



ALLERT

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A VIEW FROM THE BOARD ROOM

Attracting Young Adult Members

*Jean M. Yokum, Member of the DCUC Board of Directors and Air Force Representative
President/CEO, Langley FCU*

The most overlooked market segment, 18 to 25 year-olds, also represents a key component of your credit union's future success. This demographic possesses great buying power, both present and future. In fact, today's young adults hold greater spending power than any previous generation. Some statistics may surprise you. Young adults are very involved in and also concerned about their financial future. They buy homes, account for 70 percent of new business start-ups, and are hesitant about carrying too much debt. And, unfortunately, many do not have adequate information to make wise financial decisions.

CUNA analysts found that the average credit union over the next decade stands to lose \$14M in loans alone if it does not increase penetration among 18 to 24 year olds. These are future borrowers and attracting them is critical to the long term success of the enterprise. Given these statistics, we need to pay close attention to who our members will be not just in the immediate future, but in the next decade and beyond. Obviously, military credit unions have an advantage because of the constant influx of potential members in this age group. It's vital that we don't take our advantage for granted. In order to achieve long-term success, we must provide products and services that are significant to younger members.

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CEO UPDATE

DCUC's 34th Overseas Sub-council Conference — A First in Many Respects!

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

Since 1973 the DCUC European Overseas Sub-council has been gathering annually to discuss issues of common interest and to receive updates from the Department of Defense, the European commands, the credit union movement and industry. The Sub-council typically rotates the hosting function among its six members and selects a European city of choice for its annual event. For the past 33 years, this protocol has served the Sub-council extremely well and, in so doing, has achieved success both in terms of education and information. While this year's 34th annual event was equally successful, for the first time ever, this year's Sub-council meeting was held on a military installation...and it was co-hosted.

The Edelweiss Lodge and Resort in Garmisch Germany—the European Armed Forces Recreation Center and R&R site—provided the backdrop for the 2006 Overseas Meeting, and Andrews FCU and DCUC partnered to conduct the 4-day program. On all counts and in all regards, this year's annual event was outstanding! We could not have asked for a more perfect setting, location or program...nor could we have requested a better contingent of speakers!

From our Keynote speaker, European Command's top enlisted soldier, Command Sergeant Major, Michael Bartelle, to our featured speaker, the Vice Chairman of NCUA, the Honorable Rodney Hood, every message was informative, relevant, and timely. Hats off to CSM Bartelle and Mr. Hood for taking the time and making the extraordinary effort to be with us...and special thanks to Major Tony Taylor (Army Pentagon), Mike Billbrey (Air Force Pentagon), Ron Davis (DFAS), CAPT Select Caroline Olinger (CO, PSA Europe), LTC Randy Stevens (European Command), LtCol Lilly Lopez (Air Force Europe), and Maj Dennis Martin (Army Europe) for their insight on key issues such as contingency operations, individual logistical support, major consolidations, the European footprint (present and future), overseas closures and realignments, European theater responsibilities and support, transformation of financial services, credit union partnerships, support of forward operating sites (Bulgaria and Romania), NATO financial support, and the expansion of the Overseas Military Banking Program.

Thanks also to Allan McMorris, CUNA's Vice Chairman, who traveled overnight (from CUNA's Roundtable) to be with us and share his thoughts on CUNA's top priorities and concerns... to Carrie Hunt, NAFUCU's Senior Counsel and Director for Regulatory Compliance for her views on regulatory and legislative issues...and to Mandy Allbritton, VP Over-



Roland A. Arteaga

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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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Photo provided by Cedar Point FCU

Cedar Point FCU Breaks Ground

Lisa Shender, Marketing Director

Recently over 50 employees and guests of Cedar Point FCU gathered on the lawn just south of the Frank Knox Employee Development Center at NAS Patuxent River to break ground for the new Lexington Park Office scheduled for completion in Fall 2006.

Plans for this office have been in the works since 2001 when Cedar Point FCU was informed their office in Building 1639 would be torn down to make room for the road and gate construction at Gate Two of NAS Patuxent River. Cedar Point has been serving its Lexington Park members from a temporary office in Millison Plaza on ShangriLa Drive since early 2002.

The ceremonies were held under cloudy skies with rain threatening throughout the ceremony, but the rain, as many speakers noted, held off until after the ceremony was completed and the guests had enjoyed a continental breakfast served alfresco by the JT Daugherty Conference Center staff.

Speakers for the event included Chairman of the Board of Directors of Cedar Point FCU, William B. Wagoner; President/CEO, Barbara Horn; Captain Zachary Henry, Jr., Commanding Officer, NAS Patuxent River; Thomas F. "Tommy" McKay, President, St. Mary's County Board of Commissioners; The Honorable John L. Bohanan, Jr., Member of the House of Delegates (D-District 29B); The Honorable Roy Dyson, Maryland State Senator (D-District 29) and Robin Finnacom, President/CEO, St. Mary's County CDC, Inc.

YOU SHOULD KNOW...

- Early Bird registration for the Annual Conference ends June 9. Join us in celebrating "Partners for Life" — network with your peers, have some fun and save some money! Register today, on-line, at www.dcuc.org.
- The DCUC 2006 Conference Hotel is San Antonio Marriott Rivercenter, 101 Bowie Street, San Antonio, TX 78205. The hotel is ideally located on the famous River Walk and is connected to the River Center shopping complex. From the soaring hotel lobby to award winning restaurants, the Marriott Rivercenter offers genuine Texas Hospitality!
- Three seats on the DCUC board of directors will be filled at the annual business meeting in San Antonio, TX, Tuesday, August 8. The regular three-year term of the Navy/Coast Guard, Army and Air Force Representatives expire this year. At this writing, the incumbents, Bob Morgan, Billie Blanchard and Jean Yokum, are candidates for re-election. Any party interested in serving on the DCUC Board is invited to advise the Council so that we may publish it in the *ALERT*.

Defense Credit Union People in the News...

Scott CU, IL recently hired **Kristen Reynolds** as the new Assistant Branch Manager for their Collinsville location. Kristen comes to Scott CU from the First Bank of Shiloh. During her employment with the First Bank of Shiloh, Kristen was a Branch Supervisor and Financial Services Representative... Scott CU has also hired **Helen Gardner** as their new Accounting Operations Manager. Helen comes to Scott CU from AmSouth Bank in Nashville, Tennessee. During her seven years with AmSouth Bank, Helen was a Product Support Specialist... **Don Lewis**, President/CEO of Aberdeen Proving Ground FCU, MD announced the promotion of **Bill Schultheis** to the new position of Executive Vice President. Schultheis has served Aberdeen Proving Ground FCU for 17 years, most recently as the Senior Vice President – Finance. In this new role, he will lead the senior executive team in the areas of operations, administration, lending, finance, and marketing. **Paul Slaby** will assume the position of Senior Vice President – Finance. He is a Certified Public Accountant (CPA) and University of Maryland graduate, and has served as Vice President/Controller of Aberdeen Proving Ground FCU for the past eight years. Don Lewis noted that this reorganization is a direct result of the credit union's growth, and will further enhance the team approach to providing world-class service for Aberdeen Proving Ground FCU's 75,000 members. He added that as the credit union continues to grow, Aberdeen Proving Ground FCU's members will benefit from the depth of experience in all key leadership roles... Air Force FCU, TX is pleased to announce the selection of **Mary Lou Geise** as the credit union's March 2006 "Employee of the Month." Mary Lou is the Human Resources Assistant at Air Force FCU's Corporate Headquarters in San Antonio, TX. Her service to the credit union epitomizes the true meaning of its core values. Day in and day out, she demonstrates a hard working attitude, a continued trust from her co-workers in her work ethic and a friendly, professional demeanor that is respectful to all employees and members....

Pen Air FCU Raises Over \$3,000 for the Leukemia & Lymphoma Society

Patty Veal, VP of Marketing

Pen Air FCU participated in the Leukemia & Lymphoma Society's VIP Luncheon Fundraiser where a representative from the Credit Union acted as a designated waiter working for tips. The theme for Pen Air's table was a sailing theme: "Get On Board To Find a Cure." Ken Davis, VP of Lending, for Pen Air FCU worked getting tips as the "captain" of our crew; plus members of the Pen Air Team bid on silent auction items to bring their funds raised to over \$3,000 making Pen Air FCU a top VIP table.

The Leukemia & Lymphoma Society uses fund raisers such as this to generate funds that will aide victims of these deadly diseases through medication, assisted living, travel expenses, and hospitalization. "We are certainly happy to be able to help those organizations that do so much to help others," commented Ken Davis.



Ken Davis, VP of Lending, Pen Air FCU. Photo provided by Pen Air FCU.

USA FCU Awarded the 2006 Armed Forces Financial Network Matching Grant

John Broda, AFFN Executive Vice President

AFFN awarded USA FCU, headquartered in San Diego, CA, the 2006 Matching Grant. AFFN's matching contribution allowed USA FCU to provide a \$2,000 sponsorship grant to support the Reception, Staging, Onward Movement and Integration (RSOI) Victory Party at Camp Carroll, South Korea organized by the local Morale, Welfare and Recreation (MWR). AFFN and USA FCU along with the MWR organization are excited about this collaboration. The sponsorship grant will assist the MWR with their mission to contribute to the troops and their families at Camp Carroll and nearby bases in South Korea.

"AFFN is proud to partner with USA FCU who provides support to the defense and military communities worldwide," stated John Broda. Mary Cunningham, USA Federal's President/CEO commented that, "The AFFN Matching Grant is an outstanding program and we are honored to partner with them again to support our overseas military community in 2006. This is the second consecutive year that USA FCU has been awarded the AFFN Matching Grant and credit union staff and volunteers are proud to show our support of military personnel and their families by sponsoring hundreds of events and celebrations."

Charles Hoelderlin, Daegu Branch Manager, said, "We are thankful for the opportunity to support the Matching Grant Program, which provides USA FCU the opportunity to increase charitable support to the military community on a global scale." David Weber, AFFN President/CEO commented that, "AFFN is united with our participants to serve those who so proudly and bravely serve our great nation."

The RSOI Victory Party is an annual party that celebrates the completion of the RSOI annual exercise with the attendance of over 400 soldiers and their families. The party begins with a picnic, followed with contests such as basketball shooting, weightlifting, and eating. A wide variety of prizes will be awarded to the winners.



DCUC's 43rd Annual Conference: August 6 – 9, 2006, San Antonio, TX

Paying Tribute to and Supporting Those Who Have Sacrificed for Our Nation

This year, the Defense Credit Union Council and its Board of Directors has decided to support the Intrepid Fallen Heroes Fund and the building of a state-of-the-art facility at Brooke Army Medical Center. There are several reasons why we have chosen this special cause:

- This facility is not being funded by our government, nor by our tax dollars and it needs our support.
- The monies raised will directly benefit our troops that have been severely injured in operations in Iraq and Afghanistan.
- This choice is closely related to the Fisher House Foundation, as they work hand-in-hand to help our troops and their families.
- It is a local project in San Antonio and a great way to support the community we are visiting.
- This facility promises to be the best location in the world to help our wounded men and women in uniform.

Once again our Showcase will feature a Silent Auction during the Conference and there will also be many other ways to help out this worthy cause. We urge each of our defense credit unions to consider a donation to support the Intrepid Fallen Heroes Fund. More information about our fundraiser can be found in the Preliminary Program or at the website: www.fallenheroesfund.org

Please take a moment to read the message at right from the Intrepid Fallen Heroes Fund.

President's Message

The Intrepid Fallen Heroes Fund provides assistance to our nation's military heroes, who have been critically injured in the performance of duty, and their families. They truly need our help today!

Double and triple amputations, severe head body trauma, blindness, deafness, partial and full paralysis, are just some of the injuries our heroes have to endure today and for the rest of their lives. Many of our injured military personnel and veterans, who come from all branches of Armed Forces, are treated at Brooke Army Medical Center in San Antonio, Texas. The American people, our military constituents and allies around the world, are united in heart that the care and rehabilitation of these men and women, who have sacrificed and are still suffering so much for the freedoms we enjoy today, insists that we provide the best possible care they need and deserve. It is a small price to pay to say thank you for a job well done.

This is why I would like to urge you to join this very special effort to help support those brave men and women, by contributing to the Fund. 100% of your donation goes directly to building this vitally-needed rehabilitation center. We refuse to take any administrative costs from the funds contributed.

I invite you to browse our website and join our effort in supporting our troops! It is our duty to never forget what these military personnel and their families have done for our nation in securing our freedoms. Thank you for your support.

Best Regards,

Bill White, President

A Sneak Peek at the 43rd Annual Conference

The DCUC Staff has been very busy working on the 43rd Annual Conference and we wanted to give you a sneak peek at some of featured our speakers.

Honorable JoAnn Johnson, Chairman of NCUA

Senator JoAnn Johnson was named a recess appointee to the NCUA Board January 22, 2002, by George W. Bush and confirmed by the U.S. Senate on March 22, 2002. Senator Johnson was named NCUA Board Vice Chair in January 2003 and the agency's Chairman on May 1, 2004. The Board consists of three members appointed by the President and confirmed by the Senate to regulate all federally chartered credit unions and administer the federal insurance fund for approximately 9,300 credit unions nationwide.

JoAnn Johnson was elected to the Iowa Senate in 1994, where she chaired the Senate Ways and Means Committee from 1996 to 2000 and the Senate Commerce Committee from 2000 until appointed to the NCUA Board.

Johnson's political activities began in 1984 as a congressional campaign volunteer. She went on to become campaign organization director and then campaign manager. Johnson successfully managed her brother's campaign for the Iowa House in 1992 before she ran for the State Senate. In addition, she served as the Iowa Legislative Co-Chairman for Bush-Cheney 2000.

A former teacher, Johnson taught kindergarten through twelfth grade physical education classes and coached girls basketball and track and boys junior-high football. She was actively involved in family farming and served her community in numerous ways — 4-H leader, director of the local food pantry, economic development board, Sunday school teacher, library board and school board, university alumni board and Rotary International.

Johnson holds a BA degree from the University of Northern Iowa. She is one of seven children raised on a dairy farm near Casey, Iowa, is married to Brian Johnson and has two adult children, Clint and Brooke.

Honorable Sandra L. Pack, Assistant Secretary for Management and CFO, Department of Treasury

Sandra L. Pack was nominated to be Assistant Secretary (Management) and Chief Financial Officer by President Bush on April 26, 2005, confirmed by the Senate on July 29, 2005, and sworn in on August 11, 2005.

As the Assistant Secretary (Management) and CFO, Mrs. Pack serves as the principal policy adviser to the Secretary of the Treasury and Deputy Secretary of the Treasury on the management of the annual planning and budget process and on matters involving the internal management of the Department and its bureaus. The Assistant Secretary oversees the Department's management programs, which include human resources, information and technology management, emergency preparedness, planning and management analysis, financial management, property management, procurement, and contracting.

Prior to joining Treasury, Pack served as Chief Financial Officer for the Bush-Cheney '04 Campaign Committee, where she served as principal advisor to the Campaign Manager and the Campaign Budget Committee on financial, accounting and budget matters, including supervising report submissions to the Federal Election Commission (FEC)

and managing the post-election FEC audit. Pack joined the campaign from the Pentagon where she served as Assistant Secretary of the Army (Financial Management & Comptroller) from November 2001 to December 2003. Pack functioned as the principal advisor to the Secretary of the Army for all comptroller and financial management activities and operations. She was awarded the Distinguished Civilian Service Medal by Acting Secretary of the Army Les

Brownlee and the Distinguished Public Service Award by Secretary of the Navy Gordon England. Prior to becoming the Army's chief financial officer, Pack served as the Treasury Director for both Bush for President, Inc. and Bush-Cheney 2000, Inc.; as Deputy Treasury Director for Bob Dole for President, Inc.; and as Treasury Director for Phil Gramm for President, Inc.

Pack has held leadership positions in the private sector, including: Director of Planning and Operations for the Micro-Prose Division of Spectrum Holobyte, Inc.; Director of Small Business Consulting and Accounting Services for Ernst & Young in Baltimore, Maryland; and Director of Microcomputer Consulting and accounting for Ernst & Young in Atlanta, Georgia.

She is a Certified Public Accountant in the State of Maryland and she received her Bachelors of Arts in Business, Summa Cum Laude, from Notre Dame College of Maryland.

Martha Lanier

Speaker and military mom, Martha Lanier, truly cherishes our gift of freedom and takes to heart the many opportunities it provides. She considers herself to be an "ordinary" person with "extraordinary" beliefs and is convinced we are capable of achieving far more than we think is possible.

As President of IGNITE Your Potential, Inc., she runs a business where she entertains, inspires and energizes individuals to break through self-limiting barriers and achieve incredible results. Audiences learn the value in stretching their comfort zones, providing positive influences and generating lasting partnerships. With a presentation style that is fun and fast-paced, she uses her wit and unique storytelling skills, to make key learning points memorable.

Martha was featured in *Woman's Day Magazine* in an article about women over 50 who have taken risks.

She is an active member of the National Speakers Association and is the 2006-2007 President of the GA Chapter. Her website, www.marthalanier.com, offers additional information on her programs and experiences.



seas Operations, Keesler FCU, for her pointed perspective on Hurricane Katrina — the role she played, the challenges faced, and above all else, the lessons learned (*communications...communications...communications*). To our corporate sponsors and supporters, Sarah Canepa-Bang, CEO Financial Service Centers Cooperative, whose update on shared branching and disaster planning was invaluable; John Slusher, VP National Accounts, CUNA Mutual Group, whose superb presentation on plastic cards was an “eye-opener”; Dave Weber, CEO Armed Forces Financial Network, whose update on ATMs, Debit POS, and new innovations was enlightening; and Jim Ballagh, VP Business Development, Ensenta, whose insight on Self-Service Shared Electronic Financial Center was informative and revealing. ...thank you for your continued and strong support of the Council and Sub-council!

While this year's overseas conference speakers were the best in class, I would be remiss in not recognizing three other key participants: Colonel Les Brehm, European Command's Comptroller, who shared some words of thanks with our members and whose participation in this year's meeting was greatly appreciated by all...Desiree Murray, Air Force Banking Officer Europe...and Cpt Dave Smith, the Army's incoming Bank and Credit Union Officer. This show of support attests to the active partnership between our overseas credit unions and their respective commands...and the level respect defense credit unions and the military services have for each other.

On a closing note, and as I stated upfront, this year's DCUC Overseas Sub-council meeting was co-hosted with Andrews FCU. Hats off to Michael Hale (President/CEO) and his Board of Directors for strongly endorsing this new notion, and for providing us his “Right Arm,” Al Johnson, VP, Overseas Operation to assist in the preparation and planning of this grand event. Al's direction and guidance were instrumental in our overall accomplishment and I am grateful to Al for his counsel and advice over the past year. I am also most thankful to Janet Sked, DCUC's conference manager, whose leadership and coordination from day one has been phenomenal (without equal!), and to DCUC's very own Debbie Caruso and Beth Thompson, whose hard work and dedication the past several weeks has been extremely noteworthy. Thanks to all of you for your immense contributions and support, and for making the Defense Credit Union Council's 34th annual European Overseas Sub-council meeting such a huge success!



Major Tony Taylor speaks with FSCC President Sarah Canepa-Bang and her husband Steve.

DoD — DID YOU KNOW...

....this month we will bid farewell to Major Tony Taylor, the Department of the Army's Bank & Credit Union officer. Tony will be departing for Afghanistan on June 3, 2006. This young Major has done a superb job addressing our issues and advocating our cause and needs at the Pentagon. Whether the issues were operational or strategic, regulatory or procedural, legal or policy-related, I could depend on Tony to work the issues thoroughly. His support of DCUC and Defense Credit Unions worldwide has been exceptional...on behalf of DCUC and our Board of Directors, I want to thank Tony and wish him the very best in the future. God speed Major Taylor!

...that Cpt Dave Smith is preparing to take on the duties as the Army's Bank and Credit Union Officer. His transition with Major Taylor will occur the last week of May, and upon completion of some additional “training” with Pentagon FCU and DCUC (in early-mid June), he will be “on-board” full time working our issues and addressing our needs. I had the opportunity to talk with him at our Overseas Sub-council conference earlier this month...most impressive! I am confident Dave Smith will do a superb job as our new liaison.

...that DoD 1344.7 (Personal Commercial Solicitation) should soon be on the *Federal Register*. Finally! The Office of Management and Budget (OMB) has approved the final rule, and it should be posted by month's end. We will provide you a copy of 1344.7, as soon as it is released...and will post a copy on our website (at the “DoD Information” link) for your convenience.



Mandy Allbritton, VP Overseas Operations, Keesler FCU, praised the credit union movement for their immense support post Hurricane Katrina. Pictured with Mandy are Arty Arteaga (DCUC), Michael Hale (Andrews FCU), Rodney Hood (Vice-Chairman, NCUA), and John Slusher (CUNA Mutual Group).

Security Service FCU Celebrates Golden Anniversary

Kathleen Johnson-Hodge, Communications Specialist

Security Service FCU celebrated 50 years of service to its member-owners recently. The 50th anniversary milestone was highlighted by special activities throughout the year, including a 1956 Chevy giveaway, a traveling display and the publishing of a 50-year history.

“We are proud of what we have accomplished over the years, and equally proud of our humble beginnings,” said David E. Reynolds, Security Service FCU president and chief executive officer. “Though times have changed significantly since 1956, we have not changed our goal of people helping each other prosper and build strong financial futures together.”

The credit union began with eight men on Kelly Air Force Base’s Security Hill in San Antonio in 1956. Their goals were two-fold: to provide a way for the airmen in the U.S. Air Force Security Service Command to borrow money in times of emergency without encountering excessive interest rates and to help them establish the habit of thrift. In the first year, 467 members joined, 118 loans were made and assets were \$20,000. Security Service FCU is now 580,000 member-owners strong with \$3.8 billion in assets. It is the 10th largest credit union in the nation and the largest in San Antonio. Steeped in a history of innovation and strengthened through the hard work of dedicated volunteers and professional staff, Security Service FCU now boasts 20 service centers in Texas, eight in Colorado, a network of more than 100 ATMs and a broad range of NCUA-insured deposit and loan products.

Betty Renth Recognized for 50 Years as Member of Scott CU Board of Directors

Ashleigh R Wyrostek, Marketing Coordinator

Scott CU Chairman Betty Renth was honored for her extraordinary fifty-year career as a member of the Scott CU Board of Directors during the Annual Membership Meeting. President Frank Padak presented Betty Renth with a Scott CU History Book that was produced in her honor. The book was titled *Scott CU: Through The Years, Through The Changes*.

When her name was first submitted as a candidate for the Scott CU Board of Directors in December of 1955, Betty Renth could not anticipate such a long and distinguished role as a driving force in the credit union’s growth and development. Elected to the Board of Directors in 1956, she assumed the position of Vice President of the Board. In 1971, Betty assumed the position of Chairman of the Board.

Her work has received national recognition. In 1988, Betty Renth was elected to a three-year term on the Board of Directors of the National Association Credit Union Chairmen. Betty was honored in 1991 for the credit union’s effort to provide low-cost loans to returning Desert Storm veterans through the Welcome Home Loan Program. In 1997, Betty was awarded the Spirit of Service Award and was named the Volunteer of the Year by the Illinois Credit Union System. In 2002 Betty was inducted into the Illinois Credit Union Hall of Fame. She was honored in 2005 as a second runner-up for the 2005 Director of the Year Award.

Langley FCU Wins Readers’ Choice Awards

Sue Thrash, Director of Research & Communications

Langley FCU was voted best among banks and credit unions in the Daily Press 2006 Readers’ Choice awards program. Readers of the Hampton Roads publication choose the company/ organization they feel is the best within specific categories. Langley FCU took the top level ‘Gold’ award for financial institutions. “This is an outstanding accomplishment,” said President/CEO Jean Yokum. “We work very hard to make a positive impact on the community and provide world-class service to members.” The *Daily Press* is a subsidiary of the Tribune Publishing Company and serves the Virginia Peninsula.

VIEW FROM THE BOARD ROOM *continued from page 1*

The first step in attracting young adults is determining what they want in a financial institution. A tremendous amount of information exists. Trade groups such as CUNA and the Filene Research Institute provide in-depth research findings that contain insight relating to young adults. In addition, you can choose to conduct research yourself via focus groups. That’s exactly what Langley FCU did recently as we posed questions to multiple groups of members and non-members in this age group. Allow me to share some of our findings:

- Young adults are focused and in control of their lives.
- Trust is the number one issue that keeps them with a financial institution.
- They shop for the best rate.
- They don’t like hidden fees.
- They often join because a close friend or family member directed them to the financial institution.
- Saving and investing are very important — they know they cannot depend on Social Security for retirement.

Consider using this information and other research to build a young adult relationship program at your credit union. Incorporate benefits that will appeal to this market such as free bill pay, free foreign ATM transactions, overdraft protection, free investment consultations and more. Build special products such as savings programs, credit card offerings, and certificates with lower minimum balances.

Young adults are complex and have specific needs that credit unions need to address in order to attract and retain these members. Once on board, they can become lucrative, long-term members. It’s up to us to find out what they need and want then build products and services to meet their needs.

**Annual Conference
Early-bird registration
ends June 9.**

Communities: Preparing for Transformation, Global Rebasing and BRAC

By Joyce Wessel Raezer, Director, Government Relations, National Military Family Association

Transitions are part of military life. A military restructured under Service transformation initiatives, Global Rebasing, and Base Realignment and Closure (BRAC) will affect service members, their families, and their communities. As the Global Rebasing and the BRAC process are implemented, military families look to Congress and DoD to ensure that key quality-of-life benefits and programs remain accessible. Members of the military community, especially retirees, are concerned about the impact base closures will have on their access to health care and the commissary, exchange, and Moral, Welfare, and Recreation (MWR) benefits they have earned. In the case of troop population shifts due to Service transformation initiatives, such as Army modularity and Navy home port changes, or the return of service members and families from overseas bases, community members at receiving installations are especially concerned that existing facilities and programs may be overwhelmed by the increased populations.

Preserving Quality of Life is Part of the Mission

As the National Military Family Association (NMFA) has stated in Congressional testimony, quality-of-life issues that affect service members and families must be considered on an equal basis with other mission-related tasks in any plan to move troops or to close or realign installations. Maintaining this infrastructure cannot be done as an afterthought. Planning must include the preservation of quality-of-life programs, services, and facilities at closing installations as long as service members and families remain AND the development of a robust quality-of-life infrastructure at the receiving installation is in place before the new families and service members arrive. Ensuring the availability of quality-of-life programs, services, and facilities at both closing and receiving installations, along with easing service members' and families' transition from one to another, will take additional funding and personnel. We must ensure that DoD has programmed for costs of family support and quality of

life as part of its base realignment and closure calculations from the beginning and receives the resources it needs. DoD cannot just program for costs of a new runway or tank maintenance facility. It must also program in the cost of a new child development center or new school, if needed.

We look to Congress and DoD to ensure plans are in place to maintain access to quality-of-life programs and support facilities until the last service member and family leave installations to be closed.

NMFA cannot over-emphasize the urgency for DoD and Congress to allocate resources now to support communities involved in movements of large numbers of troops. Troop movements, installation closings and realignments today occur against the backdrop of the ongoing war on terror and a heavy deployment schedule. The military of today is more dependent on contractors and civilian agencies to perform many of the functions formerly performed by military members. Changes in the military health care system and the construction and operation of military family housing will have an impact on the ability of an installation to absorb large numbers of service members and families returning from overseas. Heightened visibility of issues, such as the smooth transition of military children from one school to another or a military spouse's ability to pursue a career, increases the expectations that leadership will provide additional support.

Army transformation has already had an impact in some communities. Installations such as Fort Drum, New York; Fort Campbell, Kentucky; and Fort Lewis, Washington and their surrounding communities expect strains on both on- and off-base housing availability, health care access, and school capacity. Troops are already arriving at Fort Riley, Kansas, and Fort Carson, Colorado, from installations

being downsized overseas. The latest news is that the Army will move approximately 7,200 soldiers and 11,000 family members from Germany to stateside installations during FY 2006. Over the next five or six years, U.S. Army Europe will reduce from 62,000 soldiers to 24,000. Several communities in Europe will also grow, as the remaining troops are consolidated into fewer locations. The DoD must do more now to ensure that communities have the resources to support these increased populations.

Where Will Families Live?

NMFA has been grateful for the emphasis Members of Congress have placed on eliminating substandard housing on military installations. With the provision of military construction funds for new or renovated housing, and the success of the housing privatization initiatives, the Services are on track to eliminate substandard single service member and family housing within a few years. But in communities experiencing a growing military population, eliminating substandard housing on the installation will not prevent what could become a housing crisis. Most of the Army installations expecting an increase in population have already privatized their housing or expect to do so soon. Privatization contracts were structured to deal with those installations' housing needs at the time the contracts were signed, and NOT in anticipation of the arrival of several thousand service members and their families. At most of these installations, waiting lists for housing on the installation are common now. What will happen when the troops arrive from overseas? Where will their families live? A measure of the amount of substandard on-base housing will not be an accurate indicator of the housing capabilities of a community.

Military leaders must look carefully at housing capacity, not just on the installation, but in the communities surrounding installations anticipating growth. The Services generally deem the amount of housing in the area surrounding an installation to be adequate if the housing needs can be satisfied within a forty-mile radius of the

installation. Forcing military families, especially those of junior enlisted service members, to live that far from the installation will increase their financial hardships because of transportation costs, as well as their isolation from the military community. NMFA encourages DoD to re-negotiate housing privatization contracts or provide more military construction funding where appropriate to increase the housing stock on affected installations and to look for other innovative ways to meet housing demands caused by these troop movements. Particular attention needs to be paid to the effect of the influx of service members and families on housing costs to ensure that sufficient funding is provided for Basic Allowance for Housing (BAH) in these communities.

NMFA is pleased DoD has requested additional military construction funding for quality of life facilities at installations being affected by Service transformation initiatives and global rebasing in its FY 2007 budget proposal. After requesting only one or two Child Development Centers in recent years, DoD has requested funding for eight centers for FY 2007. The proposed centers are for communities currently seeing an increased need due to Army modularity moves and post-deployment baby booms. Because demand has already increased for child care services in these communities, NMFA applauds the inclusion of temporary authority in Section 2810 of the FY 2006 National Defense Authorization Act (NDAA) for the use of minor military construction funding to create temporary facilities. This type of bridge funding will be needed in many communities until demand stabilizes, additional child care resources are made available in the surrounding community, or new centers are constructed. This process may take several years. NMFA is urging Congress to ensure DoD has and is making use of all available resources to increase the number of child care spaces available in military communities experiencing population growth.

Are Schools Ready for New Students?

We are pleased Congress has directed DoD to report on the impact of troop and family movements on schools. We also thank Congress for providing funds to assist schools in meeting the additional costs that come with the arrival of large numbers of

military students. We believe this DoD funding—\$7 million appropriated for this year—will be needed in larger amounts for several years until districts are able to secure resources from other federal, state or local sources. As we have stated, many families in communities experiencing the increases due to transformation, global rebasing, and BRAC will be forced to find housing farther away from the installation than families now live. They may be forced to live in school districts that have little experience with military children, but will expect these schools to have the resources needed to educate their children properly. According to Section 572 of the FY 2006 NDAA, schools must have at least 20 percent military student enrollment to qualify for additional funds for schools experiencing an increase in student population due to transformation, rebasing, or BRAC. That means some schools with the least experience with military children, who potentially could see significant increases in their military population, will not qualify for assistance from DoD. What message about DoD's concern for the quality of education does this send to these communities and to the military families who must move to these areas?

NMFA recommends continuing this additional DoD funding to support school districts affected by large troop movements

until the end of the BRAC moves. DoD must provide support for all districts facing an influx of military children, those facing rising enrollments of military students for the first time as well as those currently educating a high percentage. We want these districts to welcome military children and not blame them for cut-backs in services because some schools could not receive DoD funds to assist them in supporting these children.

NMFA believes every effort must be made to preserve the availability of health care, commissaries, exchanges, and MWR programs during shifts in troop populations. The size of the military retiree, National, Guard and Reserve population in the vicinity of a closing installation and the impact of closure on these beneficiaries should be considered before decisions are made to close commissaries and exchanges. We look to Congress and DoD to ensure plans are in place to maintain access to quality-of-life programs and support facilities until the last service member and family leave installations to be closed. In the same manner, we ask that houses, schools, child development and youth programs, and community services are in place to accommodate the surge of families a community can expect to receive as a result of the movement of troops to a new location.



Hanscom FCU Supports Anti Drunk Driving Group

Hanscom FCU CEO David Sprague, center, presents a \$1,000 donation to Capt. Jessica Phelps to assist the Hanscom Airmen Against Drunk Driving (AADD) as it kicks off its program this spring. Additional AADD representatives are (left to right) Senior Master Sgt. Michael Dubeau, Staff Sgt. Miguel Rojas, and Airman 1st Class Evan McIntosh. Photo provided by Hanscom FCU

LR Teachers Federal Credit Union to Merge With Arkansas FCU

Terry Borreson, Sr. Vice-President/Finance & Administration

Little Rock Teachers FCU, a federally chartered credit union serving the employees of the Little Rock School District, Laidlaw Transit, Inc, and the Little Rock Classroom Teachers Assoc., has voted to merge with Arkansas FCU, the state's largest credit union headquartered in Jacksonville, AR. The merger, which takes effect April 30, 2006, was approved by a vote of the members of Little Rock Teachers FCU on April 17, 2006 and approved by the Arkansas FCU Board of Directors on April 25, 2006. The merger brings approximately 1,500 new members and two million dollars in assets to Arkansas FCU.

The Board of Directors of both credit unions along with the members of Little Rock Teachers FCU agreed by a vote that the merger would be beneficial. Little Rock Teachers FCU Board Chairman Joe Gray said, "Our members are really looking forward to the expanded number of products and services that Arkansas FCU has to offer."

Larry Biernacki, President/Chief Executive Officer of Arkansas FCU, is also happy with the merger, "The employees of Arkansas FCU are eager to meet the members of the Little Rock Teachers FCU and look forward to serving them. Our mission is to improve each member's financial life with our quality financial products and services."



Photo provided by Air Force FCU

Air Force FCU Announces New President/CEO Robert A. Glenn

Danny Sanchez, Marketing Director

Air Force FCU is proud to announce Robert A. Glenn as the Credit Union's new President/CEO. He joined the Credit Union in May and has moved forth with strategic plans to improve services and convenience to Air Force FCU members in San Antonio, TX and to military service men and women members worldwide.

"I would consider myself successful if our members felt that they could get no better service or products from any other financial institution," said Glenn of his barometer for success.

Glenn brings over 35 years of experience in the financial service industry to the credit union. He spent the last 16 years as a Senior Vice President at ORNL FCU in Oak Ridge, TN, where he oversaw a division that included Lending, Information Technology and CUSOs, while helping it grow to become the third largest credit union in Tennessee.

Throughout his career, he has compiled an extensive and distinguished record of assistance to the community. His volunteer service includes the positions of Treasurer of Consumer Credit Counseling Service of East Tennessee; Region III Advisory Committee Member for NAFCU and Secretary of CUES Greater Southern Council.

Glenn received a Bachelor of Science degree in Business Administration from the University of Tennessee—Chattanooga and his Master in Business Administration from the University of Tennessee. He also earned his Certificate Chief Executive designation through the Credit Union Executives Society's CEO Institute.

He and his wife, Marilyn, are proud parents of three children, one son, Robert II, and two daughters, Elizabeth and Emily. They also have two grandchildren.

Fort Sill FCU Celebrates 50 Years of Service

Marita Barwick, Director of Marketing

Fort Sill FCU celebrated 50 years of service to their members with a \$5,000 giveaway at their annual meeting. The credit union received accommodations from the Commanding General of Fort Sill, Major General David C. Ralston and the Chairman of the Board of the Lawton Fort Sill Chamber of Commerce and Industry, Hossein Moini.

The credit union has been awarded "Army Credit Union of the Year" 3 times during the last 12 years and has been a 5 time winner of the Readers' Choice Award as "Favorite Credit Union" from the Lawton Constitution Reader's Poll. They have long been a contributor to the community and last year alone donated over \$22,000 to the March of Dimes campaign and \$12,000 to United Way. Fort Sill FCU has been awarded matching grant funding from the Armed Forces Financial Network for its progressive Financial Education and Awareness programs and has been forging lasting commitments with its members through leading edge home banking technology and communications services.

Navy FCU Volunteers Restore Homes On National Rebuilding Together Day

Keasha K. Lee, Public Relations

More than forty volunteers from Navy FCU joined together to celebrate National Rebuilding Together Day. Employees, friends and family members completed projects for a group home in Alexandria, VA, including building a fence, interior painting and major yard clean-up.

In addition, a team of 10 Navy FCU volunteers also participated with a Rebuilding Together project in Annapolis, MD, laying down flooring, painting, and building a ramp for a home owned by two Navy FCU members.

Military Saves Expands Outreach

Two major grants have permitted the recent hiring of a full-time staffer to expand Military Saves initiatives and outreach.

Two-year grants from both the NASD Investor Education Foundation and Wells Fargo have made it possible for America Saves to support the work of former Chaplain, Captain Sarah Shirley (USAF), with all branches of the military and with military-supporting financial and non-profit organizations. Shirley will build on her successful work developing a Saves program

at Eglin Air Force Base in Florida, which enrolled more than 7000 Military Savers over the last year.

She will continue to work with the leadership of this base to develop a 2007 campaign proposal to take to several major Air Force commands. At the same time, she will be working with multi-disciplinary task forces of the Army and Navy/Marine Corps to develop long-term and emergency savings initiatives, respectively.

Shirley will also work closely with base banks and credit unions, as well as other

financial institutions serving military personnel, to promote savings. Langley FCU, for example, has already begun savings workshops for all employees, Saves promotion as part of financial counseling, and the development of savings inserts in mailings and savings posters and brochures at all branches.

This effort is being supported by an advisory committee, which includes representatives from the Department of Defense, military services, the Defense Credit Union Council, and the Association of Military Banks of America, as well as the NASD Foundation and Wells Fargo.

Savings Strategies: Achieving Financial Readiness

With U.S. military forces fighting a war in Iraq and helping to keep the peace in Afghanistan and elsewhere, many American military families are dealing with the financial issues that arise with overseas deployment while trying to get by on relatively modest incomes.

Furthermore, for service members, financial problems can cause not only anxiety, but also revoked security clearances, non-judicial punishment, or redeployment. That makes basic sound savings practices like paying off high-cost debt and creating an emergency fund all the more important for these families. It also calls for additional strategies specially adapted to their unique situation and available resources.

Plan Ahead

Having a written monthly spending plan is good advice for all Savers, but it becomes even more important when a family breadwinner faces the possibility of overseas deployment on short notice. The Personal Financial Management Program at the installation can provide a financial plan worksheet to help with developing a spending plan.

If the service member normally handles the finances, it is also a good idea for him or her to sit down with the stay-behind-spouse to review the family financial situation. That review should include any debts they may owe, how much they have saved for emergencies, and what bills have to be paid and when. While reviewing the family finances, it is a good idea to make sure the

spouse is listed as a joint account holder on all accounts, such as bank accounts and credit card accounts. Without that, he or she may not be able to make changes or get needed information. It's also a good idea to create or update a durable power of attorney for the spouse. Local JAG offices can help with legal matters such as these.

Having the family car and major household maintenance items such as furnaces, serviced before departure can help to prevent an emergency down the road. Taking these precautions up-front can help keep unexpected expenses from draining the emergency fund and forcing the family to take on high-cost debt.

Automate Payments

One way to ease the financial burden on the stay-behind spouse is to put as many payments as possible on auto pilot. Bill payment services offered by most banks and credit unions can be used to pay not only monthly installment loans, such as mortgage or car payments, but also monthly bills, such as utility and credit card bills.

Look for Savings Opportunities

If the service member's car is put in storage during his or her absence, the insurance company should be notified to put the car on "off-road" status, saving on insurance bills. Even if the car will still be in use, many insurance companies will lower rates if the monthly mileage is reduced. Similar savings may be found if a cell phone or subscrip-

tion can be put on "vacation" status during the deployment.

Take Advantage of Special Benefits

The Servicemembers Civil Relief Act gives active duty military members certain benefits, such as reduced interest rates on credit cards, mortgages, and auto loans for debts that were incurred before going on active duty. Service members should sign a pre-authorization form for their spouse with the service's Relief Society prior to deployment. Some banks will also provide interest-free mortgage assistance loans to military families experiencing financial hardship during a service member's absence.

The Uniformed Services Deposit Program allows those in a combat zone to deposit up to \$10,000 and earn a guaranteed 10 percent annual interest rate. In addition, all service members are eligible to contribute to the Thrift Savings Plan, which operates like a civilian 401 (k) plan for retirement savings.

Each military installation has trained specialists who offer free individual counseling and assistance as well as group classes on a variety of financial topics. Many defense credit unions and military banks assist with these programs.

By calling Military OneSource (1-800-342-9647) service members can make an appointment with a certified financial planner. Additional information aimed at military members is available on the Internet at: www.MilitarySaves.org; www.SaveAndInvest.org; www.MilitaryMoney.com; and www.MyMoney.gov.

Vice Chairman Hood Observes Firsthand How Military Credit Unions Serve the Underserved

NCUA Press Release

NCUA Vice Chairman Rodney Hood recently visited a branch location of Service CU located on a U.S. Military Base in Garmisch, Germany. Vice Chairman Hood toured the location, met with several of the credit union's officials, and participated in a roundtable discussion regarding the services provided to underserved members.

"I was honored to visit Service CU and learn more about how they are meeting the needs of the underserved, especially those within the military community," said Hood. "Military duty presents unique financial needs and credit unions are a proven and reliable financial partner for service members and their families." Hood met with Service CU officials including: Gordon Simmons, President and CEO; Richard Tolle, Senior Vice President, Overseas Operations; and Sue Westerh, Branch Manger. Service CU serves over 100,000 members and has over \$1 billion in assets.

"Gordon Simmons and the dedicated staff of Service CU did a wonderful job briefing me on the impressive array of innovative services provided to its members," stated Hood. "I was very impressed with the credit union's Warrior Rewards and Star Programs, as well as its commitment to providing financial education by offering seminars and free consultation services."

The credit union's Warrior Rewards program recognizes the sacrifices and unique financial needs of service members during periods of mobility and long-term separation, by offering low loan rates and a high certificate rate. Warriors are defined as military members who are assigned to or have returned in the past 120 days from peacekeeping operations or other combat zone areas such as Iraq and Afghanistan. The Star Program offers a special collection of unique services, including free checking, high yield savings, and share certificates to moderate income members whose annual gross income is below \$45,000 or their military base pay doesn't exceed \$2,175 per month. Service CU also provides an Education Center offering seminars covering topics such as internet banking, taxes, home and auto buying, and investing.

"I was especially pleased that among the many products and services provided, the credit union also offers opportunities for its members to learn how to best manage their money through an innovative financial education program," said Hood. "These seminars provide a forum for members to learn more about the most pertinent and current financial issues that face them on a regular basis. I commend all credit unions for their dedication and success in educating service members and helping them achieve their financial goals, and appreciate the opportunity to witness this first-hand in Germany here at Service CU."



The United States Army To Celebrate 231 Years

Since its birth on June 14, 1775—over a year before the Declaration of Independence—the United States Army has played a vital role in the growth and development of our nation.

It was on that date that the Second Continental Congress authorized the enlistment of ten companies of riflemen in Maryland, Pennsylvania and Virginia. The next day, George Washington was appointed commander in chief.

Soldiers have fought 11 wars, from the American Revolution through the Cold War, the Gulf War, to the current War on Terrorism.

The United States Army has been a cornerstone of America's freedom, military power and service to other nations, and the Defense Council is pleased to wish the Army a Happy Birthday!

Defense Credit Union Council

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