



ALERT

Issue 7 • July 2013

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

SEQUESTRATION

Managing the Sting of Sequestration

Walt Laskos, C.U.D.E.

They may comprise the greatest fighting force in the history of armed services, but today's U.S. military find themselves to be no different than their fellow Americans when it comes to Congress and the laws governing the federal budget.

Today, concern in Washington has never been greater for cutting waste and reducing spending, however, trying to find a way to carry it out that's acceptable to Democrats and Republicans alike has proven to be quite a futile venture. As a result, sequestration is now part of everyone's daily experience.

"During the first week of June, employees subject to furlough began receiving their official 'warning order' notifying them of the Department's potential to furlough," noted Arty Arteaga, President/CEO of the Defense Credit Union Council (DCUC). For those impacted, the furloughs will amount to a 20 percent cut in pay over a period of 11 weeks.

Frank Padak, President/CEO of Scott CU in Southern Illinois expressed hope that the government can find some more funds or adjust the rules to shorten the furlough timeframe. "I don't know too many families that can afford a 20 percent cut in pay for 11 weeks without some repercussions," he said.

Padak confirmed that Scott CU has been receiving inquiries on loans to help out members, and just like all of his

continued on page 8

CEO UPDATE

The Countdown Begins...

Roland "Arty" Arteaga, President/CEO, DCUC

In less than a month, over 400 attendees will converge at the Greenbrier to attend our 50th Annual Conference. Aside from observing our fifty years of service to defense credit unions and celebrating our fifty years of support to the Department of Defense, attendees can be assured, this year's conference will address a number of key issues...both from a DOD and Industry perspective.

Budget cuts, debt ceilings, and sequestration remain high on the list of National issues, especially as they affect the Department's funding levels and ultimately mission readiness (*See DOD: You Should Know, page 11*)... and tax reform, over-regulation, and member business lending (among others) continue to top the list of issues impacting credit unions. The good news...our industry's top leaders and our regulator—the Honorable Michael Fryzel, Bill Cheney, Dan Berger, and Mary Martha Fortney—will be on hand at our 50th Annual Conference to discuss the issues and address our collective concerns; and some of the Department's valued and expert leaders of past, such as Ernie Gregory and LTG (R) Kevin Byrnes, will be front and center offering their thoughts and insight on defense credit unions and the Department's current and future developments.

As always, attendees will receive critical updates from our Military Liaisons' team—led by Bill Hawbecker, the Director of the DOD Banking & Credit Union Office...and will have the opportunity to hear from such notables, as John Lass, CUNA Mutual Group ("The Battle for the American Consumer"), Bud Schneeweis, FINRA ("2012 Military Financial Capability Study—A Preview"), Kristen Tatlock, COMPASS 4 CUs ("Social Media—Managing Risks"), and Terry Wright, IWS ("Change is a Jungle")... and one of our Nations' youngest living Medal of Honor winners, Peter Lemon!

DCUC's conference also plays host to the Military Departments' Credit Union of the Year Awards, and this year will be no different. The Director of the Army Budget, Major General Karen Dyson will present the Army Credit Union of the Year award; Doug Bennett, Deputy Assistant Secretary of the Air Force for Financial Operations, will present the Air Force Credit Union of the Year award; and Steve Quentmeyer, Deputy Director, Financial Operations, Department of the Navy, has been invited to recognize the Navy's credit union of the year.

Aside from the Credit Union of the Year awards and the inaugural *Military Saves* Credit Union award, DCUC will close this year's evening events by paying tribute to four stalwart and superb leaders—Jean Yokum, Bob Morgan, Randy Smith, and Sharon Ichord, who will be inducted into DCUC's Hall of Honor.

The countdown begins...in less than four weeks, we'll be on site at the historical Greenbrier executing to plan and ensuring your DCUC conference experience is the best to date!

DEFENSE CREDIT UNION COUNCIL, INC.

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

BOARD OF DIRECTORS

Patty Kimmel
Chairman

Denise Floyd
1st Vice Chairman

Gordon Simmons
2nd Vice Chairman

David Davis
Treasurer

Frank Padak
Secretary

Barb Geraghty
Member

Michael Kloiber
Member

COUNCIL STAFF

Roland A. Arteaga
President/CEO

Beth Merlo
Director for Administration

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.



SSFCU Hosts Sky Sox Baseball Clinic for Kids

Colorado Springs Sky Sox catcher Lars Davis explains the finer points of playing ball at the Security Service FCU (SSFCU) summer baseball clinic last Sunday. The summer clinic, held at Sky Sox Security Service Field, brought together nearly a hundred youngsters from Peterson Air Force Base, Fort Carson and Fostering Hope for instruction on hitting, pitching, stealing bases and other baseball skills. Towards the end of the morning, Sky Sox Manager Glennallen Hill shared a few motivational thoughts on leadership and achieving one's dreams. All the children and their parents were then treated to traditional baseball cuisine and an afternoon at the ball game. The event was sponsored by SSFCU, Home Front Cares, Inc, and the Sky Sox baseball team. Photo courtesy of SSFCU

RBFCU Recognized Among Best Places to Work in San Antonio

Natalie Tate, AVP, Integrated Marketing Communications

Randolph-Brooks FCU was once again ranked among the Best Places to Work in San Antonio. This recognition, provided through the *San Antonio Business Journal*, was awarded based on employee responses to confidential and anonymous surveys. RBFCU ranked #11 among "Large Companies" and was one of two credit unions ranked on the list.

The workplaces were evaluated on a set of 37 attributes known to drive employee engagement, and RBFCU was selected from more than 200 companies nominated for the Best Places to Work honor.

According to credit union leadership, being recognized as a top workplace underscores the effort RBFCU has made to provide true service to members and employees alike. "Our goal is to give our employees the best possible work experience, so that they, in turn, will be motivated and inspired to give members the best possible credit union experience," said Sonya McDonald, senior vice president of planning and market development for RBFCU. "We are dedicated to service, and to helping our members save time, save money and earn money. Employees can see the value in what they do to better their communities and improve members' lives, and we believe that mission-driven approach to business gives our employees a purpose every day when they come to work."

The credit union has received multiple honors as a superior workplace in recent years, including being ranked as one of the Best Companies to Work For in Texas and being named a National Top Workplace.

Tower FCU Wins Marketing Award from the Maryland & D.C. Credit Union Association

Carla Burger, Tower FCU

Tower FCU has received the “Best Overall Marketing Campaign” Trailblazer Award for Excellence in Marketing & Communication from the Maryland & D.C. Credit Union Association (MDDCCUA). Tower won first place in the credit unions with over \$500 million in assets category.

Tower’s award-winning marketing campaign focused on the credit union’s 2012 outreach to members about the Home Affordability Refinance Program (HARP), a federal program that helps homeowners who were underwater on their mortgage refinance their homes. Prior to the government’s rollout of the second phase of HARP in March 2012, Tower reached out to a targeted group of members through direct mail letters and e-mails, newsletter articles, monthly statement inserts, and Web site ads.

“We wanted our members to know that Tower is here to help them save money and achieve financial stability during a poor housing market and difficult economic times,” says Martin Breland, Tower’s President and CEO. “For many members, and especially those on a fixed income, being able to refinance their homes lifted a financial burden.”

Breland says the average savings for those who refinanced with Tower through HARP is over \$5,000 annually, with several members saving over \$8,000 a year. One member is saving \$979 a month—almost \$12,000 per year. “That’s a real life changer,” he says.

Along with helping members in a bind, the HARP promotion increased Tower’s lending portfolio. As a direct result of the promotion, Tower amassed over \$78 million in HARP applications. Thirty percent of these were members who had mortgage loans with other lenders. Including gains from loan sales, loan fees and title company fees, HARP loans generated \$3.2 million in revenue for Tower.

Tower has won several previous Trailblazer awards, including Best Marketing Campaign for the past four consecutive years, Best Web Site, and Best Member Newsletter.

Edwards FCU Celebrates Credit Union Owners with a Member Appreciation Day

Laura Motes, Business Development Representative

Edwards FCU located just north of Los Angeles, CA knows the key to any successful credit union is the members. That’s why at Edwards FCU it is made clear that every member is truly an owner of the credit union. At Edwards FCU the staff is dedicated to meeting the financial needs of all its ownership. With over 50 years of service, they are committed to extending ownership throughout the local community.

Established in 1962, Edwards FCU began with the simple goal of helping employees and family members working on Edwards Air Force Base make the most of their hard earned money by providing financial services at an affordable cost. Then in 2003 Edwards FCU extended ownership to the members of the community located throughout the Antelope Valley.

In order to honor all Edwards FCU owners, a Member Appreciation Event was held on May 18, 2013. Edwards FCU arranged to have a Cintas mobile shredding unit in the credit union parking lot for the shredding of all financial documentation for free to all credit union owners. Many employees volunteered their time at the event to show appreciation. There were tables set up with games and prizes for owners to win as well as face painting for kids. A lunch of barbecued hamburgers and hotdogs was also provided to the ownership at the event. By the end of the event there was 11,500 lbs. of shred collected. “Our owners are already asking about the opportunity to shred papers next year. This is a great event for our owners,” stated Stan Turner, President of Edwards FCU.

RIA FCU Teaches Financial Basics with Lemonade Stand

Kim Fein, RIA FCU

For three years, RIA FCU has assisted students with a lemonade stand at Thomas Jefferson Grade School located in Milan, IL. In the months prior to the “grand opening,” students learned the basics of business and handling money. With assistance from RIAFCU’s Nichole Burton, Thomas Jefferson’s 3rd and 4th graders developed and implemented a marketing plan, while 5th grade students took turns making and selling the product. A total of \$340 was raised and given to the Student Activity Fund at the end of the three-day sale. Nichole Burton, Business Development and Jake Ward, VP Marketing, made the check presentation to Principal Nitzel at the end of the year Assembly. The staff and students of Thomas Jefferson were excited to be a part of this learning experience and eagerly await their next venture into the business world.

Security Service FCU Employees, Members Donate to Support Texas Credit Union Foundation

Jessica Leal, Sr. Communications Specialist

Thanks to the generosity of its employees and members, Security Service FCU (SSFCU) recently donated \$6,000 to the Texas Credit Union Foundation in support of its efforts to assist the victims of the recent Oklahoma tornadoes.

“Our hearts go out to those affected by the devastating tornadoes. We understand the importance of supporting our community and our neighbors—especially in times like these,” said Jim Laffoon, Security Service president. “We hope that the generosity of our employees and members helps make a difference during this difficult time.”

The credit union collected donations for two weeks at all 70 SSFCU branches in Texas, Colorado and Utah.

50th Annual Conference Preview

Plans are well underway for this year's very special DCUC Conference at The Greenbrier. Here is a sneak peak into what's in store:

Monday Highlights

On Monday, August 12, our *Showcase with a Purpose* will open at 12:15 p.m. with some lively music that will bring you back in time to 1960s—the very decade 50 years ago that DCUC began. A light lunch will be served. Enjoy networking with your credit union colleagues and welcome our corporate partners to this very special DCUC Conference! And don't forget to buy your 50/50 Raffle tickets and bid on some great Silent Auction items!

Following the Showcase, plan to attend both the Military Breakout Sessions and also some thought-provoking presentations by our valued Corporate Partners. As an added incentive, if you attend and fill out your red, white and blue tickets, you will have the opportunity to win CASH Prizes!

Later in the day, our Chairman's Reception will officially welcome you to our 50th Annual Conference with some down-home West Virginia Bluegrass music provided by an up and coming local artist named Wyatt Turner and his band.

It All Began on YouTube.

Golden-voiced Wyatt Turner launched his career on a social-networking website. As you might expect in that media environment, it has happened with blinding speed. Wyatt was a high-school senior in 2007 when he began posting homemade videos on YouTube of himself singing country hits of the day. He began performing throughout his home state of West Virginia within months. By 2008, the YouTube postings led to joining his first band and entering his first recording studio.

In 2009, his YouTube appearances led to an invitation to come to Nashville. In July 2010, he competed in *American Idol's* auditions and staged his first club showcase in Music City. He is recording at studios in Nashville a good deal of the time and is on the verge of a great future in music.

Born in 1989, Wyatt Turner hails from deep in the Allegheny Mountains. His hometown is a tiny community on West

Virginia's Greenbrier River in Pocahontas County named Stony Bottom. You won't even find it on a map. Wyatt is proud of being from West Virginia. He claims, "It is so beautiful and so are its people. They are the most hospitable people anywhere, and I just want everyone to know how proud I am of my hometown folks. West By-God Virginia." *The Armed Forces Financial Network sponsors this favorite event!*

Wednesday Night Hall of Honor Entertainment

DCUC is pleased to announce that this year's entertainment during our very special 50th Annual DCUC Conference Gala Dinner and 14th Annual Hall of Honor Awards is one of the best Big Bands you will have the pleasure to hear: The Andrew Thielen Band.

The leader of this Big Band is Andrew Thielen, one of today's best Big Band drummers. The Big Band itself is made up of the finest musicians and singers in several states. They play songs of yesterday and today, all with the powerful sound of three trumpets, three trombones, four saxophones piano, bass, guitar and drums, and several lead vocalists.

Are other Big Bands the same? No. The Andrew Thielen Big Band plays new songs and fresh, new arrangements of old songs. No other big band in the country does this. This Big Band is a professional big band. It's all they do. That is why the House of Blues, Planet Hollywood, Betty White's Animal Foundation, The Greenbrier, Family Circle, PBS, Charleston Place and more use them for special occasions.

We are in for a real special treat. Bring your dancing shoes this year and you will have a hard time sitting still as songs from the 40s through the next many decades will make you smile!

2013 Hot Market Issue Selections

This year, we are pleased to offer two very exciting and important sessions on Tuesday afternoon, August 13. This is yet another

great reason to join us at The Greenbrier for our 50th Annual Conference.

OPTION ONE

The Ever-Evolving Retail Branch: What Does It Look Like and Who's Visiting? Offered by *The La Macchia Group*

This educational, yet fun presentation explains each of the four main generations—The Greatest Generation, Baby Boomers, Gen X and Gen Y/Millennial. We focus on the Millennial, as this is the group credit unions must market to in order to be successful in the future. Millennials make up the largest percentage of the U.S. population; therefore it is imperative you know who these people are, what they expect from their credit union and how their needs are influencing the dynamic of the traditional branch. We will discuss the changing nature of the retail branch and what consumers' expectations are as a whole. This is a must-see presentation for those looking to take their credit union to the next level by staying on the forefront of the ever-evolving retail branch.

OPTION TWO

Mobile—Promoting Your Brand and Creating a Positive User Experience

Offered by *Allied Solutions*

Mobile technology is leading the way with unique, innovative opportunities offering CUs the ability to aggregate all existing and future mobile apps and functionality into one unique custom branded downloadable app. Gone are the days where each feature (remote deposit capture, account opening, loan origination, etc.) has to be downloaded separately, creating a situation where the member must download multiple apps and manage multiple logins. Members are looking for a unified mobile presence that can be accessed via single sign on for total convenience, integrating and leveraging existing lending, servicing and marketing environments which will allow CUs to maximize branding and marketing efforts. Offering a total mobile solution will help CUs achieve and exceed their strategic goals and treat mobile as another channel rather than a stand-alone silo offering, positioning CUs to better respond and engage members today for what's around the corner tomorrow.

Our Heros Deserve Our Best

Article provided by IWS

As a DCUC credit union you have chosen to serve our bravest and brightest. The men and women who walk through your doors have donned a uniform, gone through rigorous training, and many have faced hostile fire to secure our freedoms and way of life. They are some of our best and brightest and as a DCUC Credit Union you can help them in some significant ways.

As a prior Army Officer and current Air Force Reserve Officer, there are some uniting truths that link our military members together regardless of branch. They love to eat, they love to sleep, they love their country, they work extremely hard, and they love their cars. Saturday mornings you will find the majority of military members washing, waxing, tuning up and fixing their cars. In every available parking area they will be putting on new rims or adding some new technology to the sound system. For many their values are clear and uncomplicated, they love their country, and they love their cars.

Our veterans and active duty military members will buy automobiles. In 2012, US auto dealers sold approximately 14 million vehicles. Veterans and active duty military members accounted for hundreds of thousands of these sales.

DCUC Credit Unions have demonstrated their commitment to our Heros, but not every business and lending institution shares your values. Many of the business and lending institutions view our brave men and women as targets for profits not as Heroes to be served. Consider the following true accounts.

The first case is a 30-year-old Air Force Reserve staff sergeant near Salt Lake City, who asked an Infiniti dealership's salesman if there was a military discount available. The salesman said that because the sergeant had served his country, the dealership would "take care of him."¹ I'm sure you can fill in the rest of the story. The dealer sold the airmen a car with lots of undisclosed problems. The car had been

damaged in a wreck. None of this was revealed to the Airmen. Within two weeks of the purchase, the car was inoperable.

Next, think about this. A young soldier, who has been deployed for several months, arrives home happy to be alive and with money in his pocket to realize his automotive dream. A new truck was on his radar. His current, hand-me-down truck was 15 years old. The process was simple. He went to the dealer; there were no negotiations, no discussion of credit score, no discussion of his budget. He secures the money he needs and walks out with a new truck. After receiving his first payment, he noticed several additional costs that were not explained to him, all of which he could not afford. He was lucky. Just before repossession, he was promoted and with the extra \$200 he salvaged his credit and vehicle.

To be sure not all car dealers treat our Heroes this way. Many are decent and honest people. Often times our Veterans and active military members walk into these dealerships with no process in mind. They are at the mercy of the sales team. Even with the most honest of Dealers, not having a plan is a bad plan.

The targeting of our Heroes also takes place within some of our lending institutions. CNN reported, "finally, the government is cracking down on lenders

that have taken advantage of tens of thousands of military members... it has been found out that these institutions have given no consideration to background checks, credit checks, and they have demonstrated no real standard when it comes to debt income ratio."

So how can you help our Heroes? Here are a few suggestions if you are not already doing them. First, you can offer a "boot camp for military car buyers." Pacific Marine CU offers this to all their military members. Next, is to generate a brochure that will list some helpful tips on buying a car. The web is full of articles that will make putting a brochure together simple. Also, offer and advertise a Personal Financial Workshop. Include in the workshop budgeting and car buying tips. Most military instillations will offer something like this, but redundancy will not hurt! You will reach some of the military members that the program on the instillation will not reach. Finally, don't forget to advertise in the base papers and on your local radio station. Many veterans and military members may not know about you and the quality service you offer.

DCUC Credit Unions continue to have a great opportunity to serve those who have served us. Our Heroes need you today more than ever.

¹ Star-Spangled Rip-Off: Why Military Car Buyers Are Vulnerable to Bad Deals. Edmunds online: www.edmunds.com/car-buying

Army Aviation Center FCU President/CEO Wins Professional of the Year Award

Lisa Hales, AACFCU

Jim H. Mitchell, President/CEO of Army Aviation Center FCU (AACFCU), has been named the 2013 Professional of the Year by the League of Southeastern Credit Unions (LSCU). The Professional of the Year Award recognizes a credit union professional from Alabama and/or Florida who deserves recognition for their contributions to advance the credit union movement in their state and the nation. Winners of this award are recognized for their efforts to help craft an environment that allows credit unions to grow and prosper in order to better serve their members.

Mitchell joined AACFCU as president/CEO in 1984 and has been managing and auditing credit unions in the Southeast for almost 45 years. Under his direction, AACFCU has grown from \$100 million to \$1 billion in asset size. Mitchell has received numerous awards and has been involved with many industry organizations during his career. Mitchell will retire from AACFCU in December 2013 after 29 years of service.

Belvoir Federal's Annual Web Hunt Awards Members with High-Tech Prizes

Amy McConnell, MBA, Digital Marketing & Public Relations Manager

Belvoir FCU awarded seven members with high-tech prizes for participating in the 4th Annual interactive Web Hunt games, which asked viewers of the credit union's Web site to search for and collect eight hidden iPads®. When all iPads® had been found, the user unscrambled the letters shown to them and inserted the phrase onto Belvoir Federal's Web Hunt application on Facebook.

Although the Web Hunt has been featured for the past four consecutive years, the 2013 Web Hunt continued to have a positive reaction. The Web Hunt increased overall visits to the Web site by 107% of the original 176,421 visits seen during last year's Web Hunt and page views increased by 128% of the projected 5% increase.

The credit union set a goal of increasing their Facebook fans by 81 people. At the completion of the Web Hunt, Belvoir Federal achieved 120% of the projected goal. The fans accumulated during electronic pushes, such as the Web Hunt, provide Belvoir Federal the ability to reach members and potential members via on-demand channels such as Facebook.

Belvoir Federal awarded seven prizes for the 2013 Web Hunt, ranging from a Windows 8 Touchscreen Laptop, an Amazon Kindle Fire, and five \$25 Best Buy gift cards. All winners were thrilled to learn that they had won. One winner even commented, "This is great news! I never win anything. Thank you so much."

The Facebook application and Web site interaction was provided by CodeGreen, a division of Welch ATM. CodeGreen is dedicated to creating innovative marketing products, web and mobile technology services, and industry leading ATM related marketing services designed specifically for the needs of Credit Unions and Independent Banks. For more information, visit www.codegreen.org.

SAC FCU Offers Sequestration Aid to Members

Jackie Boryca, V.P. Public Relations

SAC FCU has a plan in place to help members, in good standing, who are facing a decrease in pay due to government furloughs because of the continuation of sequestration reductions. Federal civilian employees could lose up to 20 percent of their annual income due to furloughs. SAC recognizes the difficulty that this will have on its affected members and is ready to help lessen the financial effects of the furloughs.

SAC FCU is committed to the credit union motto of "people helping people." The Credit Union will offer many tools for financial management to assist members on an individual basis. SAC will provide financial counseling, loan modifications, skip pay options, emergency short term loans, and no penalty for early withdrawal of share certificates.

"Our goal is to serve our members, whatever the situation. We are here for our members and be assured that we will support them during this unfortunate time. We value our members and appreciate the hardship Sequestration is causing," stated Gail DeBoer, president & CEO of SAC FCU.

Each individual situation will be different and members are encouraged to visit any of SAC's 20 branches so staff can work with them during this disruption.

Support DCUC's Fundraiser at the 50th Annual Conference

This year, DCUC is once again supporting the National Intrepid Center of Excellence as they seek to build two new satellite centers that will bring needed treatment and care closer to the home bases of servicemembers. There are many ways to participate, including purchasing mulligans during our golf tournament, buying 50/50 raffle tickets, bidding on silent and live auction items in the Showcase, and purchasing raffle tickets for a handmade patriotic blanket generously donated by Eileen Ehram, Pen Air FCU.



GOT NEWS?

Send news about your credit union to Beth Merlo at bmerlo@dcuc.org.

Hanscom FCU Annual Meeting Caps Successful Year of Giving

Patricia Warden Conty, Hanscom FCU

Hanscom FCU's 59th Annual Meeting was an opportunity to celebrate one of its best year-long charitable efforts, as well as top it off with one more gift to another one of its favorite nonprofit partners.

Hanscom FCU proudly announced that it raised \$29,397 to benefit Boston Children's Hospital throughout 2012, and \$24,270 for the Massachusetts Coalition for the Homeless. Both are increases from last year and combined represent one of Hanscom FCU's highest totals ever.

Hanscom FCU also conducted a raffle at the annual meeting to benefit Fisher House Boston, a nonprofit program providing free lodging to the loved ones of veterans receiving care at Veterans Affairs Boston Healthcare. Including a \$500 donation from the credit union, it raised \$1,722.

"We enjoy using the annual meeting as a moment to reflect on what the year's worth of good work has added up to, but I don't think anybody ever feels like that work is really done," said Chairman of the Board Paul Marotta. "So even more enjoyable is using the night to make one more contribution before beginning the process of trying to do even better in 2013."

Fort Lee FCU Announces 2013 Scholarship Winners

Sarah Marks, Fort Lee FCU

Each year Fort Lee FCU proudly sponsors the Fort Lee FCU Scholarship Program, which awards scholarships to four graduating seniors within its membership. Qualified students submitted applications and were anonymously judged on academic merit, personal achievements, demonstrated leadership experience, extra-curricular involvement and/or work experience. The Credit Union is proud to announce our 2013 winners:

Matthew Schneck, \$1,000 William Zeiner Scholarship Recipient

A graduating senior at Prince George High School, Schneck plans to study Biomedical Engineering. Schneck is also an Eagle Scout and Lifeguard. His internships at local hospitals to shadow surgeons and physicians have guided his decision to become a surgeon.

Elizabeth Hopkins, \$500 Scholarship Recipient

Hopkins, a graduating senior at Prince George High School as well, plans to major in Education and a minor in Youth Ministry. Throughout her high school years, Hopkins has been member of the Wood-Dale Swim Team, JV Girls Soccer, JV Field Hockey, JV and Varsity Field Hockey, Mathematics Honor Society, BETA Club, Fellowship of Christian Athletes and Cultural Awareness Club.

Tayla Smith, \$500 Scholarship Recipient

Also graduating from Prince George High School, Smith will attend Old Dominion University and study Accounting. A successful student with several Honors and Dual-Enrollment classes, Smith is also very active in extra-curricular and community activities.

Kelsey Dowling, \$500 Scholarship Recipient

A graduating senior at Thomas Dale High School, Dowling plans to attend Lynchburg College and major in Communications. Throughout her high school tenure, she played JV Field Hockey, JV Track, and JV and Varsity Tennis. She is a member of National Honor Society, German National Honor Society, BETA Club, Keyette Club, and the International Thespian's Society.

Scholarship recipients were honored at Fort Lee FCU's annual business meeting and dinner on April 30, 2013. The Credit Union congratulates each of them on their outstanding achievements!

Fort Lee FCU and AFFN Donate \$3,000 to Fort Lee USO

Sarah Marks, Fort Lee FCU

Fort Lee FCU, in partnership with Armed Forces Financial Network (AFFN) Matching Grant Program, was proud to donate \$3,000 to the Fort Lee USO. The donation was presented at Fort Lee FCU's annual meeting on April 30, 2013.

The Fort Lee USO is a local branch of the USO of Hampton Roads and Central Virginia, which is a nongovernmental, but congressionally chartered organization. Their mission is to enhance the quality of life and public support for armed service members and their families. In accordance with this mission, their centers provide a wide variety of assistance and outreach programs including: mobile outreach, orientation, information and referral, special holiday programs, summer concerts, military appreciation days and children's activities. As a 501c(3) organization, the USO depends on help from the community. Fort Lee FCU and AFFN are proud to support their tremendous efforts.

SAC FCU Launches Innovative New Mortgage Product—3% Down and No Lender Closing Costs

Jackie Boryca, V.P. Public Relations

SAC FCU announced today the development of a new mortgage product that aids home buyers ability to purchase a home. This program offers a 3% down payment mortgage, no prepayment penalty, terms up to 30 years, and in-house servicing. This product is particularly attractive to first time home buyers but may also be beneficial to move-up home buyers. First time home buyers also may qualify for no lender closing costs.

"We are excited to be on the forefront of launching this product," said Alan Stoltenberg, Vice President of Mortgages at SAC FCU. He continued, "This program can help buyers who need down payment assistance or reduced out-of-pocket expenses at a time when home sales are gaining strength."

SAC FCU's 3% down mortgage product takes the confusion out of mortgage lending. SAC FCU provides mortgages that you can understand. Our members receive the information they need to make an informed home loan decision.

U.S. Air Force is 66 Years Old in September

The U.S. Air Force will be celebrating its 66th anniversary on September 18. The U.S. Air Force won its independence as a full partner with the Army and the Navy on September 18, 1947, based on the Army Air Forces' wartime achievements during World War II. In the subsequent years the Air Force has participated in many important events such as the Berlin airlift in 1948 and putting the first artificial communications satellite in orbit. Thank you to all of our Air Force servicemen, women, and veterans, and congratulations!

DCUC-member colleagues, his credit union is taking a number of steps to ensure that the members know they won't be facing this challenge alone.

"If you already have a loan with us, we'll do a payment extension so we can move out that payment 30 or 60 days, allowing you to essentially skip a payment." He also said his credit union is ready to loan at zero percent interest, up to 100 percent of the previous month's pay.

"So even though they might miss 20 percent of their salary, we're willing to loan up to 100 percent at no interest for 60 days."

Such measures can also be found at Service CU in Portsmouth, New Hampshire. Gordon Simmons, President/CEO, counted a wide-range of services now available for his members, from a zero-percent Sequestration Loan to penalty-free early withdrawals on certificates of deposit and a 90-day loan payment deferral.

"Should sequestration remain in place for a prolonged period of time, irreparable damage will occur to some individuals' credit ratings and their quality of life. We can help our members avoid these consequences, but only for a short run and that's exactly how long we're hoping the sequestration will last," he said.

Denise Floyd, President/CEO at Fort Sill FCU in Oklahoma shares a similar perspective. Floyd says the military and their families are holding onto hope that the furloughs are not a forever deal and Congress will repeal the sequester-related reductions.

In the meantime, Floyd is insistent that her credit union will be there for its members. "We will do whatever we can to help them at this point. This is nothing of their doing. They've done the right things. So we're going to help them."

Patricia Kimmel, President/CEO at Belvoir FCU reports, "There's nothing that we're not open to discussing if someone is impacted." She noted, "We have a lot of families where both spouses work in a government job, so we're not just talking about one income that's going to be impacted. We're talking about a double whammy."

For Kimmel and her credit union team, a double impact on a family's salary could be disastrous. "If it does happen," she says, "I think we're going to see difficulty in making a monthly payment or two and not more than that. At least, that's our hope."

Having the flexibility to respond innovatively and standing ready to meet a member's needs no matter what—can be viewed as the rallying cry at all credit unions serving the military, the Department of Defense and their families, and such a commitment comes as no surprise to Artega.

"For more than 80 years, credit unions have been operating on military bases and supporting the DOD establishment. We have history...and with that history of outstanding and reliable support comes trust; a trust that has developed over the years because of our integrity, our loyalty, and our commitment to serve."

He continued by emphasizing, "Our member credit unions are always front and center when it comes to helping people; not because they have to, but because they want to. It's in their DNA. It's what they do best! They hold themselves to a higher standard and frankly, are proud to do so! No one needs to do that for them!"

Keesler FCU Recognized for Community Service and Advocacy

*Nell Schmidt, Director Business
Development*

Keesler FCU has again been honored with a community service leadership award. The credit union received first place in the state in the Dora Maxwell Social Responsibility Award, which recognizes a credit union for its community involvement in an activity that helps other people or strengthens the structure of their community. The award, which is sponsored by the Mississippi Credit Union Association and Credit Union National Association, recognized Keesler Federal's Annual Eagle's on the Bay Charity Golf Tournament, a community-wide event that raised \$14,000 to benefit Combat Wounded Veterans of South Mississippi. Keesler Federal donated an additional \$1,000.00 to the John C. Stennis Chapter of the Air Force Association.

Keesler FCU was also honored as one of seventeen credit unions in Mississippi that earned an Advocacy Award, which recognizes credit unions for extraordinary efforts to protect, strengthen and expand the credit union movement, creating additional opportunities to improve the lives of members that choose credit unions as their financial services partner.

Both awards were presented to Keesler FCU at the Mississippi Credit Union Association's (MSCUA) Annual Meeting and Convention, recently held in Biloxi, MS.



White House Christmas Ornaments on Sale Soon

The Defense Credit Union Council will be selling the 2013 White House Christmas ornament once again as a fundraiser for the George E. Myers Scholarship Fund. Look for more details soon on DCUC's website, www.dcuc.org.

Photo used with permission from the White House Historical Association.

**For the latest
credit union
news, visit
www.dcuc.org.**

DEFENSE CREDIT UNION PEOPLE IN THE NEWS...

ROCK ISLAND, IL—RIA FCU announces the retirement of **Linda Kurtenbach**, VP Marketing. Linda joined the Credit Union 36 years ago as a part-time teller. She was promoted to member service representative and a few years later, to branch manager. In 1996 Linda became the credit union's marketing manager, a position that developed into VP Marketing. When Linda joined RIA FCU it had only one branch located on the Rock Island Arsenal. In her 36 years at RIA FCU, Linda helped the credit union grow to an asset size of more than \$350 million, operating 11 branches in three states. Her contributions to our success are appreciated and will not be forgotten... ABERDEEN, MD—APGFCU announced the results of its 76th annual meeting with **John A. Blomquist** the new chairman of the board of directors for 2013. The credit union held the annual meeting on April 18. Board officers were elected by the newly-sworn in board members following the meeting. The officers for 2013 are as follows: **Barry Decker**, vice chairman; **Paul Eikenberg**, treasurer; **Sandra Sasser**, assistant treasurer; **Anthia Edwards**, secretary. Board members are **Charles N. Alston, Sr.**; **Michael L. Dixon**, LTC (Ret.); **David H. Gilbert**, **Dwight E. Hair**, COL (Ret.); **Windsor L. Jones**; **Joseph A. Traino III**, LTC (Ret.)... LAUREL, MD—**Cyndy Scott**, Senior Vice President of Marketing for Tower FCU, headquartered in Laurel, MD, died June 13 at the age of 66 after a brief illness. Scott worked in marketing and sales for most of her 40-year career, serving Tower for the past 13 years. Martin Breland, President and CEO of the credit union expressed, "As Tower's first Senior Vice President of Marketing, charged with organizing and managing a newly created Marketing Division, Cyndy brought tremendous successes to our business with her efforts and leadership. In fact, she brought new ways of thinking about our business into Tower. She was a valued colleague and friend. She will be sorely missed"... ANCHORAGE, AK—Alaska USA is pleased to announce promotions to its executive management team. **Geoff Lundfelt** has been promoted to chief operations officer. Lundfelt has held a variety of increasingly responsible positions during his 15 years with Alaska USA, most recently serving as executive director of retail financial services. **Jerry Reed** has been promoted to chief lending officer. Reed joined Alaska USA in 2008 as executive director of mortgage and real estate lending, and has more than 25 years of lending experience in commercial, mortgage, and consumer lending... NEWPORT NEWS, VA—Langley FCU is pleased to announce that **Michael McNabb** has been named as Vice President of Consumer Lending. McNabb will be responsible for providing strategic direction for the entire consumer lending area, and provide leadership in core product development which will expand LFCU's loan portfolio. Previously, he was Assistant Vice President of Indirect Lending, where he was responsible for the management of the Indirect Lending Department. He built relationships with Hampton Roads area dealers, expanded our territory, watched auto market trends, and monitored competitor pricing and terms.

DEFENSE CREDIT UNIONS IN THE NEWS...

ROCK ISLAND, IL—**RIA FCU** hosted an open house on May 14 at its newly renovated Fort McCoy facility in Building 1501. Members of the Ft. McCoy community as well as the Tomah Chamber of Commerce joined the celebration with a ribbon cutting, door prizes, and refreshments. RIA also made a \$250 donation to the Ft. McCoy's Child Youth Services... PORTSMOUTH, NH—**Service CU** celebrated the openings of its 41st and 42nd branches worldwide. The new full-service banking institutions with deposit-taking ATMs are located inside the Walmarts in Plymouth and Hinsdale... LEXINGTON PARK, MD—**Cedar Point FCU** opened their newest branch in Leonardtown. The new office has approximately 5,000 sq. ft. of space and offers drive-thru service and safe deposit boxes. The Cedar Point FCU Board of Directors and Management are very proud of their new building, their excellent and dedicated staff, and the personal and quality service they provide their members.

Send credit union news to Beth Merlo at bmerlo@dcuc.org.

Pacific Marine CU Members Made Miracles for Local Children's Hospital

Kimberley DeLauro, Marketing Specialist

Pacific Marine CU (PMCU) raised over \$13,500 for Children's Miracle Network Hospitals through a "Miracle Month of May" donation campaign. All proceeds of this campaign directly benefited Rady Children's Hospital—San Diego, the largest children's hospital in California.

Through a partnership with the Children's Miracle Network Hospitals, Pacific Marine CU hosted a "Miracle Month of May" campaign. The campaign sold and displayed Miracle Balloons at each of their 12 branch locations throughout San Diego, Riverside and San Bernardino counties, as well as through accepting donations via their local call center.

This was the seventh consecutive year that PMCU employees and members came together in support of the month-long donation campaign. In total, over \$72,000 has been raised over the years for the ill and injured children receiving care at the local hospital.

"As a credit union, we believe in the importance of giving back to the communities we serve," said Brad Smith, PMCU Vice President of Strategic Development. "The Miracle Month of May is a way for us to support Rady Children's Hospital and assist in sustaining this vital community resource."

U.S. Coast Guard Celebrates 223 Years on August 4

The U.S. Coast Guard is celebrating its 223rd anniversary on August 4. The Coast Guard was formed in 1790 when the first Congress authorized the construction of ten vessels to enforce tariff and trade laws and to prevent smuggling. The service received its present name in 1915 under an act of Congress when the Revenue Cutter Service merged with the Life-Saving Service. Thank you to all of our Coast Guard servicemen, women and veterans, and congratulations!

2013 AT&T National Brings Back Popular Military Tribute Near 18th Green

Donovan Fox, Corporate Communications and Marketing

Fans attending the 2013 AT&T National at Congressional Country Club once again saw a special tribute to the United States Military near the 18th green. Donning flags and seals from each branch of the military, the *We Salute Our Heroes* tribute wall, which debuted at the 2011 AT&T National in Philadelphia, gives fans the chance to write a personal message of thanks and support for the men and women who serve in the military.

PenFed (Pentagon FCU), the PenFed Foundation and Prudential PenFed Realty again served as the presenting sponsors of the *We Salute Our Heroes* tribute wall; ensuring the wildly-popular tribute will continue to be a part of the tournament's military activities. Sharpie® generously donated thousands of markers, courtesy of Newell Rubbermaid, to be used at the tournament.

"It is our pleasure and a privilege to be the presenting sponsor of the *We Salute Our Heroes* tribute wall," said Frank Pollack, President & Chief Executive Officer of PenFed. "It gives members of the public an opportunity to say 'thank you' to those who serve our country in such an honorable way."

"We are very excited to be part of one of the country's top golfing events," said PenFed Foundation President Christopher Flynn. "The tournament will be a great way for PenFed supporters to have fun, while helping raise money for the men and women of our armed forces who need help."

"Prudential PenFed Realty is honored to be a part of this great tournament in support of the military families who sacrifice so much to protect our liberty," said Kevin Wiles, president of Prudential PenFed Realty. "It is a great opportunity to give back to our military."

Last year, the *We Salute Our Heroes* tribute wall made its Congressional Country Club debut with the help of PenFed. After the tournament concluded, sections of the tribute wall were framed and delivered to local military outlets in the Washington, D.C. area. Thanks to the generous donation from Sharpie®, thousands excitedly participated in this unique tribute including fans, caddies, volunteers and PGA TOUR players such as 2012 Champion Tiger Woods, Jimmy Walker, Billy Hurlley III and John Huh. Due to the overwhelming response, the tournament filled five large canvases with personal messages of thanks.

In addition to giving away portions of the 2012 tribute wall to military outlets, this year PenFed gave away a one of a kind 40 x 48 inch framed portion of the 2012 *We Salute Our Heroes* tribute wall in its tribute wall giveaway on the its Facebook page.

Ascend FCU Donates More Than \$2K to Red Cross for Tornado Relief

Greg Davis, Public Relations Coordinator

Ascend FCU is donating \$2,550 to the American Red Cross for tornado relief efforts in Oklahoma.

Ascend Records Retention Processor Robyn Wright asked credit union management how employees could assist victims of the tornados in Oklahoma. As a result, during June 7-8, employees were allowed to "dress down" to blue jeans for a donation of at least \$5. A total of \$1,275 was raised, and Ascend matched that amount.

The funds were presented to Joel Sullivan, regional chief executive officer for the American Red Cross, Tennessee Volunteer Region. Ascend requested that the funds be specifically purposed for the disaster relief in Oklahoma.

**2013 Hot
Market Issues
Selected**

See page 4 for details!

Scott CU Named to 2013 Top Workplaces List

Adam J. Koishor, Chief Marketing Officer

Scott CU has remained committed to its strategy of being the best place to work. That commitment paid off recently when the local credit union was named by the *St. Louis Post-Dispatch* as Top Workplace for the second straight year.

Scott CU was ranked 11th on the list of Top Workplaces for medium size businesses in the St. Louis Metropolitan Area. The credit union, which is headquartered in Edwardsville, was the top financial institution in its category. Of the 90 companies recognized as a Best Place to Work in three size categories, Scott CU was one of only 25 companies to garner the recognition for two consecutive years.

The *Post-Dispatch* joined with Workplace Dynamics to spotlight local companies who treat their employees well. The 30 companies on the list of medium size businesses were named because their workers, on confidential surveys, rated their employers with high marks. The questions included everything from pay and flexible scheduling to career advancement and management's openness to new ideas, according to the *Post-Dispatch*.

Scott CU has focused on improving employee morale and making the credit union the best place to work. "It is an honor to receive this recognition two years in a row," said Scott CU President & CEO Frank Padak. "We are very pleased that the steps we have taken to make SCU

the best place to work are making a difference with our employees."

In a service industry, Padak understands the importance of having positive and satisfied employees. "We serve members every day. It is really important that our people enjoy working here and can pass their positive attitude along to our members in the experience that they provide them," he said. "We were excited to be ranked among the top businesses."

Despite challenging economic times over the past few years, Scott CU has continued to be successful with membership, asset and loan growth. "We truly understand that our employees make all of the difference when it comes to consumers choosing a financial institution," Padak noted. "It is really important to us that they are satisfied and feel valued."



“Freedom Cruze” displays community support for the Troops who help protect freedom. Photo courtesy FCFCU

‘Freedom Cruze’

Susan Dickinson, Membership Development Director

Fort Campbell FCU and a few other local businesses asked the community to demonstrate their appreciation to military men and women with the “Cruze to Salute Freedom” tour. The bright yellow, vinyl-wrapped Chevrolet Cruze known as “Freedom Cruze,” began its tour on May 25 at the Spring into Summer Celebration in Oak Grove, KY, and ran through Independence Day. Freedom Cruze provided their members and the community an opportunity to hand-write their messages of thanks and encouragement to the troops who protect the freedoms they hold dear. “Cruze to Salute Freedom” is not a fundraising effort for any designated organization, but rather an awareness opportunity. Proudly sponsored by Fort Campbell FCU, James Corlew Chevrolet, and USA Discounters, all “Freedom Cruze” signings were free and open to the public.

DOD: You Should Know...

...In a recent letter to Congress, the Secretary of Defense outlined his opposition to any further cuts to the Department of Defense Budget and again cautioned that further reductions would adversely affect mission readiness! At issue is the *annual* budgetary caps imposed by Congress by the Budget Control Act of 2011 (aka sequestration)...and of concern is the Department’s FY 2014 Budget Submit, which did not include the potential \$52 billion cut resulting from sequestration. Among the impacts cited by the SECDEF are the likelihood of continued civilian furloughs (beyond September 30) or the possibility of an involuntary civilian reduction-in-force (RIF); a 10% cut (possibly more) to the Operation and Maintenance account, which finances daily operations on your installations—to include support of community events; pay freezes; *and* a renewed cry for another round of Base Realignment and Closure (BRAC)! In terms of a continued furlough, some of your members may seek further assistance (from you) in the months ahead. Be prepared, as in my opinion, the likelihood of Congress and the Administration achieving a compromise (over the next two months) is remote.

...The August 1, 2013 comment deadline for DOD’s Advance Notice of Proposed Rulemaking (ANPR) regarding the enhancement and protections that apply to consumer credit extended to our troops and their families is fast approaching. As I expressed in my June 19 broadcast email, DOD is trying to determine whether the current Military Lending Act needs to be revised. In particular, whether the definition of “consumer credit” should include “open-end credit;” whether there is a need for change and if so, what changes should be made; what should not be included in any proposed changes; and lastly, whether ample small dollar alternative programs exist in the industry to assist our troops, i.e., provide examples of payday loan alternatives. We will be submitting our comments to DOD at the end of the month and would appreciate your feedback regarding alternative small dollar loan programs and your thoughts regarding the expansion of the definition of consumer credit to include “open-end credit.”

Mid Missouri CU Hosts 8th Annual Military Appreciation Day

Brittani Clabaugh, Marketing Representative

The Mid Missouri CU hosted its 8th Annual Military Appreciation Day at Hammons Field in Springfield. Prior to the event, the Credit Union raised over \$19,000 through various fundraising events and with the help of many surrounding community businesses. With the money raised, Mid Missouri CU purchased over 2,100 tickets and gave them out free of charge to active duty, reservists, veterans, National Guard, retired military of all branches, and their immediate family members. Along with each ticket came a free hot dog voucher.

Honorary first pitches were thrown by special guests Col. Bjarne Iverson—MS-CoE and FLW Chief of Staff, Staff Sgt. Jonathan James—MSCoE and FLW Drill Sergeant of the Year, SFC Jeremy Washington—MSCoE and FLW AIT Platoon Sergeant of the Year, Johnny O’Hare—MMCUCU CEO/President and Jim Woods—Chairman Mid Missouri CU Board of Directors. The 399th Army Band played the National Anthem while the Joint Service Color Guard presented the nation’s colors.

During the pregame ceremonies, the Oath of Enlistment took place, which was administered by Col. Iverson. Over 30 enlistees took the field and were sworn in to the United States Army. The field was then taken by the Joint Service Color Guard while the 399th Army Band played the National Anthem. Shortly after, the game between Springfield and the Arkansas Travelers began.

Throughout the night, Mid Missouri CU employees threw out shirts, handed out various giveaways and gave out VIP tickets to eager groups of soldiers. The night concluded with a major fireworks display sponsored by the Credit Union. This was the largest of our Military Appreciation Days with over 7,500 people in the stands. While the weather was hot, it was a great night for good ole’ American baseball and honoring our military.

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

Fort Bragg FCU Donates \$7,000



Fort Bragg FCU (FBFCU) recently presented a \$7,000 check to Cape Fear Valley Health Foundation's Friends of the Cancer Center (FOCC). Fort Bragg FCU CEO/President, David Elliott, presented the check to the Cancer Center with his wife, Renee and his son, Zack. "Giving back to the community is what is imperative to us at the credit union," Elliott said. "We strive to help those in need year after year." From left: Tara Brisson Hinton, Coordinator, Friends of the Cancer Center; Zack Elliott; Renee Elliott; David Elliott, President/CEO, Fort Bragg FCU; Lynda Clark, Vice President of Professional Services of Cape Fear Valley and FOCC Advisory Board; and Brenda Hall, Administration Service Line Director of Cape Fear Valley Cancer Center and FOCC Advisory Council member. Photo courtesy Fort Bragg FCU



For the latest credit union news, visit www.dcuc.org or scan the QR code below:

