



ALLERT

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A VIEW FROM THE BOARD ROOM

Overdraft Protection — Member Service or Dis-Service?

*Frank Padak, Board Secretary and Representative-At-Large
President/CEO, Scott CU*

Overdraft Protection has been a hot topic for some time now. Does Overdraft Protection benefit our military and civilian members or does it encourage financial irresponsibility or worse yet are we digging our members into a deeper financial hole!

Regulators are still reviewing this service to determine if this is a loan and how it should be disclosed and what, if any, fee restrictions should be considered. Consumer advocate groups argue consumers are simply being taken advantage of as financial institutions reap the benefits of high fees from those typically least able to afford the fees. The standing joke goes something like this: The member that just receives his notice of the \$20.00 fee comments, "There they (financial institution) go again, taking more of what I already don't have"!

Of course there are arguments that support either side of the debate. Following are some of the points made by both sides:

Proponents of Overdraft Protection have made the following points:

- By providing this service, members are able to cover mistakes or inadvertent errors when writing drafts. One study

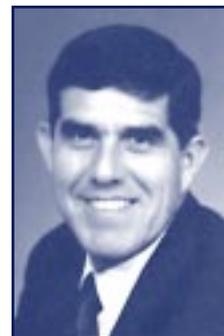
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CEO UPDATE

The Year in Review

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

Season's Greetings! As two thousand and five quickly comes to an end, I would like to take this opportunity to wish you a happy and safe holiday, and offer my very best for a healthy and successful New Year. Above all else, however, I would like to extend a special thanks to all of you for the financial and spiritual support you provided our colleagues, troops and their families devastated by Katrina. Because of your generosity and kindness, thousands upon thousands of families impacted by this year's hurricane season will experience a sense of joy and a level of hope (over the holidays) unimaginable a few months back. A challenging year to say the least, especially when coupled with the on-going war on terrorism, but one of solidarity and cooperation that spoke volumes of your values, philosophy and principals...a year of "action" and not mere "words."



Roland A. Arteaga

Just as you pulled together as a community to confront the challenges of Katrina, DCUC worked together with DoD and addressed issues of common interest and significant importance to you and your on-base operations.

And just as you pulled together as a community to confront the challenges of Katrina, we (DCUC) worked together with DoD and addressed issues of common interest and significant importance to you and your on-base operations. This year alone, DCUC:

- a) partnered with DoD and participated in their first-ever Financial Fairs, sponsoring various venues and educational forums and promoting the value of credit unions among military and DoD civilian participants.
- b) worked with the Department of Defense, the Military Departments, the Consumer Federation of America and other government and private non-profit organizations, (as a member of the advisory board), to enhance the Department's financial readiness campaign. In that regard, actively participated in monthly meetings, sponsored the Department's Military Saves effort, and conducted a short informal survey that was highlighted in a GAO report this past April.
- c) remained abreast of Base Realignment and Closure (BRAC) and DoD's Transformation efforts (as it pertains to realigning troop and organizational movement) and provided timely information and advice.
- d) coordinated with various Offices of the Secretary of Defense and the Military Departments on the revision of DoD Directive 1344.7 (Personal Commercial Solicitation on DoD Installations). Provided comment that ensured additional and stronger oversight of

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Travis CU employees prepare the toys for distribution for the 2005 Children's Miracle Network Holiday Stocking Campaign. Photo provided by Travis CU

Travis CU Brings Holiday Joy to the Community

Lila Dressen, Marketing

This holiday season, Travis CU members and employees are reaching out to the community and people in need by taking part in the Solano and Contra Costa Food Banks annual food drive, The Festival of Trees, Christmas Wish 2005, and the 2005 Children's Miracle Network Holiday Stocking Campaign.

Each year Travis CU helps the working poor, seniors, single parents, and the homeless in Solano County through their annual food drive. Credit union employees, members and the general public are encouraged to bring non-perishable foods to all Travis CU branches in Solano, and Contra Costa Counties Monday, November 21 through January 31, 2006. Specially printed grocery bags for the drive will be inserted in several local papers including the *Dixon Tribune*, *Fairfield Daily Republic*, *Contra Costa Times*, *East County Times* and the *Vacaville Reporter*. Donations will go directly to the Food Bank of Solano, and Contra Costa will be distributed in the counties that they are received.

Another way Travis CU is helping others this holiday season is through the 2005 Children's Miracle Network Holiday Stocking Campaign. Travis CU employees and members can purchase and sign as many paper stockings as they want for \$1 each to support the health needs of children. The stockings are available for sale and will be displayed at Travis CU branches from November 25 through December 31, 2005. Proceeds from this year's campaign will go to UC Davis Medical Center in Sacramento and Valley Children's Hospital in Merced County. Last year members and employees donated more than \$5,600.

Additionally, Travis CU has been the number one corporate sponsor for the Christmas Wish program for the past five years. In 2004, employees donated over 320 gifts to the program. Their generous giving ensures that less fortunate children are granted the one wish that they have made for Christmas. How does it work? Children place their wishes on ornaments so that sponsors may buy an appropriate gift for them. Sponsors may also make a cash donation that will be used to purchase gifts. This year, Travis CU will again help children on AFDC/Cal Works, which includes local children of the working poor as well as foster children. Members and the public can also participate in this worthwhile program.

This is the second year that Travis CU has participated in the Festival of Trees, which benefits Opportunity House, Vacaville's homeless shelter. What started out as a labor of

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claimed only 13% of checking account holders currently balance their account. When you consider the number of ways debits and credits affect your checking account, i.e. ACH items, debit card transactions, it's easy to see where a mistake might occur.

- This service allows the member to reduce the cost associated with a returned check, which can include a significant charge from the merchant.
- Members avoid the embarrassment when confronted with a returned item.
- Members can use the service to avoid using a pay-day lender and save significant fees.

Opponents of Overdraft Protection have argued the following:

- Members spend beyond their means and add to their existing debt load creating an even more desperate financial situation.
- The credit union is increasing fee income at the expense of the members that can least afford to pay the fees.
- Credit unions not only provide the basic coverage to cover the accidental overdraft but take it a step further to allow access via ATMs and debit cards

which can result in a member using their debit card to purchase a hamburger at McDonalds and paying an additional \$20.00 Overdraft Protection fee.

Is Overdraft Protection a good deal for our members?

Are there alternatives to Overdraft Protection services? What about the traditional line of credit offered as a source for short term financial needs? Could a line of credit serve the same purpose as the Overdraft Protection service? What is the better deal for the member?

For example, if a member has four \$100.00 checks hit Overdraft Protection in one month and assuming a \$20.00 fee per item, the fee would be \$80.00. If a line of credit were used, and assuming an 18% interest charge, the fee for one month if all 4 checks cleared on the first of the month would be about \$6.00. Lets see, \$80.00 versus \$6.00, hmmm, who's really benefiting?

Should credit unions offer their members a traditional line of credit as their first line of defense against the "inadvertent" mistake?

Is there any more risk associated with a traditional line of credit than an Overdraft Protection program? I'm sure we could argue that point both ways as well...

Overdraft Protection, member service or dis-service?

Visa Honors Navy FCU with Three Service Quality Awards

Keasha K. Lee, Public Relations

Navy FCU was presented with three Visa Service Quality Awards for 2004 in the categories of Lowest Copy Request to Sales Ratio as Credit Issuer; Lowest Copy Request to Sales Ratio as Debit Issuer; and Highest Chargeback Effectiveness Rating for Credit Issuer. This year marks the third year that Navy FCU has been recognized for service excellence by Visa.

"These awards commend Navy FCU employees who work diligently on a consistent basis to provide distinguished performance," said Lisa Roddey, Vice President, Visa U.S.A. "Navy FCU employees represent the pinnacle of back office operating efficiencies."

"We are extremely gratified to receive these awards and will continue working with Visa to provide the best service and products possible to meet the needs of our members," said Dave Willis, Vice President, Debit Card & Funds Services.

The Visa awards program recognizes Visa Members that demonstrate consistent superior operating performance and emphasizes continued focus on service quality improvement. This continued commitment to service quality strengthens and enhances the relationship between Visa's Members and their customers, and contributes to more efficient and cost-effective card operations.

Support Your Soldiers

Did you spend Veteran's Day sleeping in and watching *Dr. Phil*? Win back those karma points at **TREATS FORTROOPS.com**, which sells and sends care packages to soldiers. Options include fudge, cookies, caramel corn, taffy, cards, and a two-hour phone card. If you don't know anyone in the service, the company will match you with a soldier who could use some holiday cheer.



Left: Captain Chaplain Sarah Shirley, US Air Force, Military Saves and Debbie Caruso, Executive Assistant, DCUC, stand in front of the Military Saves exhibit booth at the AFCPE Annual Conference held recently in Scottsdale, AZ. DCUC sponsors the booth to help in the efforts to promote the Military Saves program. Photo provided by DCUC

Service CU Introduces Real-Time Automated Account Opening

Nancy Layton, Marketing Manager

Service CU launched a new fully-automated account opening process. The new application allows both new and existing members the ability to instantly open and fund new accounts through the Internet.

The easy to use web-based interface dramatically streamlines and accelerates the membership enrollment and account opening process. This new service is proving to be a significant leap forward over the previous approach of exchanging documents through the mail. Security is provided through real-time identity authentication.

"With Service CU's worldwide field of membership, we needed a solution to allow members to open and fund new accounts anytime, anywhere," says Gordon Simmons, President/CEO of Service CU. "The application provides the credit union with a secure, convenient method to serve our mobile membership base."

"Not only does it allow us to offer the highest levels of convenience around membership enrollment and account opening to prospective and current members alike," continues Gordon Simmons, "but it also allows us to more effectively reach geographically disperse areas that may not be in close proximity to our branch locations. This is a real win for the credit union and our membership."

Service CU chose Andera, a leader in online account opening technologies, to provide the account opening and funding solution. The system integrates all aspects of the membership enrollment and account opening process in real time into Service CU's core processing platform. "We looked at several products that had various levels of online account opening functionality. Andera's New Accounts Online was the only product that provided real-time account opening through a comprehensive, easy to use interface. They had the best product and a great reputation, making our decision easy," says Raymond Springsteen, VP of Member Services and project leader of the new application.

Pen Air FCU Helps American Red Cross with Hurricane Katrina Relief Funds

Patty Veal, VP of Marketing

Just days after Hurricane Katrina, Pen Air FCU set up a Hurricane Katrina Relief Fund Account for both employees and members to contribute to. After just a few months of collecting, the Relief Fund accumulated over \$6,500.00. The Pensacola American Red Cross Office Director, Diane Hawkins, was on hand to accept the contribution presented by Pen Air FCU's President/CEO, John A. Davis, Jr. Diane Hawkins was very grateful for the donations and said, "We are thankful for all the contributions that our coming our way — we estimate that we will have to collect over \$2 billion before everyone is helped from this horrible storm and every little bit helps." Pen Air FCU President/CEO John Davis, commented, "Pen Air FCU is happy to assist and besides the monetary contribution has already collected several van loads of needed supplies, clothing, and food for victims and will continue to do what is possible."



John Davis, Jr., President/CEO of Pen Air FCU presents Diane Hawkins of the American Red Cross with a check for \$6,500. Photo provided by Pen Air FCU

TRAVIS CU continued from page 2

love years ago has become a special holiday tradition in the Vacaville community, one that represents families, fun, giving, and the spirit of the holidays. Churches, businesses, organizations, and individuals, working together for a common cause, have made this all-volunteer-supported festival — the shelter's primary fundraiser — extremely successful. Each year the festival presents a forest of beautiful Christmas trees, which are auctioned off to the highest bidder. This year will feature 95 elaborately decorated trees, each with its own unique theme. Travis CU is donating a themed tree entitled "White Christmas" for auction.

"Through these programs and others like them, we are reaching out to people in need," says Patsy Van Ouwwerkerk, president and CEO of Travis CU. "We are proud to be helping the community and at the same time making a difference in people's lives."

Keesler FCU Reports Increase In Christmas Savings

Nell Schmidt, Director of Business Development

Keesler FCU has disbursed 2005 Christmas Savings account proceeds totaling \$4,572,783.00 to 15,667 of its members. This represents a 34% increase over the 2004 Christmas Savings figures. Dividends of 1.75% were paid on these accounts. Keesler FCU's Christmas Savings is a specialized savings program designed to help members save for the holidays. Members are encouraged to open their Christmas Savings accounts until the end of January 2006 for the 2006 holiday season.

Happy Holidays

from the DCUC
Board of Directors
and Staff

CUs Nationwide Commit Nearly \$1 Billion For Homebuyers

CUNA NewsNow

With the goal of helping lower-income homebuyers afford their first home, the Credit Union National Association (CUNA) unveiled a billion-dollar mortgage lending initiative for the nation's credit unions.

The initiative—called the Home Loan Payment Relief (HLPR, pronounced “helper”) program—makes below-market-rate mortgage loans available to borrowers with household incomes at or below the median in their markets.

Participating credit unions are voluntarily bearing the cost so that the loans can be offered at a more affordable rate. It will benefit qualifying borrowers in several ways:

- Through lower monthly payments;
- By qualifying for a larger mortgage; or
- By lowering the income level needed for a given mortgage.

So far, 61 credit unions that together serve more than 10 million members have committed nearly \$1 billion in mortgages to the HLPR program, a number that will rise over time as more credit unions learn of the program and participate, said CUNA President/CEO Dan Mica during a national press conference.

Mica said he expects total commitments will reach \$2 billion later this year and \$10 billion over five years as the program gains more attention and is fine-tuned based on experience.

“As credit unions, we take our commitment to serve people of modest means to heart. The HLPR mortgage is the newest manifestation of our commitment,” said Rudy Hanley, CEO of Orange County Teachers Federal Credit Union, Santa Ana, Calif., who spearheaded the development group under the auspices of CUNA.

He said the HLPR mortgage was vetted with the appropriate regulatory and secondary-market agencies so that participating credit unions can begin offering it immediately. “We believe it has tremendous potential for growth,” he added.

“Owning your own home is part of the American dream, and for too many

low- and moderate-income families, it's becoming increasingly hard to reach,” added Daniel A. Mica, CUNA President and CEO. “Real estate prices have surged all over the country, and mortgage rates are headed upward as well. The gap between the incomes of average families and the affordability of a first home is widening every day. Credit unions believe the HLPR mortgage is an innovative solution that will narrow the gap.”

Median home prices in the nation's capital region, for example, have risen over 26% in the past year alone, according to the National Association of Realtors. The median home price in the area is \$482,000 but the median income in the District of Columbia, according to the U.S. Census, is only \$54,193.

In nearby Baltimore, home prices are rapidly climbing as well. The NAR figures show a 17% increase from the same time last year. The median income is \$38,706. The median price of a home has risen over \$100,000—from \$154,000 in 2002 to \$264,000—in 2005.

Municipal Employees CU of Baltimore (MECU) will be participating in the HLPR program and reaching out to lower-income families there.

Bert J. Hash Jr., president/CEO of Municipal Employees CU of Baltimore said his credit union's participation in the

HLPR Program provides another tool to help members of modest means achieve their financial dream of owning their own homes.

“This program not only will help our members, but will strengthen our communities by increasing the opportunities for homeownership,” he said.

Among the basics announced at the press event:

- The HLPR loan is a three-year adjustable-rate mortgage that will be offered to qualifying borrowers at one percent below the national average for these loans. Based on current market rates, the HLPR mortgage will be offered at about 4.5%;
- Credit unions are voluntarily bearing the cost so that the loans can be offered at this more affordable rate as part of their commitment to serving people of modest means;
- The required down payment will be no more than 3%, and gifts or grants are permitted. After three years, the rate will adjust annually to market rates, with rate adjustments capped at 1% a year and 5% over the life of the loan;
- The loan is available to borrowers whose household income is either at or below the area median income; additional eligibility for those in “high cost”-designated areas; and
- Participating credit unions are encouraged to reduce closing costs, private mortgage insurance costs and other related fees or costs.

Defense Directory Updates

- LA Helen Dilene has become Acting President/CEO of N.A.S. JRB CU
- NC First Flight FCU has a new address, which is:
2425 Kildaire Farm Road
Suite 305
Cary, NC 27511
- NM Scott Connely has been named President/CEO of Sandia Area FCU
- TX Bob Sherwood is the new President/CEO of Air Force FCU
Dyess FCU has changed their name to Communities of Abilene FCU

As always, you can find the latest edition of the DCUC Directory on the DCUC Web site at www.dcuc.org.

Armed Forces Financial Network Update



Left to right: Ed Thomas, Senior Market Executive, First Citizens Bank; Paula Gallero, Manager, Fort Bragg Fisher House; Karen Strickland, Marketing Director, Fort Bragg FCU. Photo provided by AFFN

AFFN Partners with First Citizens Bank and Fort Bragg FCU with Donation to Fisher House

John Broda, AFFN Executive Vice President

The Armed Forces Financial Network (AFFN), in partnership with First Citizens Bank and Fort Bragg FCU presented a donation in the amount of \$1,000 to the Fisher House at Womack Army Medical Center, Fort Bragg, North Carolina.

Ed Thomas, Senior Market Executive, First Citizens Bank, and Karen Strickland, Director of Marketing for Fort Bragg FCU, presented the donation to Paula Gallero, Womack Army Medical Center Fisher House Manager, who accepted the gift checks.

The check recipients are military families who are staying at the Fisher House during this holiday season. The gift checks are redeemable at any Department of Defense commissary and are for assistance with holiday meal expenditures.

AFFN Banks and Credit Unions have partnered together with AFFN, granting nearly \$300,000 to “Military Focused” organizations serving our global military and defense communities over the past two years. It is through their generosity that troops and their families are receiving direct benefits during such a critical time in our nation’s military history. “AFFN is proud to be in partnership with our AMBA Banks and DCUC Credit Unions, such as First Citizens Bank and Fort Bragg FCU, in this giving campaign,” said David Weber, AFFN President/CEO. He added, “Fort Bragg FCU and First Citizens Bank, the two on-base financial institutions at Fort Bragg, have historically cooperated in community outreach programs in support of the troops and their families. We salute their spirit of cooperation and generosity!”

The AFFN Military Community Support Program, which includes the 2005 AFFN Matching Grant Effort, has provided direct support to our troops and their families. This support includes such services as care and comfort, communication, entertainment, financial literacy education, and family and children’s programs.

CEO UPDATE continued from page 1

- Predatory Sales Agents, and strongly encouraged/recommended the need to have on-base credit unions as the focal point for financial services.
- e) monitored the Security and Exchange Commission’s review of financial companies selling securities and variable insurance products to our troops on-base. Ensured DoD understood the role and mission of on-base credit unions, and was fully cognizant of the value of their services.
 - f) reviewed DoD’s draft of the Banking and Credit Union Officer Liaison Guide and made a number of significant recommendations that were adopted in the final product.
 - g) stayed atop of the Department’s efforts to provide full and limited financial services to Main Operating Bases, Forward Operating Sites, and Cooperative Security Locations.
 - h) collaborated with DoD to ensure the Department’s e-commerce initiatives did not compromise the DoD one credit union/one bank policy.
 - i) reviewed and provided valuable input to the Department’s new military pay system, the Defense Integrated Military Human Resource System (DIMHRS), specifically, the proposed shift in business practice that impacts the delivery of allotment payments.
 - j) pursued acceptable remedies to the Fair Market Value issue and “in-kind consideration,” working closely with the Military Departments to resolve differences in the interpretation of policy and procedural matters.
 - k) monitored issues related to the Overseas Military Banking Program and ensured the interest of overseas credit unions was foremost in mind.
 - l) addressed the policy regarding the issuance of the Common Access Card to credit unions supporting the US Army in Europe. Worked successfully with the Army Secretariat and DoD proponent office to change the draft policy.
 - m) briefed newly assigned senior and executive leaders at the Pentagon on the credit union philosophy and principles, ensuring their understanding of credit unions, and in particular, defense credit unions.

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Fast + Easy Terminal Enhances Member Relationships at Hanscom FCU

Patricia Warden Conty, Marketing Analyst

Hanscom FCU officials had a dilemma. The credit union's branch in Boston's JFK Federal Building was ready for expansion, but simply building a bigger branch was not an ideal solution. How could they best go from a non-cash, limited-service branch operated from a converted closet to a full-service, full-time office that doubled as a CU Service Center?

Two pieces in the planning process were particularly challenging. The first was how to keep staff from being inundated by a significant increase in transactions. "Boston has relatively few CU Service Centers," explained Hanscom FCU chairman of the board Paul Marotta.

"We noticed a sizeable increase in activity at our other Boston branches when they became able to serve guest members," Marotta continued. "It has absolutely been a plus to be part of shared branching, but we wanted to equally serve those seeking transaction service and those truly needing more in-depth assistance."

Second, the credit union had to be mindful of cost. Where could they get the extra branch power they needed while sticking to their budget?

The solution came with Tellagent's FAST® kiosk, which Hanscom has branded as the Fast + Easy terminal. Hanscom FCU became the first credit union in New England to install the machine.

With its user-friendly screens and extensive array of services, the Fast + Easy terminal handles a wide variety of transactions. Because it runs on a shared branching platform, the terminal can serve guest members as a CU Service Center location. Plus, the terminal is priced to be competitive with more traditional ATMs.

The Fast + Easy terminal is the first true teller replacement. Its transaction set includes cash and check deposits, withdrawals by cash or check, transfers, loan payments and balance inquiries. It also displays and prints account histories. It can be enhanced to handle loan applications, process changes of address and re-order checks.

Users can receive withdrawals in to-the-dollar amounts, rather than the standard twenties available at an ATM. That's a boon to members who want the flexibility of cash disbursement that a teller would normally provide.

"The Fast + Easy terminal is a brilliant one-source solution that we could install quickly and without having to reconfigure our processing system," said Marotta. "We wanted to create a space that could handle increased transactions from members and guests, yet not keep staff from offering high-touch service to members."

"We have an exceptionally savvy group. When we introduced online services, they saw the benefit right away, and cheered on each innovation in that area. This is a unique way for us to use technology for our members' benefit."

"We needed more effective technology," noted David Sprague, Hanscom FCU president/CEO. "Installing an ATM would take some of the burden from staff, but members would have only limited access to their accounts. An ATM won't access accounts beyond savings and checking. Plus, the Fast + Easy terminal will accommodate future innovations, and the cost is very favorable when compared to existing technologies."

Even new regulations, such as Check 21 are readily incorporated into the Fast + Easy terminal. Through a collaboration between Tellagent and EasCorp, deposited checks are scanned and submitted for final payment as an electronic cash letter. This eliminates the need to service the terminal



JFK Branch Manager Lynn Owin demonstrates Hanscom FCU's Fast + Easy terminal for Chairman of the Board Paul Marotta. Photo provided by Hanscom FCU

each day to recover paper checks for processing.

"This is a whole new way of thinking about branch delivery," continued Sprague. "With the terminal in place, staff can offer more quality and greater depth of service in each interaction. The Fast + Easy terminal, with its unique offerings, shows how the technology we've developed over time can be used for more than just collecting and dispensing funds. This takes us in an entirely different direction for future developments, and, I believe, shows us the true value of this technology."

With an alternative for transactional service in place, branch staff is no longer tucked away behind a teller line. "We like to compare this to the self-checkout at the grocery store," Marotta explained. "Members can get what they need quickly and easily at the Fast + Easy terminal. If they prefer to work with a person, they can meet with a staff member."

"It is fitting that our first venture into this technology would be at this location," mused Sprague. "We started the JFK branch as a way to deepen our relationship with members already located there. We have been steadily increasing our presence over the last five years. The Fast + Easy terminal is a natural progression for us."

The credit union anticipates shorter wait times for all. Those with routine transactions to complete can be on their way quickly and easily. Members with

See HASCOCM FCU, p. 10

Andrews FCU Expands into the District of Columbia

New Henson Ridge Branch Open for Business

Mary Harris, Senior Promotions Specialist

Andrews FCU officially expanded into the District of Columbia with the opening of their new Henson Ridge branch location in the Ward 8 section of the District of Columbia. The new location opened with a ceremonial ribbon-cutting and grand opening celebration. Remarks were delivered by several dignitaries to include: Velda Bell, Deputy Chief of Staff for the Office of Councilman Marion Barry, District of Columbia, Ward 8; Michael Kelly, Executive Director, District of Columbia Housing Authority; Marcie Cohen, Acting Chair, Board of Commissioners; Major Gerald Brown (Ret), Andrews FCU Board Chairman; Jacque Patterson, Advisory Neighborhood Commissioner, Ward 8; Marcia Parker, Principal, Turner Elementary School; Don Matthews, Andrews FCU member since 1965, retired Korean/Vietnam War veteran, and Michael Hale, President CEO, Andrews FCU.

In addition to remarks delivered, Bishop Glen Staples from Temple of Praise Church opened the event with the invocation; Ballou High School's Junior R.O.T.C. troop participated with the presentation of the flag, and Turner Elementary School's choir inspired the attendees through song. Turner's music teacher, Norris Berry, wrote a special



Left to right: Sabrina Pressley, Manager, Henson Ridge Branch; Don Matthews, AFCU Member; Ruby DeMesme, Vice Chairman, AFCU Board of Directors; Kathy Day Shelton, Vice President, Direct Sales & Service, AFCU; Michael Hale, President/CEO, AFCU; Gerald Brown, Chairman, AFCU Board of Directors; Michael Kelly, Executive Director, D.C. Housing Authority. Photo provided by Andrews FCU

song entitled "The Partnership." Through song, the children communicated the great partnership that has already been established between Andrews FCU and Turner Elementary School.

The Henson Ridge community is very happy to see the new credit union location in their area. Turner Elementary School is especially excited about the opening of the new Henson Ridge branch because of the endless possibilities it will create for the students in Turner. "With the close proximity of the new branch to our school, we believe the new Henson Ridge Branch will bring excitement to the students to learn more about the importance of financial literacy, and help to open doors to a brighter future for our students," stated Marsha Parker, Principal, Turner Elementary School. Ms. Parker presented

Michael Hale with a special partnership award on behalf of the school to thank Andrews FCU for the support given to Turner over the past two years.

Michael Hale closed the event by thanking everyone who played a vital role in making the Henson Ridge branch project a reality within the new revitalized Henson Ridge community. "We are anxious and delighted to serve the new Henson Ridge area with the opening of our new branch," stated Hale. Hale went on to say that "Andrews FCU's core purpose has always been to help people of modest means improve the quality of their financial lives. Our number one goal in the Henson Ridge area is to become an integral part of the community as we educate our members about the importance of financial literacy, and provide them with the tools to improve their lives."

Langley FCU Hurricane Relief Contributions Total \$160,090

Sue Thrash, Director of Research & Communications

Through the generosity of its members and the community, Langley FCU has raised a total of \$80,045 for Hurricane Relief. These contributions were matched by the credit union for a grand total of \$160,090. All funds will be sent to the American Red Cross. Immediately after Hurricane Katrina, Langley FCU established a Hurricane Relief Account and joined forces with a local news station to inform the public that the credit union was accepting donations. This was swiftly followed by a Board action to match funds up to \$100,000.

Report On The George E. Myers Fund

DCUC is happy to report that the Christmas ornament sales event held every year was once again a great success. We have sold out of this year's ornament! Thank you to all of those who purchased this year's beautiful ornament.

All On Board at NCUA *Reprinted with the permission of NCUA*

National Credit Union Administration (NCUA) has a full board of three. Chairman JoAnn Johnson administered the Oath of Office to new Board Member Rodney E. Hood and Board Member Christiane Gigi Hyland was sworn-in by her father, The Honorable Gerald W. Hyland, a Member of the Fairfax County, Virginia Board of Supervisors.

Board Member Hood's experience spans 17 years in the public and private sector. Most recently, he served as associate administrator of the Rural Housing Service at the U.S. Department of Agriculture and was responsible for managing a \$43 billion loan portfolio with over 400,000 loans.

"I am pleased to welcome Rodney Hood to the NCUA Board," said Chairman Johnson. "Rodney's extensive experience in financial services and leadership in working to make an ownership society a reality for millions of Americans will be a tremendous asset to NCUA and the nation's credit unions. I look forward to a good working relationship, as we focus on maintaining a safe and sound regulatory environment and empower credit unions to serve Americans from all walks of life."

Board Member Hyland's 14 years of experience within the credit union system includes serving as an attorney in private practice at Hyland and Hyland, her family's Alexandria, Virginia law firm, concurrent service as Executive Director of the Association of Corporate Credit Unions (ACCU),

and Vice President, Corporate Credit Union Relations of the Credit Union National Association (CUNA). Most recently, she served as Senior Vice President and General Counsel to Empire Corporate Federal Credit Union in Albany, New York.

"I look forward to working with my new colleagues, Chairman Johnson and Rodney E. Hood to preserve financial integrity, safety, soundness, and vitality of federally insured credit unions in an ever-changing environment. I am deeply honored and I will strive to be a fair and thoughtful regulator," said Board Member Hyland.

"I am pleased to welcome Gigi Hyland to the NCUA Board," said Chairman Johnson. "Gigi brings extensive experience and knowledge of the credit union industry to the NCUA and I look forward to a good working relationship."



Left: Participating in the annual Food 4 SA food drive (from left) were Nathan Plotkin, Samantha Estep, Julia Plotkin, Sophia Plotkin and Megan Sacre from Girl Scout Troops 216,1297,1105 and Cub Scout Pack 940. Photo provided by Security Service FCU

Elementary Students Weigh In On Security Service FCU Annual Food Drive

John Worthington, Marketing

Oak Meadow Elementary School students took time out of their Thanksgiving Week holiday to deliver 1,152 cans of food as part of the annual Food 4 SA food drive, sponsored by Security Service FCU.

During the month of November, the credit union pledged to help raise a million pounds of food to help families in need throughout South Texas. A turkey drive earlier in the week netted more than 3,000 pounds of the gobbler for holiday dinners. The San Antonio Food Bank feeds more than 40,000 families each month in 16 counties in southwest Texas.



Security Service FCU volunteers Anna Elrod and Michael Cervantes collect frozen turkeys during the credit union's Turkey Round-Up drive on behalf of the San Antonio Food Bank. More than 3,000 pounds of Thanksgiving gobblers were donated by San Antonio residents to benefit South Texas' most needy families. Photo provided by Security Service FCU



FirstLight FCU parade volunteers pose with Garfield before the parade. Photo provided by FirstLight FCU

FirstLight FCU Sun Bowl Parade

Michelle Thyfault, New Business Development Representative

The FirstLight FCU Sun Bowl Parade drew in a crowd of over 350,000 spectators, breaking all previous records in attendance. This is the first year that FirstLight FCU has sponsored this annual Thanksgiving tradition, now rounding out its 69th year, the credit union's CEO, Karl Murphy, and the members couldn't have been more pleased.

Earlier in the year, July 1, 2005, FirstLight FCU underwent a name change from Fort Bliss FCU to its new name to reflect that the credit union is open to the community of El Paso as well as that of Fort Bliss and Las Cruces, NM. "The sponsoring of one of the communities largest events was the perfect vehicle to let the El Paso community know that we are here to serve them and our troops at Fort Bliss," said Sharon Sumner, VP of Marketing at FirstLight FCU.

So Thanksgiving morning, November 24, forty employee volunteers from FirstLight FCU walked the parade route while holding a gigantic Garfield balloon. The weather was a pleasant 68 degrees in the Sun City, and the crowds were unbelievably animated and appeared to be as excited as the volunteers about spending their holiday at this festive event.

In addition to participating in the parade, FirstLight FCU was in the unique position of being allowed by Time Warner to utilize the costumes of the Parade's Grand Marshals, the Looney Tune characters of Bugs Bunny, Sylvester and Tweety Bird, for one day prior to the parade. So in the Thanksgiving spirit, members of the credit union's staff donned the character costumes and set out to visit injured soldiers and the children in the pediatric clinic at the William Beaumont Army Medical Center on Fort Bliss. Guest appearances were also made at the pediatric ward of one of El Paso's local hospitals, Del Sol Medical Center, and at scheduled times at four of FirstLight FCU's branches so that members' families could come in and take pictures of their children with any or all of the Looney Tune Trio.

The sponsorship of the FirstLight FCU is a three year commitment, and the next two years promise to be every bit as rewarding as the one experienced in 2005.

Banking and Credit Union Liaison Officer's Guide

During DCUC's 42nd Annual Conference this year, our Military Service representatives discussed the Banking and Credit Union Liaison Guide. The guide was in draft form and being coordinated at that time. The final product can now be found on DCUC's website at www.d cuc.org/member/memo-guide.htm.

The purpose of the guide is to provide a desktop ready reference to BLO/CULO's regarding the policies/procedures pertaining to on base operations. The guide is not intended to replace regulations or directives, but rather to assist liaison officers. As a matter of information DCUC reviewed both draft and final draft to ensure the guidance provided within was consistent with current policies and procedures.

HANSCOM FCU continued from page 7

more complex needs have greater access to branch staff. The result is a deeper relationship with members and more specialized service options, such as financial counseling or a credit score review.

The Fast + Easy terminal has become an integral part of Hanscom FCU's branch strategy. "We're moving towards advice-based services, as part of our commitment to members' financial well-being," Marotta stated.

The terminal solved a number of technical issues. Its stand-alone platform doesn't require integration into the credit union's processing system, making it ideal for both shared branching and member transactions.

Officials knew the terminal would be a success with members. "We have an exceptionally savvy group," said Sprague. "When we introduced online services, they saw the benefit right away, and cheered on each innovation in that area. This is a unique way for us to use technology for our members' benefit."

The JFK branch is only the beginning. Hanscom FCU officials have already planned for another Fast + Easy terminal for a newly constructed branch at their location in Devens, MA.

NOTES ON DEFENSE CREDIT UNION PEOPLE IN THE NEWS...

Walt Overholser, Community Development Manager at Wright-Patt CU, OH was named Vice President of the Beaver-creek Chamber of Commerce. Mr. Overholser will begin his duties as Vice President in January 2006, and will serve as the Chamber President for a one year term beginning in January 2007...Aberdeen Proving Ground FCU, MD has hired **Terry Coldiron** as the Vice President of Member Lending Services, and **Maureen Bruneau** as the Mortgage Operations Manager, to lead its Home Loan Center in Bel Air...Ent FCU announces the promotion of four Service Center managers. **Pamela Kastrava**, an Ent employee for over six years, is being promoted from center supervisor at the Centennial location to manager of the Woodland Park Center. Lisa Hill, who started her Ent career in 1988, will manage Ent's new Stetson Hills Center when it opens in December after five years of running the Jet Wing Center. **LaShae Woodard** will be the new manager at the Jet Wing Service Center after sixteen years with Ent, most recently as manager at the Woodland Park location. **Cindy Abrams**, a senior member service representative and an Ent employee for three years has been promoted to center manager at the Centennial Boulevard location...Scott CU, IL recently promoted **Lori Johnson** to Assistant Manager of their Edwardsville office. Lori has been with the credit union for over two years. Throughout her time at Scott CU, Lori has held the positions of Teller, Member Service Representative, and most recently, Acting Assistant Branch Manager. Lori holds a Bachelors Degree in Business Management from Southern Illinois University at Edwardsville... **Denine Messersmith** has been named Vice President of Real Estate Lending of NRL FCU, MD. She brings over fourteen years of mortgage experience to her new position. Prior to the promotion, Denine was the Mortgage Manager of NRLFCU... Scott CU recently hired **Susan Mears** as Vice President of Mortgage Lending. Susan has more than 30 years experience in the mortgage business. She has worked with savings and loans, banks, mortgage companies and most recently she served

CEO UPDATE *continued from page 6*

- n) supported the on-going efforts of the Fisher House, the Pentagon Memorial Fund, Children's Miracle Network, and the National Credit Union Foundation.
- o) worked with the Armed Forces Financial Network (AFFN) throughout the year conducting Command visits and regional presentations. Furthermore we greatly assisted AFFN by coordinating and assisting their efforts at the Pentagon. The DCUC/AFFN partnership is rock-solid, and as a co-owner of AFFN we remain actively engaged in the network with three seats on the Board of Directors.

In addition to addressing your needs at the Pentagon, as many of you already know, we conducted a first rate conference in Charleston, South Carolina and pulled together a quality Roundtable Session at Defense Issues 2005 in Washington, D.C. We assisted in the Overseas and Midwest DCUC Subcouncil meetings this past spring and summer, orchestrated yet another successful DCUC Hall of Honor Induction ceremony, and coordinated the fund raising efforts for the George E. Myers (GEM) scholarship fund and awarded two GEM scholarships in February.

Busy year? You bet...but a productive year to say the least!

Our membership and financial picture remain strong and your DC staff and Board of Directors remain committed. Committed to be your advocate. We are proud of that role, and we pledge to continue to be your one effective and respected voice at the Pentagon.

Thank you for your overwhelming support this past year. As you celebrate this holiday season, please keep the victims of Katrina and our troops and their families in your thoughts and prayers. Enjoy and be merry, but above all else, please be safe!

Now Taking Applications for GEM Scholarships!

In 1996 the Defense Council set in motion the establishment of the George E. Myers Scholarship Fund. The Fund's purpose is to provide scholarships and enhance the professional knowledge and leadership skills of management, volunteers and staff of DCUC member credit unions. It is time now to apply for the 2005 Scholarship, and we hope you will encourage your personnel to apply. Visit www.dcuc.org for a Scholarship Application form, Award Criteria and Administrative Guidelines and guidelines for completion of the application form. Interested management and staff personnel should complete the forms and return to DCUC by December 30, 2005. This is an excellent opportunity to further enhance the professional development of your staff...and a great way to attend the DCUC Conference in 2006. Don't let this opportunity slip; advise your folks of the GEM Scholarship today!

for eight years as Mortgage Manager for 1st Advantage Federal Credit Union in Newport News, Virginia... ABNB FCU, VA is pleased to announce that **Madeline Busch**, Vice President of Marketing, has been elected to the Hampton Roads Chamber of Commerce Board of Directors for the Chesapeake Division. Ms. Busch, who has been affiliated with ABNB FCU for the past seven years, the last five in her current position, will serve on the Board from January 2006 – January 2009... Alaska USA FCU, AK is pleased to announce the appointment of **Thomas Gomez** and **Marco Mindemann** as branch managers at two of its newest seven-day-a-week branches in the Seattle area. Gomez is the manager at the Kingsgate branch Kirkland and Mindemann is the manager at the Overlake branch located in Bellevue... Ent FCU, CO announces the

addition of **Kevin Bailey** to its investment services department. Kevin joins Ent as an investment services representative registered through CUSO Financial Services, L.P. (CFS). He will be responsible for evaluating member needs, making recommendations on appropriate investments and coordinating the purchase of stocks, bonds, mutual funds, annuities, etc... **Judith Searles-Miller** has been appointed to serve on the Fort Belvoir FCU, VA Board of Directors. Ms. Searles-Miller has been a Member of FTBFCU since 1990 and was appointed to the Supervisory Committee of FTBFCU in 2004. "She is a dedicated volunteer with FTBFCU," stated **Pamela Boyer**, Chairman of the Board of Directors, "and we are fortunate she is willing to share her expertise and time to support the mission of this credit union."...



Left to right: Tracy Hennigan, Vice President, Randolph-Brooks FCU; SSG Jinny Rosado; Inge Godfrey, Manager, Fisher House BAMC Fort Sam Houston, Texas. Photo provided by AFFN

Randolph-Brooks FCU and AFFN Present \$1,000 to Fisher House

John Broda, AFFN Executive Vice President

Randolph-Brooks FCU in partnership with AFFN, presented a donation in the amount of \$1,000 to the Fisher House at Brooke Army Medical Center, Fort Sam Houston, Texas. Tracy Hennigan, Vice President, Randolph-Brooks FCU, made the presentation to SSG Jinny Rosado and Inge Godfrey, Brooke Army Medical Center Fisher House Manager, who accepted the gift checks. The check recipients are military families who are staying at the Fisher Houses during this holiday season. The gift checks are redeemable at any Department of Defense Commissary.

CUES Names Maslak Executive of the Year

Heather Gormsen, Marketing Specialist

North Island CU President/CEO Mike Maslak has walked away from this year's CUES CEO Network as the 2005 Executive of the Year. Recipients of the CUES Executive of the Year award must show exceptional leadership skills; be committed to professional development; contribute successfully to their credit union, CUES and its Councils; and actively participate in civic and community affairs. CUES Future Leader nominees are evaluated on their accomplishments within their credit union and the movement in general; contributions made to CUES and its Councils; level of professional development and education; a letter of recommendation from his/her CEO; and community contributions. In addition, judges review the details of a single problem-solving plan which was developed, led and put into action by the nominee.

DCUC 2006 dues statements are in the mail. It's time to renew your membership in the Defense Credit Union Council!

Defense Credit Union Council
601 Pennsylvania Avenue, N.W.
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