of Solano logo.

At a breakfast before the formal ceremony and presentation of the C-17, a commemorative plaque was awarded to Patsy Van Ouwerkerk, president and CEO of Travis CU in appreciation of the support the credit union has given to the project. Dressen accepted the plaque, featuring a C-17 photo with commemorative coin.

"Travis CU has long been a supporter of the military base and nothing gives us more pleasure than seeing the base succeed in all of its missions," says Dressen.

supporting the on-base institutions, he/she is has the responsibility to: 1) appoint qualified personnel as Liaison Officers, 2) seek the provisions of financial services from only the on-base institutions, 3) encourage DoD personnel to serve on volunteer boards, 4) ensure that the community's interaction with on-base financial institutions is kept open and effective, 5) invite representatives of on-base financial Institutions to participate in briefings of personnel on services and products available, 6) provide office space and logistical support, if available and requested, and 6) ensure the on-base institutions' operating agreement and real estate documents are current.

If meeting with the Liaison Officer let him/her know that in addition to being the link between the Commander and the on-base Financial Institution Manager, he /she is also responsible for: 1) maintaining regular contact with the on-base financial institution manager, 2) assisting in resolving member problems and complaints, and monitor on-base financial services and products, 3) coordinating requests for changes of services, 4) informing the on-base financial institutions of pending developments that will impact operations and services, such as deployments, 5) providing on-base financial institutions' Managers with applicable policies, procedures governing operations on DOD installations., and 6) being proactive to the point of attending financial workshops and conferences relative to financial institution issues and operations.

The new Banking and Credit Union Liaison Officer's Guide is all about relationships. Take advantage of the opportunity and share the guide with your command/liason team. I know they are extremely busy, but make it a point to get on their calendar and "talk them through" some of the more salient points. When it's all said and done, they'll be glad you did, and so will you. Having worked with 14 different Commanders and Liaison Officers in my prior life (as the President/CEO at ABNB FCU), I can assure you, it is all about relationships...it is all about "Serving Those Who Serve Our Country."

For speaker presentations from the 2006 Conference, visit www.dcuc.org.

SPOKANE

2006 Christmas Ornaments Are In

The Defense Credit Union Council is selling the 2006 White House Christmas Ornament again this year as a fundraiser for the George E. Myers Scholarship Fund. The price remains at \$20 per ornament. The 2006 White House Christmas ornament honors the administration of the 21st President of the United States Chester A. Arthur (1881–85). Having served just six months as vice president to James A. Garfield, Arthur assumed the presidency in September 1881 when Garfield succumbed to the wounds inflicted by an assassin's bullet. He brought to the White House a luxurious style that signaled the nation's return to prosperity after the economic troubles of the late 1870s.



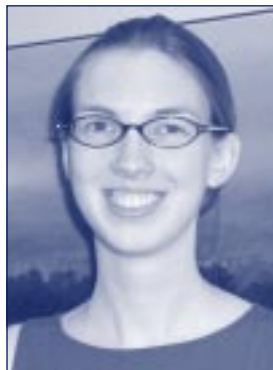
The design of the 2006 ornament is inspired by the period motifs and rich decor of Arthur's White House, which will be forever distinguished by the early work of famed American artist and decorator Louis Comfort Tiffany. The North Portico of the White House is depicted in the center beneath an American bald eagle. The two translucent ovals flanking the center depict the American dogwood blossoms that Tiffany incorporated in a large screen of red, white, and blue glass, which stood in the Entrance Hall until the turn of the century. The naturalistic leaves that comprise the gold-plated outer wreath

of the ornament are derived from murals painted in the Entrance Hall. The honeysuckle details ("antheimia") in the inner oval frame are adapted from the high Victorian decoration of the East Room. The picture of the White House Ornament is used with permission of the White House Historical Association.

If you are interested in this year's ornament you can go to www.dcuc.org and scroll down to the picture of the ornament in the bottom left hand corner, click on the box and it will take you to the ornament description and order form. Please make checks payable to the National CU Foundation – GEM Fund. To order by credit card (VISA or MasterCard only), please include the account number, name on the card, expiration date, and account address if different from delivery address (no P. O. Box address for delivery).

DCUC Welcomes Beth Merlo!

The Defense Council is happy to introduce our newest employee, Elizabeth "Beth" Merlo. Beth was hired as Administrative Assistant on September 5, and is the first voice you will usually hear when you call DCUC's main office number. Beth graduated from the Catholic University of America this past May. There, she was an English major and the Entertainment Editor for the independent school newspaper, *The Tower*. Your first chance to meet Beth will be at Defense Issues '07 on Saturday, February 24, at the Washington Hilton. Please introduce yourself and welcome her to DCUC!



VyStar Celebrates the Grand Opening of Its New Julington Creek Branch

Judy Walz, VyStar CU

Terry West, President and Chief Executive Officer of VyStar CU, announced the official opening of the Credit Union's new Julington Creek Branch location at 101 Bartram Oaks Walk at the corner of Racetrack Road and State Road 13 (San Jose Blvd.). VyStar Officials cut the ribbon, launching the Grand Opening Celebration of the new Branch, in a special ceremony on Wednesday, August 23 at 5:30 pm.

The new branch is a full-service VyStar branch with eight teller stations, eight member service offices, two online banking stations, one outside walk-up and two drive-up ATMs, four drive-thru lanes and safe deposit boxes. This is the third new branch opening for VyStar during 2006.

Angela (Angie) Chriest will serve as Branch Vice President of the Julington Creek Branch. Chriest comes to the new Julington Creek Branch with over 29 years of banking and financial services experience. She most recently held the position of Branch Vice President for VyStar's St. Augustine Branch. Chriest, her husband Ed and their two daughters have also been residents of Julington Creek Plantation for 11 years.

"This is a positive move for our members and the Northwest St. John's County community. It is one of the many ways VyStar is responding to our members' needs and to our ability to offer membership to more people, including anyone living or working in Northeast Florida," said Terry West, VyStar CU's President/CEO.

Defense Credit Unions Honored

Three Defense Credit Unions were recognized for their Distinguished Service by their respective branches of the armed services during the Defense Credit Union Council's 43rd Annual Conference in San Antonio, Texas this past month. Fort Sill FCU (OK) was selected as the Department of the Army's Credit Union of the Year; Pen Air FCU (FL) received the top honor in the Department of Navy; and Harborstone CU (WA) was named the best in the Department of the Air Force.

Although the criteria for this coveted award is structured differently by each of the respective Departments, major common areas of consideration are:

- a) the delivery of financial service "above and beyond normal requirements";
- b) special services provided at the command's request;
- c) financial education and training;
- d) action taken to combat predatory lending
- e) community support, and
- f) professional attitude and financial leadership.

Fort Sill FCU was cited by Colonel Richard Shrank (Commander, US Army Finance Command) for its superb leader-

ship in financial education, its programs to combat predatory lending and its sponsorship of a community event, Faces of Freedom, a combined effort with the 6/32 Field Artillery, the Proud Americans, during which Fort Sill FCU and a volunteer professional photographer, provided free family portraits to every soldier prior to deployment to Iraq. Fort Sill was previously recognized for this award in 1994, 1997 and 1999.

Mr. Dean Hunstad (Office of the Director for Financial Operations, Navy) presented Pen Air FCU the Navy/Marine Corps award and highlighted Pen Air's strong support and partnership with all personnel and the Command at Naval Air Station Pensacola. Pen Air's countless hours of community support, their superb financial education and training programs, and their continuous and generous financial support of base events were among key accomplishments cited by the Base Commander. Of major significance and importance, however, was Pen Air's proactive involvement in local and State sponsored forums to promote legislative changes on predatory lending.

Harborstone CU in Tacoma, WA was cited for its outstanding support of McChord Air Force Base, and in particular, for addressing the special needs of McChord's airmen. In addition to being cited for their superb financial education and counseling program and their support of deployed personnel, via their "Stars and Stripes" Financial package and care packages, Harborstone was also commended for

their excellent support of community events and installation organizations. However, when presented their award, Colonel Patrick Coe (Office of the Deputy Assistant Secretary of the Air Force, Financial Operations) made exceptional comment and praised Harborstone for their response to the Command's request for no interest emergency loans (for up to 1500 members). Their response was immediate, affirmative and without question, and most worthy of the Air Force's Distinguished Service Credit Union of the Year award.



COL Richard Shrank, Commander of the Army Finance Command; Dennis Porter, Liaison Officer; Robert Hopper, Chairman of the Board; and Denise Floyd, President/CEO Fort Sill FCU.



COL Patrick Coe, Director, Air Force Accounting and Finance Office; Carlene Joseph, Vice President Military Relations, Harborstone CU; and Mary Moss, Community Relations Manager.



Dean Hunstad, Office of the Director for Financial Operations, Navy; John Davis, President/CEO Pen Air FCU; and Maurice Johnson, Chairman of the Board.

GOT NEWS?
E-mail your news
to Debbie Caruso at
dcaruso@cuna.com

DCUC Inducts Three into Hall of Honor

The Defense Credit Union Council Hall of Honor was established in 2000 to recognize individuals who have made significant lifetime contributions to the defense credit union community, the Defense Credit Union Council, and the credit union movement as a whole. This year's award ceremony, held at the Tuesday gala dinner banquet in San Antonio, Texas on August 8, was again the highlight of DCUC's Annual conference. This year's inductees were James A Guretzky, President/CEO SAC FCU; Dominic Allesio, former Manager/Chief of then Fairchild FCU, now Global CU; and Stacey F. Carter, former Director of Administration, DCUC.



Ralph Story, Chairman of the Board, DCUC, presents Hall of Honor award to Stacey Carter, former Director of Administration, DCUC.

James Guretzky began his career at SAC FCU in 1981 and in 1984 became the President/CEO. In addition to the strong leadership he brought to SAC FCU, Mr. Guretzky's achievements over the past 25 years have been equally outstanding. Key among his many accomplishments were his Chairmanship of the National Association of Federal Credit Unions; Co-chair of the Oversight Task Force in the fight for HR 1151; National Director for the Credit Union National Association; President, Treasurer, Secretary and Director of the DCUC Midwest Subcouncil; Chairman of the DCUC Dues Committee; Chairman of the DCUC Hall of

Honor Nominating Committee; Chairman of the Credit Union Processors, Inc; Secretary of the Offut AFB Advisory Council; Winner of CUNA Mutual's highest award, the Roy F. Bergengren Award for High Achievement; and Chartered member of the 55th Wing Honorary Wingman award.

Dominic Allesio spent over 26 years in the credit union movement with 22 of those years as Chief, of what was then known as Fairchild FCU, now Global Credit Union. He served on the Credit Union's board of directors from 1954 until 1958 and assumed the Treasurer-Manager position in 1958, a position he held until his retirement in 1980. While serving as the Chief of FFCU, Mr. Allesio also served as the President of the Washington Credit Union League; President of League Services, a service organization of the Washington Credit Union League; National Director for the Credit Union National Association; Treasurer, Second Vice President, First Vice President, and Chairman of the Defense Credit Union Council. During his tenure with DCUC, Mr. Allesio was instrumental in bringing credit union services to our troops in Italy and was an influential force in the development and creation of Departmental policy for credit union operations on DoD installations.

Stacey F. Carter was the Defense Credit Union Council's first Director for Administration, retiring in December 2003 after 15 years of service and support to DCUC's management and staff its Board of Directors, and above all else, its members. During her time at DCUC, Ms Carter was the



Arty Arteaga, President/CEO, DCUC, presents Hall of Honor award to James Guretzky, SAC FCU.

Council's center of gravity, not only for administrative, marketing, membership functions but also for operational and strategic issues. Of major significance, while at DCUC, was Ms Carter's efforts and distinct involvement in the creation of DCUC's Defense Issues Roundtable seminar; the establishment of the George E. Myers Scholarship fund, and the development of the Defense Credit Union Council's Hall of Honor.

To this year's three selectees...James Guretzky, Dominic Allesio, and Stacey



Jack Fallis, President/CEO, Global CU accepts Hall of Honor Award on behalf of Dominic Allesio.

Carter...we offer a grand salute and our sincere congratulations. Each of them truly embodies and represents the values, principles, and philosophies of the Council and is most worthy of this coveted award.

Radm Hering and Michael Calhoun Appear on USA FCU's "Money and You" Radio Show

Nicole Anderson, VP of Marketing

The danger of payday lending to our military was front-and-center during today's USA Federal "Money and You" radio show. The show is available on the internet from anywhere at anytime using this link:

<http://www.wsradio.com/internet-talk-radio.cfm/shows/Entrepreneur-Magazine-Money-and-You-Show/archives/date/selected/08-30-2006.html>

RADM Len Hering took direct aim at the menace of payday lending. "Right outside our gates they market high-cost loans that trap our young men and women into a cycle of debt," said Rear Adm. Len Hering, Commander, Navy Region Southwest. "Caught in these traps, these individuals can no longer do their jobs."

"Families are affected. Careers are being destroyed. And our nation's security is at jeopardy," he said. "Predatory lending practices represent a real and growing threat to the military readiness of our Navy men and women stationed in California."

According to recent DoD research, military service members are four times more likely to be payday borrowers than civilians. "The connection between military readiness at this time when our nation is at war and the marketing of payday loans outside of our gates is well-established," Hering said.

RADM Hering was joined by DoD advisor and national lending expert Michael Calhoun, President of the Center for Responsible Lending. "On average, payday borrowers pay back over \$800 for a loan of about \$300. Payday loans are marketed as short-term cash advances, but the two-week loan is a lie; 99 percent of payday loans become revolving debt," said Calhoun, "As strong evidence of payday lenders' dependence on this loan flipping, over 90 percent of their profits are collected from borrowers caught in a long-term cycle of debt, with at least five and commonly eight, twelve, or even 15 loans per year."

According to a recent report from the California Reinvestment Coalition, the highest concentration of payday lenders in the state is clumped around Camp Pendleton's Marine base, north of San Diego. Around 70 lending offices are located near the base, looking to attract some of the over 60,000 military and civilian workforce.

Mary Cunningham, President/CEO of USA FCU said, "Payday lending is a one-way street to nowhere for young military families. We work hard to educate them how to achieve real financial security. We also believe it is time for legislation to put an end to these incredibly high fees."

Major Gen. Michael Lehnert, Commanding General of Marine Corps Installations West, recently said, "(Payday lenders) are clustered around every single base like flies on honey. Payday lenders take advantage because California has some of the weakest laws in the country. Here in San Diego we regularly see rates of 460 percent (over the course of a year), and I have seen rates as high as 920 percent being charged legally against our service members. Ultimately, because we expect our Marines to be financially responsible, their ability to re-enlist, compete for good jobs and keep a security clearance is affected."

Legislation is pending in Sacramento to address this problem. Military leaders are on record supporting Assembly Bill 1965 in the State Legislature. It would:

- Cap the annual interest rate at 36 percent.
- Bar payday loan companies from using military insignias in advertising and from implying in ads that they are endorsed by the armed forces.
- Keep interest from accumulating when military personnel are deployed overseas, such as in Iraq or Afghanistan. The borrower would have 30 days to start repaying the loan after returning to a U.S. base.

North Island CU Expands Space at South Bay Branch

Kim Merrill, MJE Marketing Services Inc.

North Island CU has remodeled its South Bay branch office at 45 North Broadway in Chula Vista. The 90-day-long construction project added 1,364 square feet for a total of 5,964 square feet. The new space enables the credit union to add three teller windows, enhance the merchant window space and add an extra loan office as well as expand the lunchroom for employees.

"The South Bay branch serves western Chula Vista, National City and Bonita, which accounts for 10,000 members, growing at a rate of 200 members per month," said Kathy Parker, Executive Vice President, Branch Administration. "The branch has been open 51 months but the continued growth of members was even higher than anticipated. Expansion became a very high priority within the first few years but we had to wait until space became available."

In addition to the much needed floor space, three new employees were hired: one new financial service representative, on full-time teller and one part-time teller.

"Employees and members celebrated the expansion recently with cake and balloons, and with good reason," said Branch Manager Susan Skillman. "We were able to add services and enhance the member satisfaction experiences within a 90-day construction period without disruption of branch hours or services."

**The Holidays
Are Right Around
the Corner!**

Don't forget to order
your 2006 White
House ornament.

www.dcuc.org

Randolph-Brooks Challenge Raises Half Million Plus for Fisher House Foundation

Bonnie Belanga, Randolph-Brooks FCU

Randolph-Brooks FCU is honored to announce a contribution of \$517,533 to support the military and their families. The funds were raised as part of the “Fisher House Challenge” campaign that Randolph-Brooks hosted from Memorial Day to Independence Day. The credit union kicked off the campaign by announcing a \$100,000 contribution to the Fisher House Foundation and challenged the community to raise an additional \$200,000, which the credit union pledged to match. The Fisher House Challenge was a huge success creating awareness of the Fisher House Foundation. Community donations totaled \$217,533, and Randolph-Brooks matched \$200,000.

“We are proud to make this contribution to a program that supports our brave military men and women,” said Randy M. Smith, President and CEO of Randolph-Brooks. “The successful outcome of this fundraising challenge would not have been possible without the giving spirit of so many people including our members, other credit unions, our community, and local business partners,” Smith added.

“Randolph-Brooks’ leadership, staff, and members’ contributions to this project has been absolutely amazing,” said David Coker, President of the Fisher House Foundation.” Coker continued, “We are honored and humbled to be the beneficiary of their generosity. What started as one man’s vision has been embraced in a marvelous way by the Randolph-Brooks family and is going to bless our military families for years to come.”

Since 1990, the Fisher House program has been able to help more than 100,000 families by providing “a home away from home” so that America’s military families can be together during extended treatment for a serious

illness or lengthy therapy. In San Antonio, there are five Fisher Houses — three located at Wilford Hall Medical Center and two at Brooke Army Medical Center (BAMC). Two more houses are under construction at BAMC and are expected to open in January 2007 in conjunction with a new rehabilitation hospital. The new houses will help relieve the current waiting list, which stands at more than 60 families. Because there is a continuing need for temporary housing assistance across the United States of America, the Fisher House Foundation accepts donations on their web site at www.fisherhouse.org.



Randolph-Brooks FCU presents the Fisher House Foundation with a check for \$517,533, which was raised through the “Fisher House Challenge” campaign. Left to right: David Coker, President of the Fisher House Foundation; Command Sgt. Maj. Craig Layton, Great Plains Regional Medical Command and Brooke Army Medical Center; and Randy Smith, Randolph-Brooks President and CEO. Photo provided by Randolph Brooks FCU.

The Armed Forces Financial Network

RG FCU Joins AFFN

AFFN is pleased to announce that RG FCU, the credit union of Whiteman Air Force Base, has recently joined the Network’s list of distinguished DCUC Credit Union & AFFN Participants.

RG FCU is committed to delivering “a lifetime value” to those members who serve our Country. By adding AFFN to RG FCU’s EFT Program, RG FCU members now have access to AFFN’s 190,000 ATM and 1.2 million POS locations worldwide.

AFFN Cardholders now have access to RG FCU’s ATMs on-base at Whiteman Air Force Base, at such locations as the Base Exchange, Shopette, and Commissary, as well as, off-base in the surrounding communities of Belton and Kansas City, MO.

To learn more about RG FCU, please visit www.RGFCU.org.



Global CU Hosts Annual Kids Safety Fair

Linda Backlund, Manager/
Corporate Communications

Global CU recently hosted its fourth annual Kids Safety Fair at its corporate headquarters in Spokane, WA. Live radio and television remotes invited area children and parents to enjoy free hot dogs, popcorn and juice while teaching the children how to stay safe. Several community organizations participated with activities teaching the prevention of forest fires, electrical and bike safety, practicing response to choking and basic CPR. Each child received a free bike helmet and a chance to win an entire bike package. Parents were provided with I.D. cards and photos of their children.

San Antonio!





DCUC's 43rd Annual Conference



Defense Credit Unions: Partners For Life!



Defense Credit Unions: Partners For Life! No better theme to celebrate our 43rd annual conference in San Antonio Texas...and no better location than the Marriott Rivercenter to host our main event. And what a program! From start to finish...from our 13th Annual VADM Vince Lascara Golf Tournament on Saturday morning to our closing motivational speaker, Garrison Wynn ("The Truth About Success"), on Wednesday, all aspects of this year's event were greatly appreciated. The evaluations say it all: "The speakers were great!"... "The conference and all events were just super!"... "Fantastic!"... "Outstanding job!"... "Very educational!"... "All an A++ !"... "Awesome!"... "Very Informative!"... "The bar was set very high!"... "Everyone and everything was great!"... "One of the Best!"... "A wonderful conference!"... "Everything was well planned!"... "As always, great show!"... "Now ready for the 44th!"



continued on page 12



Special thanks to our luncheon keynote speaker, the Honorable **Sandra Pack** (CFO US Treasury), who provided us an “inside” and “rearview mirror” view of the Treasury and her support of our troops; our featured speaker, the Honorable **JoAnn Johnson** (Chairman, NCUA), who updated us on some “hot issues” at NCUA, to include data collection, conversion, and BSA; to **Martha Lanier**, our conference keynoter, for her perspective on building relationships; to **Fred Becker** (NAFCU) for his insight on legislative and strategic issues; **Mary Martha Fortney** (NASCUS) for her update on state chartered credit unions; and **Bill Hampel** (Chief Economist, CUNA) for his expert take and forecast on the economy...and to **Dick Ensweiler**, President/CEO Texas Credit Union League, whose “welcome” to San Antonio and “tour” of the great State of Texas was nothing short of super fantastic!

Kudos also to our Military Department speakers, **Dean Hunstad** (Department of Navy); **Mike Bilbrey** (Department of the Air Force) and Cpt. **Dave Smith** (Department of the Army) for their respective presentations on “what’s happening” on the DoD front; to the incomparable **Dennis Dollar** and **Kirk Cuevas** (Dollar Associates) for sharing their “Six Choices” with our CEOs and Volunteers at their Roundtable sessions; **John Slusher** (CUNA Mutual Group...Plastic Card Fraud) and **Mike Schiano** (InCharge Education Foundation...Impact of Financial Literacy) for their superb Hot Market Issues presentations; Colonel **Michael Pachuta** (Office of the Deputy UnderSecretary of Defense) for providing his views on Commercial Solicitation; **Sarah Shirley** (Consumer Federation of America) for an update on Military Saves; **Roger McTighe** (North Island CU) and **Jim Bedinger** (USA Fed CU) for articulating San Diego’s efforts against Predatory Lending; **Hank Klein** (former Pres/CEO Arkansas FCU) for presenting us with a



consumer friendly alternative to Payday Lending; and **Gary Kennedy** (FTC) for his discussion on ID Theft.

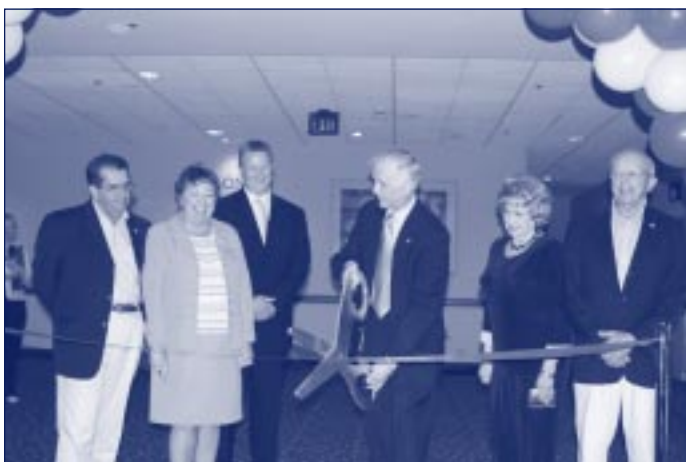
Thanks also to our Corporate Showcase partners for their participation in our exhibit hall (you’re the best!) and their support of our Silent Auction (which generated a check for \$10,000 to the Intrepid Fallen Heroes Fund)...and our Corporate sponsors, who went the extra mile to assist us.

A grand salute to the DCUC Board, led by our Chairman, **Ralph Story** (a volunteer at VyStar Credit Union), for their continued strong leadership and guidance, and to all our Conference Committees for responding to our call. When it comes to volunteers, you don’t have to ask DCUC members twice...they are ready to support and serve anytime, anyplace.

And how could any DCUC conference succeed without the likes of **Janet Sked** (our incredibly talented conference manager), **Debbie Caruso**, and **Jen Hernandez** (our unbelievably dedicated, upbeat/can do staff), who make things happen — before, during and after conference)? Not! Thank you ladies for all you do!

Last, but absolutely not least, thank you. Thank all of you for accommodating our unforeseen shift from New Orleans to San Antonio...and our change in conference dates. Your flexibility and loyalty were (are) greatly appreciated...and I am sincerely grateful for your tremendous show of support! It is not an easy task coordinating a conference of this magnitude, let alone doing so in ten months. But with all of you by our side...with your support — we did! Gracias!

On to number 44...on to Spokane Washington...on to the best kept secret in the Northwest!



Defense Credit Unions: Partners For Life!



San Antonio!

You bet! Doable? Should be!

The question is whether Congress will support DoD's conclusions and take action on DoD's recommendations. We certainly hope they do...and do so post haste. It's time!

It is time for Congress to pass effective legislation that protects our troops against predatory lenders...to wage war against those who abuse the very men and women who protect us daily. It's time for the Department of Defense to energize Commanders at all levels (direct, organizational and strategic) to *educate* our troops...to make them consumer savvy; to *mandate* short term *savings* — the first line of defense against predatory lenders; to use every available resource, such as the Armed Forces Disciplinary Control Board, to put predatory lenders on notice. It's time for you to look at your inventory (of financial products and services)...to deliver. To deliver predatory lending alternatives similar to those we highlighted in the DoD report to Congress *and* to assist DoD in educating, training, counseling our troops on financial preparedness.

The environment is ripe and the momentum is at hand. Collectively and jointly we can make a difference...let's do it!

(Note: DoD's Report is available on our website at www.dcuc.org)

NOTES ON DEFENSE CREDIT UNIONS — AND THEIR PEOPLE...

Defense Credit Union People in the News...

Aberdeen Proving Ground FCU, TX announces **Larry Keckler** as Accounting Director. Keckler brings to APGFCU over 20 years of accounting experience in financial institutions, most recently at J.P. Morgan Chase in Newark, DE. He is a Certified Public Accountant (CPA) and Penn State University graduate, and serves as a member of the American Institute of CPAs and the Maryland Association of CPAs... Security Service FCU, TX is pleased to announce the recent promotion of **Renee Gutierrez** to manager of its 1604/ Bandera Service Center. A ten-year veteran of the credit union, Gutierrez has progressively advanced to positions of increased responsibility during her career including assistant service center manager and manager of SSFCU's 24/7 Member Contact Center. In her new position, she will be responsible for overseeing the service center's daily operations and ensuring that members receive quality service... Keesler FCU, MS has named **Debbie McVadon**, Vice President of Human Resources. Ms. McVadon comes to Keesler FCU from Harrah's/Grand Casino Gulfport where she served as Human Resources Manager. She has over 15 years of Human Resource experience and most recently achieved her Senior Professional in Human Resources (SPHR) certification. Ms. McVadon holds a Bachelor's degree from the University of Southern Mississippi and is a member of the national SHRM association and is active in the local Society of Human Resource Management (SHRM) chapter.

Defense Credit Unions in the News...

Langley FCU, VA in partnership with WVBT FOX 43 and Peninsula Habitat for Humanity will break ground on a Habitat home to be built for Mona Lisa Williams and her family. Langley FCU is a strong supporter of Habitat's mission to build safe, decent, and affordable houses in our community," said President/CEO Jean Yokum. "We are proud to help make the Williams' family dream of homeownership come true."... **Scott CU**, IL has found the perfect way to add some fun to the summer while helping save the lives of children throughout our region. Scott CU has raised more than \$1,100 for the Children's Miracle Network of Greater St. Louis by selling discounted Six Flags tickets at the credit union's nine Metro-east offices.

California's Lt. Governor Cruz Bustamante Presents Resolution to Travis CU

Sherry Cordonnier, Director of Corporate Relations

Travis CU was recognized by California Lieutenant Governor Bustamante's office for coordinating the Cal Grant presentation with the College Opportunity and Outreach Program (COOP). The resolution was presented by Cesar Diaz—Office of Lt. Governor Cruz Bustamante, and accepted for Travis Credit Union by Noreen Diaz, TCU's community outreach officer on Wednesday, August 9, 2006. The Solano County Office of Education, led by the office of Solano County Superintendent Dee Alarcón, was instrumental in disseminating information about the Cal Grant program to Solano County's area high school students. The resolution acknowledged the dedication to improving the Solano County community and education through participation in the College Opportunity and Outreach Program (COOP). It also stated that "TCU has been actively engaged in promoting educational opportunities through the Mary Keith Duff Memorial Scholarship program, participating in Partners in Education, the California Youth Involvement Network and other countless nonprofit organizations that offer vital services for underserved communities and to numerous public schools in Solano County." Solano County Superintendent, Dee Alarcón, acknowledged Travis CU'S commitment to education and the community through this Cal Grant event. Ms. Alarcón noted this was the largest Cal Grant presentation to date by Lt. Governor Bustamante.

U.S. Navy Is 231 Years Old In October

This year marks the 231st anniversary of the United States Navy.

It was on October 13, 1775 that General George Washington's Revolutionary Forces were assisted by the navy and depended on the ships to supply and re-supply land forces.

It was that event that marked the birth of the Navy.

The United States Navy has been a cornerstone of America's freedom, military power, and service to other nations. The Defense Council is proud to send congratulations and Happy Birthday to our Navy!

Military Personnel Targeted by Payday Lenders

A defense credit union's foundation fights back

Mary Lynn Stevens, Pentagon Federal Credit Union Foundation

A recent study sponsored by the Department of Defense spotlighted the problem of payday lending among military personnel: they are three times more likely to use a payday loan than their civilian counterparts. Payday loans are easy to get — all one needs is a check dated for the next payday and proof of employment. The credit check is waived as the lenders charge such high fees — an average of \$15 to \$30 per \$100 — that losses do not substantially effect their profits.

Defense credit unions encounter the problem every day as they see their most vulnerable members caught in the vicious cycle of payday lending. Military personnel make good targets for these lenders because many are financially inexperienced, they have a steady paycheck, are easy to track and often need short-term loans because of the financial difficulties that serving can bring on. And, as noted in a recent *Washington Post* article, they have a strong incentive to pay back these exorbitant loans as those who don't may face loss of their security clearance or court martial.

Seeing this need, The Pentagon Federal Credit Union Foundation created a low-cost alternative to meet emergency financial needs and teach good money management habits. The ARK (Asset Recovery Kit) program offers cash advances for up to \$500 for a small \$6 fee to cover overhead. However, before each subsequent advance, the participant must attend a counseling session on budgeting and money management. These keys to ARK — reduced costs to the member, quality counseling and accountability — are the reasons for its success.

Begun as a pilot project at Fort Hood, Texas in December 2004, and spread to eight locations nationwide, ARK has aided almost 600 military families with \$290,000 in advances. In an unprecedented move, ARK was rolled out at Fort Bragg in February 2006 through a partnership between the Foundation and Fort Bragg FCU. The success of this collaboration has spurred the Foundation to seek other defense credit union partners for ARK.

“ARK is designed to be a philanthropic service, *not* a for-profit product. The program is priced at a flat fee of \$6 per loan to cover processing costs” noted Roderick Mitchell, President of The Pentagon Federal Credit Union Foundation.

“Military personnel can receive up to \$500 to cover shortfalls between paychecks provided they agree to financial counseling. This is a far better deal than the one offered by payday lenders who charge up to \$95 for the same loan.”

Mitchell explained that the foundation trains a credit union's personnel and

helps set up the program. Training includes everything from advertising to underwriting to collections. The foundation also guarantees all loan losses above and beyond the normal loss rate associated with a credit union's unsecured loan product. They also identify the appropriate Consumer Credit Counseling Agency to provide counseling, a free service to clients.

Mitchell urged interested parties to contact Dave Elliott or Ken Hawkins of Fort Bragg FCU to ask about their experience with ARK. “It is important to know that under no circumstances will Pentagon Federal Credit Union or the foundation use this product to gain a competitive advantage or to “steal” other credit union's members. We view this as an opportunity to work together with others to implement a solution to the payday loan problem to the benefit of military personnel, their families, DoD and the credit union industry” emphasized Mitchell.

The Pentagon Federal Credit Union Foundation is looking for a few good partners.

Offer Ark, with your branding, to benefit military personnel and strengthen their bonds with credit unions.

Contact:

Roderick Mitchell

The Pentagon Federal Credit Union Foundation

2930 Eisenhower Avenue

Alexandria, VA 22314

703.838.1020



Marine FCU's CEO Receives Prestigious Award

Ceci Markwick, Manager Marketing Department

Marine FCU President/CEO Craig Chamberlin won the prestigious Ronald J. Hutchins Award as the outstanding Credit Union Person of the Year at the 71st annual meeting of the North Carolina Credit Union League. Chamberlin received the award, one of the highest honors bestowed to credit union people in North Carolina, in a special awards ceremony recently.

The Ronald J. Hutchins Award is given each year to a credit union professional and volunteer in order to recognize their outstanding accomplishments, time and effort given in support and promotion of the credit union ideal of people helping people. A committee made up of statewide credit union leaders selected Chamberlin to receive the award.

Chamberlin's credit union career spans more than 35 years. He began at Charleston Naval Shipyard FCU in 1972 as a collector and served as president/manager of NSWC FCU in Dahlgren, Virginia from 1975-1985. He joined Marine FCU as vice president in 1985 and was named president three years later.

Under his leadership, Marine FCU, headquartered in Jacksonville, North Carolina, has grown into a full-service financial institution with more than 20 branches and 81 ATM locations. In 1988, Marine FCU held assets of \$49-million among its 25,000 members. Today, the credit union serves the needs of more than 100,000 members and holds more than \$500-million in assets.

Chamberlin is active in the Onslow County community and remains actively involved with the military members and families served by the credit union. He is also active in his support for organizations that help the credit union movement flourish worldwide.

Chamberlin and his wife of 35 years, Debby, have two children and two grandchildren.



Craig Chamberlin, President/ CEO Marine FCU was awarded the prestigious Ronald J. Hutchins Award as the outstanding Credit Union Person of the Year. Photo provided by Marine FCU.

For the latest credit union news, visit our Web site:

www.dcuc.org

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