



# ALERT

Issue 11 • December 2014

601 PENNSYLVANIA AVENUE, NW, SUITE 600, SOUTH BUILDING • WASHINGTON, D.C. 20004-2601 • (202) 638-3950 • WWW.DCUC.ORG

## HAPPY HOLIDAYS

### A Soldier's Christmas

*Roland "Arty" Arteaga, President/CEO, DCUC*

Every year about this time, I receive a few poems in my in-box, reminding me of the tens upon thousands of troops who will be apart from their loved ones over the Holiday Season. This year was no different! Our good friend, John Sinclair from Executive Benefits, shared "A Soldier's Christmas" with me earlier this month. And while I suspect many of you have seen/read this poem more than once, I ask that you take a minute and read it again. For as you gather with family and friends over the coming weeks, our troops will again be standing watch in well over 125 countries around the world. Please keep them in your thoughts and prayers!

### A Soldier's Christmas

*by Michael Marks*

The embers glowed softly, and in their dim light,  
I gazed round the room and I cherished the sight.  
My wife was asleep, her head on my chest,  
my daughter beside me, angelic in rest.

Outside the snow fell, a blanket of white,  
Transforming the yard to a winter delight.  
The sparkling lights in the tree, I believe,  
Completed the magic that was Christmas Eve.

My eyelids were heavy, my breathing was deep,

*continued on page 7*

## CEO UPDATE

### With the Holidays Comes Change

*Roland "Arty" Arteaga, President/CEO, DCUC*

As the month of December quickly draws to an end and the New Year fast approaches, I wanted to take this opportunity to reiterate the three notes of interest I highlighted in an email to you earlier this month.

In February of this year the President signed Executive Order (EO) 13658, increasing the minimum wage for contractors to \$10.10. While on surface it appears the EO only applies to federal contractors, it also applies to "Contracts in connection with Federal property or lands and related to offering services for Federal employees, their dependents, or the general public." Based on the Department of Labor's (DOL) broad definition of "contract," which includes lease agreements...and given your lease agreements with your respective commands, EO 13658 could apply to you. That said, the President's Executive Order applies to new contracts and replacements for expiring contracts with the Federal Government that result from solicitations issued on or after January 1, 2015 or to contracts that are awarded outside the solicitation process on or after January 1, 2015. The EO does not appear to apply to current leases unless they are renewed after January 1. Three recommendations come to mind: 1) if you have not done so, I encourage you to visit DOL's website and review their Fact Sheet and Frequently Asked Questions (FAQs); 2) I would also suggest you review our sister trade association's (CUNA's) BLOG on this topic. As a matter of convenience, we have included CUNA's Blog in this edition of the *Alert* (see page 8); and 3) make it a point to check with your legal and HR folks this month to determine if EO 13658 will impact you.

On a second note, late last month, DOD announced a change in their discretionary allotment policy. Starting next year, the DOD Financial Management Regulation (DODFMR) will prohibit military personnel from starting new allotments to purchase, lease or rent personal property...including allotments for payment for vehicles and motorcycles. While the change does not prohibit allotments made to savings accounts, service-members will be required to sign a statement, certifying (under the Uniform Code of Military Justice) that the new allotment is not for the purchase, lease or rental of personal property...or is not for payment toward personal property. The new policy is effective January 1, 2015, and applies to active duty military personnel; it does not apply to military retirees or DOD civilian personnel, nor does it affect existing allotments. This shift in policy is the result of CFPB's request of DOD to review the Department's allotment policy, and in particular, discretionary allotments. While many of us argued that discretionary allotments for auto loans, when properly controlled and managed, added immense value and benefit to enhancing and maintaining financial readiness—especially among young junior enlisted personnel—the Department's Interagency Working Group

*continued on page 10*

## DEFENSE CREDIT UNION COUNCIL, INC.

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

### BOARD OF DIRECTORS

**Denise Floyd**  
Chairman

**Gordon Simmons**  
1st Vice Chairman

**Frank Padak**  
2nd Vice Chairman

**Craig Chamberlin**  
Treasurer

**Mike Kloiber**  
Secretary

**Barb Geraghty**  
Member

**Patty Kimmel**  
Immediate Past Chair & Member

### COUNCIL STAFF

**Roland A. Arteaga**  
President/CEO

**Beth Merlo**  
Director for Administration

**Lizette Krajnak**  
Administrative Assistant

**Jennifer Hernandez**  
Information Technology Specialist

**Janet Sked**  
Conference Manager

**Megan Mundt**  
Comptroller



is the official publication of the Council. One copy of *ALERT* is mailed first-class to each defense credit union as a membership service. Defense credit unions may order additional copies (three or more) to be mailed in bulk to one address at \$10.00 per copy per year. Individual subscriptions mailed first class to defense credit union members are \$15.00 per year; to all others \$25.00 per year. *ALERT* is published monthly except for the month the annual conference and membership meeting are held. In accepting a limited amount of advertising (two advertisements per issue), the Council as a matter of strict policy does not in any way endorse either the product or the vendor. The right to refuse advertising for any reason whatsoever is reserved. DCUC dues are not deductible as a charitable contribution for federal tax purposes, but may be deductible as a business expense. Reproduction of *ALERT* material in whole or in part is authorized for Council members only. Address all correspondence to Defense Credit Union Council, Inc., 601 Pennsylvania Avenue, NW, South Building, Suite 600, Washington, D.C. 20004-2601. Telephone: 202/638-3950; FAX: 202/638-3410; e-mail: bmerlo@dcuc.org or admin@dcuc.org; www.dcuc.org.



Left to right: David Sprague, Hanscom FCU President/CEO; Major General USA, Ret. Timothy P. McHale, President/CEO of Homes for Our Troops; HFOT veteran Army SSgt Matthew Dewitt and his wife, Catrina; and Hanscom FCU Chairman of the Board Paul Marotta at the key ceremony for the Dewitt's new home. The home-build project will be highlighted in a three-episode feature on TV's *This Old House* program, which will air in Spring 2015. Photo courtesy Hanscom FCU

## US Army Veteran Receives Custom Adapted Home with Support from Hanscom FCU

Patricia Warden Conty, Hanscom FCU

The Hanscom FCU Charitable Foundation proudly contributed \$5,000 to the Homes For Our Troops mission to build a new home for Iraq War veteran SSgt Matthew Dewitt and his family.

That support came to fruition at a key ceremony on November 8, held in the specially adapted home in Hopkinton, New Hampshire that now belongs, mortgage-free, to Sgt Dewitt and his wife, Catrina.

Sgt Dewitt suffered devastating injuries when his weapon was struck by a rocket propelled grenade in July 2003. The attack resulted in the amputation of both arms below the elbow, damage to his eardrums and extensive skin grafts to his face, legs and arms.

"We are simply overjoyed that we can be part of this program," said Paul Marotta, Hanscom FCU Chairman of the Board. "This man volunteered to go in harm's way to defend us. Now he has lifelong injuries that require specific accommodations. To be able to pay him back in some small way is a tremendous gift."

The donation was made from the Hanscom FCU Charitable Foundation, a 503(c) organization that is the charitable arm of Hanscom FCU. The Hanscom FCU Charitable Foundation distributes 100% of proceeds received, with no funds used for administration. For more information, visit [www.hfcucharity.org](http://www.hfcucharity.org).

**For the latest credit union news, visit [www.dcuc.org](http://www.dcuc.org).**

## Pen Air FCU Donates 200 Turkeys to the USO Thanksgiving Feast

*Patty Veal, Director of Public Relations*

There was a need, and Pen Air FCU was happy to fulfill that need when it stepped up to the plate and donated 200 much needed turkeys to the Naval Air Station Pensacola United Service Organization (USO) for their annual Thanksgiving feast estimated to feed 1,500 troops unable to make it home for the holiday.

The turkeys were purchased at a bulk discount from the Pensacola Corry Station Commissary by USO and Pen Air FCU representatives. The 200 turkeys were delivered to freezers at the USO office and some to other locations for preparation and cooking prior to the Thanksgiving festivities on board Naval Air Station Pensacola outside the USO office.

The USO began this Thanksgiving tradition seven years ago, and Pen Air FCU has supported the USO and the troops ever since. The Thanksgiving meal was expected to feed over 1,500 troops and their families. This figure continues to grow each year. Last year, approximately 1,200 troops and their families were served.

“Without Pen Air Federal Credit Union’s support, our Thanksgiving meal would not be successful,” commented USO Director, Heidi Blair, “I continue to be overwhelmed and thankful for their generous support and contribution.”

The USO is a non-profit organization with a mission to support the active military serving our country. The Pensacola USO has locations at the Pensacola International Airport and on board NAS Pensacola. The USO receives all its financial support from private donations. These donations help provide support for programs that assist deployed personnel and their dependents.

“Pen Air Federal Credit Union is proud to support the men and women that protect our great country, and we want to ensure they have a warm holiday meal while away from their families,” said Pen Air FCU President/CEO, Stewart Ramsey.

---

## Arkansas FCU Donates \$1,000 to Little Rock Compassion Center to Help Provide Thanksgiving Meals

*Lexie Mitchell, The Nicholson Agency on behalf of Arkansas FCU*

Arkansas FCU President/CEO Rodney Showmar presented the Little Rock Compassion Center with a \$1,000 check on November 25, 2014, just in time to fill a need during the Thanksgiving holiday.

“After our team saw a news report on November 23 where Compassion Center Director William Holloway discussed the lack of donations this year, Arkansas Federal wanted to do something to help,” Showmar remarked. “AFCU quickly decided to donate \$1,000 to the center to help ensure that the 1,200 men, women and children expected to visit the center for a free Thanksgiving meal wouldn’t leave hungry.”

The Little Rock Compassion Center, Inc. is an inner-city mission focused on a ministry of hope to the homeless, transient, displaced and disadvantaged people in the Little Rock area. The Compassion Center’s kitchen is open for breakfast, lunch and dinner daily. They provide beds for 40 women and 200 men nightly. Last year they served over 142,000 meals.

## Grow Financial FCU Raises \$32,239 for the American Heart Association

*Adrienne Drew, Marketing Communications Specialist*

To date the team members of the Credit Union have raised more than \$32,000 to assist with local research and treatment programs for the American Heart Association (AHA) Tampa Bay.

Throughout the year, team members at the Grow Financial corporate office and in the stores sponsored a number of activities to raise money, including bake sales, golf tournaments, charity bingo nights, and catered breakfast and lunch meals, all leading up to the 2014 Tampa Bay Heart Walk on November 15 at Raymond James Stadium, in which more than 30 team members and members participated.

“I was very impressed by this year’s fundraising efforts,” said Kimberly Woolard, Chief Human Resources Officer for Grow Financial. “This year we exceeded our goal of \$25,000 because of the dedication our team members have toward this organization. I am extremely proud and looking forward to next year’s campaign.”



*Little Rock Compassion Center Director William Holloway accepts a \$1,000 donation from AFCU President/CEO Rodney Showmar on the day before Thanksgiving. Photo courtesy The Nicholson Agency*

## Should You Offer Wealth Management Programs to Members?

*Kevin W. Paasch, CFP, Director of Credit Union Relations – Member Wealth Management Advisors*

**S**hould credit unions offer members a solution to provide Investment, Insurance, and Financial Planning services? The ever-changing landscape of the financial services environment presents credit unions with ongoing challenges to attract, grow, and retain member relationships. With the development, implementation and distribution of online banking and more recently mobile banking, traditional “sales” of credit union products and services are becoming more challenging than ever before. Credit union, bank, and non-bank competitors alike strive to employ strategies to successfully deepen “customer/member” share of wallet; including the offering of Savings, Lending, Investments, Insurance, and Financial Planning services.

With low interest rates, low margins, falling loyalty, technology advances, credit unions should consider how to invite members to choose them and become a lifetime member. Studies have shown, where members have two or less products, are 95% more likely to find another “primary” financial institution during their lifetime, where members who have four or more products are 95% likely to stay members for a lifetime. What is your average product per member? Do you consider Investments, Insurance and Financial Planning in those numbers?

By offering an “effective” investment, Insurance and Financial planning department, these members view the credit union as their lifetime financial institution and partner. As a thought, a car loan is generally three to five years, but a retirement plan lasts a lifetime. So how should credit unions effectively offer Investments, Insurance and Financial Planning?

**Credit Union Investment Structure:** Credit unions typically provide these services through owned or managed program models. “Owned” programs are those owned/managed by the credit union; requiring considerable financial and administrative investment to hire management expertise, financial advisors, develop brand while implementing timely marketing. “Managed” programs are those outsourced by the credit union to a third party “turn-key” vendor solution, to help outsource some of the issues associated with “owned” programs.

While either model may work, each approach has inherent challenges that can undermine success. The “owned” program model can burden the credit union leadership time with implementation, monitoring and performance. Unless the credit union leadership holds expertise in this area, it is difficult to assess program success against true potential.... often asking “how are we doing?” Compared to what? The “managed” program model helps reduce some program associated risks; its inherent structure can also undermine success.

**Inherent flaws:** With either program, advisors are typically relegated to work within the credit union membership only, thus only working with referred members and no incentive to build a business/financial advisory practice. (i.e., “Fishing in a barrel”). Most advisors sit and wait for activity and fail to embrace business development utilizing the credit union brand and partnership. So, unless there is a strong sales culture providing substantial referral and lead generation, two undesirable outcomes often occur:

- The more highly skilled advisors move on to other opportunities; creating advisor turnover
- The lesser skilled advisors remain; leading to mediocre performance and results

**Conclusion:** If you currently offer Investments, Insurance and Financial Planning, it might be time to conduct a thorough review. As noted above; how are you doing? And compared to what? If you don’t have a program, maybe today is the right time to consider deepening those relationships. For more information, contact Kevin W. Paasch, CFP – Director of Credit Union Relations – Member Wealth Management Advisors at 757-493-4346 or [kpaasch@financialguide.com](mailto:kpaasch@financialguide.com)

## Dover Federal Donates Turkeys and Food Bank of Delaware

*Bettie Campbell, Director of Business Development*

**D**over FCU is proud to announce its participation in the annual Turkey Round Up, a program that helps the Food Bank of Delaware collect and distribute turkeys and non-perishable food to families in need during the holiday season.

In appreciation of their dedicated service throughout the past year, Dover Federal recently awarded each of its employees a \$20 turkey gift voucher. Employees were given the option to donate their vouchers to the Turkey Round Up program so that turkeys could be purchased for hungry Delawareans. As well, Dover Federal collected non-perishable items and monetary donations at all of their branch locations. The combined efforts of employees and Dover Federal members raised \$1,585.83 and six large bins filled with food for the holidays. The Turkey Round Up is a program put on by Clear Channel and their stations 94.7 WDSB and Mix 92.9, we were glad to join them for this great cause.

When asked about the Credit Union’s participation, David Clendaniel, Dover Federal’s President and CEO, was enthusiastic. “We couldn’t be more pleased by this opportunity to contribute to the vital work of the Food Bank of Delaware,” he said, “and we are proud of our employees’ continued effort and support for our community.”



**For the latest credit union news, visit [www.d cuc.org](http://www.d cuc.org).**

## Service CU Donates to Portsmouth Salvation Army

Lori Holmes, Assistant Vice President of Marketing

Service CU donated 50 food gift certificates for holiday turkeys and other food along with 50 brownie mixes to the Portsmouth Salvation Army recently. The contribution arrived in time for the Thanksgiving holiday season for needy families in the Seacoast area.

As part of the Service CU's holiday giving campaign, Assistant Vice President of Member Services Mike Porter along with Portsmouth Branch Manager Zoanne Lucier presented the food vouchers to the Portsmouth Salvation Army. For more than 11 consecutive years, Service CU has donated to the Portsmouth Salvation Army during the holiday season.

Service CU's holiday giving campaign is also highlighted by a branch-wide food collection for local pantries, Toys for Tots drive, gift cards to the soldiers both in New Hampshire and at Pease, and a donation to the New Hampshire Food Bank.

"Service Credit Union has been serving New Hampshire for more than 55 years and we were eager to roll up our sleeves and support the community during this time of need," said Gordon Simmons, President/CEO of Service CU. "We realize that times are tough for many individuals and we want to do our part to support the communities where we do business and help the families who live in them. We take pride in making sure families can provide during the holidays."



Left to right: Debora Coolidge, of the Salvation Army in Portsmouth, AVP of Member Services Mike Porter, and Portsmouth Branch Manager Zoanne Lucier. Photo courtesy Service CU

## Southeastern Donates Thanksgiving Meals to Families in Need

Courtney Gooding, Marketing Manager

For the fifth year in a row, Southeastern FCU provided Thanksgiving meals to ten disadvantaged families in the Valdosta community. Southeastern purchased turkeys and employees generously donated side dishes, desserts, and bread so that the families could have a traditional Thanksgiving meal. The ten families who received meals were identified by Southeastern's Community Partners in Education (CPIE) partner schools as being in need during this time of Thanksgiving.

Since the meal drive began in 2010, Southeastern has provided full Thanksgiving meals to 44 local families. "Our employees enjoy participating in this project year after year and giving back to our community," says Courtney Gooding, Marketing Manager at Southeastern. "We appreciate our Community Partners in Education schools and all that they do for the children and families in our community. The least we can do is help out a few of those families during the holidays."

The Credit Union has participated in the Community Partners in Education program for more than 10 years.

## A Night Out with the Blues

Adam J. Koishor, Chief Marketing Officer

Approximately 100 members of the 126th Air Refueling Wing, Scott Air Force Base, IL, Illinois Air National Guard, attended the Nov. 11 Military Appreciation St. Louis Blues hockey game for free, thanks to the generosity of Scott CU, who made an exclusive donation of \$2,500 to the 126th ARW.

"We realize the sacrifice that our service men and women make every day for all of us," said Scott CU President & CEO Frank Padak. "We were very happy to be able to give something back. This is just a small token of Scott Credit Union's appreciation for what they do for us."

The game was set up for the military. The 126th ARW's Honor Guard presented the colors. "It was impressive to see members of the military recognized at the Blues game," said SCU Community Relations Rep. Carol Wylie. "What a tribute to them and their commitment to our freedom and safety. It was an honor to be there for the military appreciation night."

## DEFENSE CREDIT UNION PEOPLE IN THE NEWS

INDIANAPOLIS, IN—Financial Center hired **Ed Valasek** as its VP of Technology. With over 19 years of experience in IT, Valasek manages the IT team and oversees vendor relations. They also hired **Gabriel Arellano** as its Contact Center Manager. Arellano has over 15 years of customer service and contact center experience. They promoted **Adrian Phillips** to Member and Business Analyst. Phillips will help the credit union identify areas of growth and increase profitability. The credit union also promoted **Dusty Simmons** to Marketing Campaign Officer. Simmons develops marketing campaigns for retail, investments and insurance services... ABERDEEN, MD—APGFCU hired **Melinda Maluga**, SPHR, as VP of HR. Maluga brings more than fifteen years of strategic human resource management. APGFCU has also hired **Nancy Rosso** as marketing communications director. Rosso has fifteen years of marketing communications experience.



## R.I.A. FCU Holds a Turkey Bowling Event

R.I.A. FCU held a Turkey Bowling contest at our Silvis, IL, Hy-Vee location. Members bowled with a frozen turkey to knock down 2-liter pop bottles. The winner, Jerry, received a \$100 Hy-Vee gift card and all participants got to keep their turkeys. Photo courtesy RIA FCU

## Southside Chapter of VA Credit Unions' Eighth Annual Benefit Golf Tournament Raises Over \$21,000

*Sarah Marks, Fort Lee Federal Credit Union*

**S**outhside Chapter of VA Credit Unions' Eighth Annual Golf Tournament, held in September, at the Cardinal Golf Course on Fort Lee, raised over \$21,000 to support the Children's Miracle Network of Richmond and VACUPAC.

A regional chapter of the Virginia Credit Union League, Southside Chapter of Virginia Credit Unions includes eight credit unions in the tri-cities area including Fort Lee FCU, People's Advantage FCU, Hopewell Chemical FCU and Petersburg Federal Reformatory CU.

Credit union chapters provide a way for credit unions to come together to support local organizations as well as the credit union movement. Southside Chapter credit unions embrace their cooperative spirit, thriving on teamwork with each other to build a better community.

The Chapter especially thanks Premier Event Sponsor, CUNA Mutual Group, and supporting Gold Sponsor, P.W. Campbell. Each of these companies has been a loyal sponsor, proudly participating for multiple years. Additionally, The Southside Chapter graciously thanks COOP Miracle Match for their matching donation to support Children's Miracle Network. Their support brought the total contribution for CMN of Richmond to \$13,410.00.

## Langley FCU Announces New Foundation to Focus Charitable Giving on Local Family Issues

*Sue Thrash, Public Relations Director*

**L**angley FCU has formed the Langley for Families Foundation to establish focused charitable giving on family issues in the Greater Hampton Roads area. The Foundation will operate outside of the Credit Union's existing charitable giving structure and will complement the organization's continued charitable giving efforts. The Foundation will concentrate on supporting organizations that serve the needs of families. Specific 'areas of focus' will include healthcare, housing and human services, safety and security, and more. The Foundation will be self-funded and run solely by a volunteer Board of Directors as a 501c(3) thereby maximizing dollars distributed in the community.

"Langley has a long and storied history of community involvement and charitable giving," stated Langley VP of Marketing Randy Saltzman. "The Foundation will serve both the short and long term needs of the community with an eye towards distributing funds to worthy non-profit organizations that support causes defined by our Mission and Areas of Focus. We are excited to get started and are keenly focused on helping families not only survive, but thrive."

Monies will be raised through various fundraising activities during the year. Eligibility for funds will be determined in part by a non-profit's impact on families in the local community, and whether the non-profit fits the Mission and Areas of Focus of the Foundation.

The first major fundraising event took place on Friday, December 5 from 4 pm to 8 pm at Langley FCUs City Center corporate headquarters where the Foundation will host a "Visit with Santa" at Hollydazzle. A \$5 donation was requested with all proceeds to benefit the Foundation.

## *A SOLDIER'S CHRISTMAS from page 1*

Secure and surrounded by love I would sleep  
in perfect contentment, or so it would seem.  
So I slumbered, perhaps I started to dream.

The sound wasn't loud, and it wasn't too near,  
But I opened my eye when it tickled my ear.  
Perhaps just a cough, I didn't quite know,  
Then the sure sound of footsteps outside in the snow.

My soul gave a tremble, I struggled to hear,  
and I crept to the door just to see who was near.  
Standing out in the cold and the dark of the night,  
A lone figure stood, his face weary and tight.

A soldier, I puzzled, some twenty years old  
Perhaps a Marine, huddled here in the cold.  
Alone in the dark, he looked up and smiled,  
Standing watch over me, and my wife and my child.

"What are you doing?" I asked without fear  
"Come in this moment, it's freezing out here!  
Put down your pack, brush the snow from your sleeve,  
You should be at home on a cold Christmas Eve!"

For barely a moment I saw his eyes shift,  
away from the cold and the snow blown in drifts,  
to the window that danced with a warm fire's light  
then he sighed and he said "It's really all right,  
I'm out here by choice. I'm here every night."

"Its my duty to stand at the front of the line,  
that separates you from the darkest of times.  
No one had to ask or beg or implore me,  
I'm proud to stand here like my fathers before me.

My Gramps died at 'Pearl on a day in December,"  
then he sighed, "That's a day 'Gramma always remembers."  
My dad stood his watch in the jungles of 'Nam  
And now it is my turn and so, here I am.

I've not seen my own son in more than a while,  
But my wife sends me pictures, he's sure got her smile.  
Then he bent and he carefully pulled from his bag,  
The red white and blue... an American flag.

"I can live through the cold and the being alone,  
Away from my family, my house and my home,  
I can stand at my post through the rain and the sleet,  
I can sleep in a foxhole with little to eat,

I can carry the weight of killing another or lay down my life with my sisters and brothers  
who stand at the front against any and all,  
to insure for all time that this flag will not fall."  
"So go back inside," he said, "harbor no fright;  
Your family is waiting and I'll be all right."

"But isn't there something I can do, at the least,  
"Give you money," I asked, "or prepare you a feast?  
It seems all too little for all that you've done,  
For being away from your wife and your son."

Then his eye welled a tear that held no regret,  
"Just tell us you love us, and never forget  
To fight for our rights back at home while we're gone.  
To stand your own watch, no matter how long.

For when we come home, either standing or dead,  
to know you remember we fought and we bled  
is payment enough, and with that we will trust.  
That we mattered to you as you mattered to us."

## **Service CU to Be Presenting Sponsor at Veterans Counts Gala in Nashua**

*Lori Holmes, Assistant Vice President of Marketing*

**H**undreds gathered for the third Annual Salute Our Soldiers Gala, sponsored by Service CU, to benefit Veterans Count. The event held in Nashua at the Radisson Hotel was attended by 540 guests.

Donations went toward employment counseling, emergency financial assistance, mental health support, deployment support and substance abuse services for veterans, current service member and/or their family members.

"We are privileged to be able to help our veterans and military who give selflessly to help make our nation great," said Gordon Simmons, President/CEO of Service CU. "They sacrifice to protect us and we are honored to help them when they return home."

Since the Veterans Count group in Nashua was formed three years ago, other Veterans Count chapters have been created along the Seacoast, in Laconia and other areas of New Hampshire to help service members find employment, housing and medical care. Chapters in Maine, Rhode Island and Vermont are in the works. Service CU has hosted the S.O.S. galas for two consecutive years at its Corporate Offices in Portsmouth.

---

## **DEFENSE CREDIT UNIONS IN THE NEWS**

---

BILOXI, MS—**Keesler FCU** held a grand opening for its new Gautier, MS office. The newly built 4678 square foot facility is at 3501 Dolphin Drive. The full service location provides a walk up and drive up ATM, self-serve safe deposit boxes, teller service, five lending offices, four drive-thru lanes, sixty parking spaces and a commercial night depository. Christian Hartley leads as Branch Manager. Allie Applewhite is the Loan Officer in Charge with Gena White, Heather Marchulones and Pam Burley as Financial Service Representatives.

# CUNA Comp Blog on “Establishing a Minimum Wage for Contractors”

Valerie Moss, Senior Director of Compliance Analysis for Credit Union National Association

**Q&A:** New minimum wage rule for federal contractors?

**Q:** Does the Department of Labor’s new minimum wage rule for federal contractors apply to credit unions?

**A:** The best answer is it depends.

On February 12, 2014, President Obama signed Executive Order (E.O.) 13658, “Establishing a Minimum Wage for Contractors,” to raise the minimum wage to \$10.10 for all workers on Federal construction and service contracts. The Department of Labor (DOL) published a proposed rule to implement the Executive Order on June 17, 2014.

DOL published its final rule on October 7, 2014 and it goes into effect on December 8, 2014. However, E.O. 13658 only applies to new contracts and replacements for expiring contracts with the Federal government that result from solicitations issued on or after January 1, 2015; or to contracts that are awarded outside the solicitation process on or after January 1, 2015.

## Coverage

E.O. 13658 and DOL’s implementing regulations apply to four major categories of contractual agreements:

1. Procurement contracts for construction covered by the Davis Beacon Act (DBA);
2. Service contracts covered by the Service Contract Act (SCA);
3. Concessions contracts, including any concessions contract excluded from the SCA by the DOL’s regulations at 29 C.F.R. 4.133(b); and
4. Contracts in connection with Federal property or lands and related to offering services for Federal employees, their dependents, or the general public.

Workers performing “on or in connection with” covered Federal contracts whose wages are governed by the Fair Labor Standards Act (FLSA), the SCA, or the DBA are generally entitled

to receive the E. O. minimum wage for all time spent performing on or in connection with covered Federal contracts.

DOL broadly defines “contract” (and “contract-like instrument”) for purposes of the Executive Order to mean an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law. The term “contract” broadly includes all contracts and any subcontracts of any tier thereunder, whether negotiated or advertised, including any procurement actions, lease agreements, cooperative agreements, provider agreements, inter-governmental service agreements, service agreements, licenses, permits, or any other type of agreement, regardless of nomenclature, type, or particular form, and whether entered into verbally or in writing.

So, does your credit union have any federal contracts that fall within the above categories? Most of you will answer no and move on to the next item on your “to do” list. However, some of you with credit union offices in federal buildings or on military installations may have zeroed in on #4 with good reason. Q&A #8 in DOL’s Frequently Asked Questions (FAQs) states the following with regard to contracts in connection with Federal property or lands:

**Q:** What is a “contract or contract-like instrument entered into with the Federal government in connection with Federal property or lands and related to offering services for Federal employees, their dependents, or the general public”?

**A:** Pursuant to the Department’s final rule, this category of covered contracts refers to leases of Federal property, including space and facilities, and licenses to use such property entered into by the Federal government for the purpose of offering services to Federal employees, their dependents, or the general public.

Examples of such agreements include delegated leases of space in a Federal building from an agency to a contractor whereby the contractor operates a child care center, credit union, gift shop, barber shop, coffee shop, or fitness center in the Federal building to serve Federal employees and/or the general public.

So, according to DOL, at least some credit unions that lease space in federal facilities or lease “Federal property or lands” may fall under the new requirements if/when they enter into new lease arrangements after Jan. 1, 2015. The requirement is not retroactive. New covered contracts must include a minimum wage clause that contractors will have to comply with going forward.

Please note that CUNA does NOT offer legal, tax or accounting advice. Credit unions that have offices in federal facilities should contact an employment attorney or other HR professional for advice on whether E.O. 13658 and the new DOL rule will impact your credit union. Check out the resources below for additional information on the new minimum wage requirements.

## DOL Resources:

Final rule implementing E.O. 13658

Fact Sheet: Final Rule to Implement E.O. 13658

Executive Order 13658 Frequently Asked Questions (FAQs)

**SAVE  
THE  
DATE!**

**DCUC’s 52nd Annual Conference**  
**Las Vegas, Nevada**  
**Bellagio Las Vegas**  
**August 16–19, 2015**



Ent FCU's Marketing Manager Lois Carlock and Military Relationship Manager Dave McAfee enjoy the Ent Savings Wrap at the Peterson AFB Strike Zone Café in Colorado Springs, CO. The Ent-named specialty sandwich was featured at a special price of \$5 and was created as part of Ent's sponsorship of the base bowling leagues. Photo courtesy Ent FCU

## Andrews FCU Sponsors S.H.A.P.E. Anti-Drug Awareness Campaign

*Scott Bolden, Andrews Federal Credit Union*

Andrews FCU recently sponsored the Annual S.H.A.P.E. Anti-Drug Awareness Campaign to raise awareness about illegal drug, alcohol & smoking usage and prevention. The competition was open to all students in grades 6-12 of S.H.A.P.E. International School, which consists of American and other NATO nation students.

A total of 159 posters were submitted and judged to come up with the top 10. The top prizes this year included an iPad Mini, PlayStation 4, and GoPro Hero Action Cam, as well as an iPod shuffle for each of the top 3.

"It is worthwhile to see the students so involved and motivated to design posters that show the dangers of illegal drugs, prescription drug abuse, and alcohol abuse," said Joshua Barrett, Chievres Branch Manager, Andrews FCU.

## Pen Air FCU Donates Over 350 Blankets to Local Granny Nannies Holiday Blanket Drive for Shut-ins

*Patty Veal, Director of Public Relations*

Pen Air FCU answered the call to action to support the local Granny Nannies—a local licensed nursing agency, Holiday Blanket Drive for shut-ins with 351 blankets that will be distributed to three hospice facilities and several nursing homes in the area that are in much need of items for their patients.

This is the agency's third year for the holiday blanket drive. Granny Nannies, established in 1990, is a privately funded, licensed nursing agency whose mission is to be "a home health care agency committed to providing the highest quality of compassionate care to its clients who are seeking independent living in the comfort of their own homes or other suitable environment." It is also an agency committed to giving back to the community and has devoted time, energy, and resources to ensure the success of the holiday blanket drive.

Each year, the Granny Nannies team has increased their goal for the annual blanket drive. This year the goal was set for 500 blankets. With the addition of the blankets donated by Pen Air FCU, the agency has surpassed its goal. However, Granny Nannies has a list of facilities they can distribute the extra blankets due to such a high demand during the colder months. So, blankets are still welcomed.

"We are so pleased with the support we've received from the community and businesses such as Pen Air Federal Credit Union," commented Susan Clark, Community Relations Director of Granny Nannies.

## Mid Missouri CU Donates to Local Charities

*Brittani Clabaugh, Community Outreach Coordinator*

Mid Missouri CU (MMCUCU) continues to help the communities they serve. For \$10 each month, the associates have the opportunity to wear jeans on Fridays. This money goes to a local charity at the end of each month and is presented by the MMCUCU Culture Committee. July's charity money went to The Shriners of Pulaski County, August – Relay For Life of Pulaski County, September – Claws and Paws Animal Adoption Center in Lebanon, October – Waynesville School District Snack-in-a-Pack program, and November – Good Samaritan's Christmas Angel Tree. As of November 2014, MMCUCU employees have raised over \$6,800 for a total of 11 charities so far.



Left to right: CEO/President of The Greater OKC Hispanic Chamber of Commerce David Castillo, TFCU Capitol Hill AVP/Branch Manager Laura Rodriguez, Cornerstone Credit Union League SVP/International Communications & Outreach Jon Gorman, TFCU President/CEO Michael Kloiber and TFCU Board President Al Rich hold the Together We Advance flag in front of the TFCU Capitol Hill branch on November 20. Photo courtesy Tinker FCU

## Tinker FCU Earns Juntos Avanzamos Designation

Nicole Emmons, Marketing Projects Coordinator

**T**inker FCU has earned the Cornerstone Credit Union League's Juntos Avanzamos or "Together We Advance" designation. This award recognizes TFCU's dedication to serving the Hispanic community through its bi-lingual and bi-cultural Capitol Hill branch at 2315 S. Western Ave. in Oklahoma City.

"The Juntos Avanzamos designation is the culmination of several years of work," said TFCU President/CEO Michael Kloiber. "In the summer of 2008, we created a diverse multi-department task force to develop ways to better serve our Hispanic community. That task force was instrumental in the planning that resulted in building the Capitol Hill branch."

To celebrate this award and their commitment to the Hispanic community, TFCU hosted a flag-raising ceremony at their Capitol Hill branch on November 20. The flag, provided by the league, sends a message to the surrounding community that TFCU is prepared to serve the unique needs of the Hispanic population in Oklahoma.

In Oklahoma, 9.3 percent of the population is Hispanic. According to the Cornerstone Credit Union League, the Hispanic population in Oklahoma is the largest minority group, with 385,000 people of Hispanic origin residing in the state. This group may only make up 9.3 percent of the population, but in the last decade, Oklahoma's Hispanic population has nearly doubled.

"We will be able to leverage this Juntos Avanzamos designation to establish TFCU as a premier financial institution for this demographic," said TFCU SVP/Branch Operations Lisa Martinez-Leeper. "While we serve Hispanic members at all of our branches, Capitol Hill was strategically set in the largest Hispanic neighborhood in Oklahoma City. Every staff member there is working hard to serve this community, and I am excited about the tremendous potential to grow its membership, expand its product and service usage and generate more loans among this demographic."

thought otherwise. As a result, changes to the DODFMR are being drafted this month and should be published by end of year.

Third, in their *Federal Register Notice* of September 29, DOD proposed to change the rules implementing the Military Lending Act. Comments were initially due to DOD on November 28, however, earlier this month, the Department extended the comment period to Friday, December 26. By the time you receive a hard copy of this newsletter, our industry response, jointly signed by DCUC, CUNA, NAFCU, AACUC, and NASCUS, will have been finalized and forwarded to DOD. And as we did last year, during the Department's Advance Notice of Proposed Rulemaking (on this same topic), we will again articulate our collective support of DOD's efforts to protect our troops against predatory lenders and unscrupulous businesses, but will strongly advise against comprehensive changes to the existing rules. If the predatory lending industry has evolved to the point of requiring modifications to the current rules, the Department should focus its efforts accordingly—on predatory lenders...not on credit unions. We are not the problem; we are part of the solution...as is financial education. From my perspective, financial education is the key to smart consumer decision making; not regulation. Additional time must be devoted to teaching our troops the fundamentals of earning, spending, saving, borrowing, and protecting...and more emphasis must be placed on accountability and responsibility. In so doing, we "feed" our troops for a lifetime and not just for a day!

With the holidays comes change. And you can be assured, just as we have for fifty-one years, we will again be at the forefront, collaborating with DOD and ensuring your voice is heard, understood and acknowledged. On behalf of our Board of Directors, thank you for your vote of confidence this past year... and for your tremendous support of the men and women serving this great Nation. May you and your Board... families and staff have a wonderful holiday season and may 2015 bring you continued success and good health!



On Thanksgiving Day, Belvoir FCU provided and helped serve 492 Thanksgiving dinners to soldiers and their families. Photo courtesy Belvoir FCU

## Belvoir Federal Serves Thanksgiving Dinner to Soldiers on Fort Belvoir

Amy McConnell, Digital Marketing & Public Relations Manager

On Thanksgiving Day, Belvoir FCU provided and helped serve 492 Thanksgiving dinners to soldiers and their families. Belvoir Federal employees and their families arrived in two shifts throughout the day to assist Fort Belvoir's Dining Facility (DFAC) in serving a delicious Thanksgiving feast.

"Serving a Thanksgiving meal to those on Ft. Belvoir is a wonderful event where Belvoir Federal has the privilege to assist the Garrison Command and others during the holidays. We are thankful for our members, our post, and the opportunity to give back to our community," stated Patricia Kimmel, CEO/President of Belvoir FCU.

Belvoir FCU is a financial institution of people helping people. They are an organization that participates in their community and lends a supportive hand when the opportunity arises. Belvoir Federal thanks all the men and women serving our country and appreciates all the sacrifices every soldier offers.

**Visit [www.dcuc.org](http://www.dcuc.org)  
for the latest credit union news.**

## Dover Federal's Support of 512th Airlift Wing

Bettie Campbell, Director of Business Development

Dover FCU is honored to contribute to the 512th Airlift Wing, Key Family Member Program Association. Saturday, July 12, Dover Federal presented a check in the amount of \$500 to the Key Family Member Program Association at a community event on Dover Air Force Base.

"This program provides excellent support to our local military community," said David Clendaniel, Dover Federal's President and CEO, "we are very glad to be able to provide a donation for continued support towards their efforts. Dover Federal is a proud supporter of our military and express great gratitude to our brave men and women and their families who serve."

## Security Service FCU's Charitable Foundation Donates \$10,000 to Children's Hospital Emergency Department

Brandy Ralston-Lint, VP, Public Relations

Security Service FCU is giving back to the community to help the children of South Texas. The Credit Union's Charitable Foundation donated \$10,000 to Driscoll Children's Hospital to help with the renovation of the Emergency Department.

"Taking a child to the emergency department can be very stressful on a family," says Jim Laffoon, President and CEO of Security Service FCU. "This renovation will provide a larger, more comfortable area for the children and families who need emergency care."

Each year more than 35,000 children are seen in the Driscoll Children's Hospital Emergency Department. The 189 bed hospital serves children and families from across South Texas to include Corpus Christi, the Rio Grande Valley, Victoria and Laredo.

"We're so honored that Security Service Federal Credit Union thought of us when they made this donation," Driscoll Children's Hospital's Vice President of Development Martha Avery said. "Our mission is to help the children of South Texas, and we're proud that Security Service Federal Credit Union is helping us with that mission."

The complete renovation project is estimated to cost \$14 million and will add 5,000 square feet to the emergency department as well as increasing the size of the front lobby.



**Got News? Email  
[bmerlo@dcuc.org](mailto:bmerlo@dcuc.org) with your  
credit union news.**

Defense Credit Union Council  
601 Pennsylvania Avenue, N.W.  
Suite 600 S  
Washington, D.C. 20004-2601

First Class Mail  
US Postage  
PAID  
Annapolis, MD  
Permit 163



*Holiday Greetings from Bellagio Las Vegas,  
host of the 52nd Annual DCUC Conference.*

*August 16-19, 2015*

*Registration materials will be available early in 2015.*



For the latest credit  
union news, visit  
**[www.dcuc.org](http://www.dcuc.org)**  
or scan the  
QR code below:

