



# Louisiana Credit Union League

October 26, 2011

eNews is a weekly publication provided by the Louisiana Credit Union League.

## Headline News

### Nominee chosen for NCUA Board

President Barack Obama has announced his intent to nominate D.C. Federal Credit Union President/CEO Carla León-Decker to become a member of the National Credit Union Administration (NCUA) board. Gigi Hyland, whose six-year term on the NCUA board technically ended in August, congratulated León-Decker, saying the credit union executive "has extensive knowledge of the credit union system" and will "bring her acumen to the regulatory realm."

NCUA Chairman Debbie Matz said León-Decker "will bring valuable perspectives to the NCUA Board—particularly her inspiring commitment to providing affordable financial services for recent immigrants, low-income families, and many people of modest means."

León-Decker served as Operations Manager and, later, as president/CEO PAHO/WHO FCU between 1994 to 2000, and also served as branch manager of Transportation FCU between 1988 and 1994. She is also a credit union development educator and director of the Network of Latino Credit Unions & Professionals.

Her nomination is subject to congressional approval.  
(source: CUNA's NewsNow)

### USA Today charts largest banks, credit union fees

USA TODAY's attempt to compare fees at the ten largest credit unions and ten largest banks showed credit unions to the advantage, with most credit unions charging no fees or fees significantly lower than banks, reported the newspaper Friday.

"Credit unions fared better than banks," the nationwide newspaper said, which pointed out that the "hullabaloo about Bank of America's decision to charge customers a monthly debit card fee has prompted many consumers to take a hard look at the cost of their bank accounts." It noted that identifying and comparing fees on banking websites is difficult and often takes a little digging.

The newspaper analyzed the cost of opening a basic checking account at the ten largest credit unions and ten largest banks, and featured a large chart outlining each institution's lowest-cost account, minimum amount needed to open an account, the monthly fee, early closure fees, ATM fees outside their network, whether they waived out-of-network ATM fees, and their debit card fee.

Three of the banks charge a debit card fee: BofA charges \$5; Wells Fargo charges \$3 and SunTrust charges \$5. Other banks charged none, and all the credit unions charged no debit card fees. Eight of the banks, compared to four of the credit unions charged a minimum to open an account. All banks charged fees for using an ATM outside the institution's network and fees ranged from \$2 to \$2.50 per transaction. Several of the large credit unions did not charge that fee, and most of those that did charged \$1.

### [Fees for the 10 Largest Banks & Credit Unions](#)

(source: CUNA's NewsNow)

### Prepare for Bank Transfer Day

### ***Resources now available***

Credit unions are gearing up for Bank Transfer Day on November 5, when consumers nationwide will re-invest in their local communities by transferring their funds from big banks to community financial institutions. To help prepare Louisiana credit unions, the League has provided the following resources on our website:

- Bank Transfer Day talking points;
- model press release;
- a "ready sheet" to help credit unions prepare; and
- a Q & A to address banker myths.

[Click here](#) to access these resources.

Among other steps, credit unions are encouraged to:

- have switch kits or other switch support ready;
- extend business hours on Nov. 5; and
- reach out to local media.

Credit unions are also asked to collect stories from consumers who join their credit unions on November 5 and share them with the League. Stories may be e-mailed to Lacey Hyer, Director of Communications, at [lhyer@lcul.com](mailto:lhyer@lcul.com).

### ***About Bank Transfer Day***

Kristen Christian, a 27-year-old small business owner, created Bank Transfer Day to push back against fee hikes recently instituted by big banks. According to the event's Facebook page, which has more than 60,000 confirmed attendees, consumers are called to: research their local credit union options; open an account with those that best suit their needs; cancel automatic withdrawals and deposits and transfer their funds; and close their bank accounts on or before Nov. 5.

Bank Transfer Day has generated a significant amount of nationwide media coverage, drawing positive attention to credit unions. Credit unions are already starting to see an increase in members and deposits, ahead of the well-publicized November 5 date. (Link to the facebook page: <http://www.facebook.com/#!/Nov.Fifth>)

### ***NCUF releases non-prime auto loan toolkit Free toolkit can help CUs put more non-prime borrowers into automobiles***

Credit unions trying to boost their auto loan portfolios now have an added aid, a Non-Prime Auto Loan Toolkit, recently released from the National Credit Union Foundation's REAL Solutions program.

Many households are struggling financially and a dependable automobile can be the key to having a job or having a better paying job. Many of these households may look at the corner buy-here-pay-here auto lot as their only option and find themselves caught in a costly loan and an unreliable car.

"There is tremendous opportunity for credit unions to reach out to this market that has been mis-served by predatory and non-traditional lenders," writes Nancy Pierce in the toolkit's introduction. "The estimated size of the non-prime auto market ranges from \$100 billion to \$200 billion. Yet, as credit unions put more non-prime borrowers into automobiles, they need to do so prudently and with clear understanding of the increased risks they are undertaking."

According to the Annie E. Casey Foundation, 88% of American workers drive to work and two-thirds of jobs are located in suburbs. Relying on public transportation, if available, can double commute time. In fact, the Annie E. Casey Foundation reports that not having a car is the single biggest barrier to escaping poverty.

The new toolkit is designed to help guide credit unions through some of these dangers. It also suggests Enterprise Car Sales as one option for a quality car at a good value. The toolkit provides underwriting

guidelines, techniques to mitigate risks, pricing guides, credit union examples, and a loan portfolio management guide.

"Prudent pricing for non-prime auto loans can boost a credit union's bottom line," notes Pierce. "It also simultaneously fulfills a social and economic need by provide consumers with the economic mobility that comes with the mobility of affordable, reliable wheels."

The toolkit is available to credit unions free of charge at [www.realsolutions.coop](http://www.realsolutions.coop).

## EFT Services

### ADA compliance...are your ATMs ready?

The March 15, 2012 deadline for compliance with the final ruling on new accessibility standards under the Americans with Disabilities Act (ADA) for automated teller machines (ATMs) is fast approaching, and some credit unions still have many unanswered questions. There is much confusion out there on what is actually required, and credit unions are getting bombarded with information from current and prospective ATM vendors and suppliers.

The new regulations are complex, and completely understanding the details and implementation procedures has been overwhelming for many credit unions. Since the final regulations were announced, the Louisiana Credit Union League (LCUL) EFT Department has worked closely with FIS and our program members to ensure that our members are fully compliant. We assist credit unions on a regular basis regarding the necessary steps that must be taken to be in compliance with this new rule. The most common question asked is whether or not an existing ATM will need to be upgraded or replaced. Other questions we have had to resolve in order to certify that our members were compliant include:

- Is the current software updated to allow for the new regulations?
- Will the current connection run with the new software updates?
- Does the ATM need new hardware such as keypads or audio jacks?

While March 15, 2012 may seem far away, the reality is that a significant number of ATMs will also need be replaced or upgraded and this can be a lengthy process, leaving many vendors and processors limited on time. Any ATMs that are not compliant by this date could result in a penalty of up to \$55,000 for the first offense.

For more information related to the ADA Compliance Update, please don't forget to visit [Infosight](#), your dues supported compliance source.

For further EFT Info or more information on our programs please contact us at [eft@lcul.com](mailto:eft@lcul.com).

### EFT Statement Reconciliation

Efficient account reconciliation is vital for auditors to determine the accuracy of a company's financial statements and to ensure compliance with regulatory/statutory requirements. Outsourcing your statement reconciliation process is a wise option as it can help reduce the time you spend manually reconciling your accounts, as well as ensuring accurate financial reports.

Why not consider outsourcing those services to a well qualified team of accounting personnel. By utilizing the Louisiana Credit Union League's Statement Reconciliation Services we make the process as easy as 1, 2, 3!

Contact Shannon Morneault at (504) 736-3650, ext. 3006 or [smorneault@lcul.com](mailto:smorneault@lcul.com) to get started!

## News from CUNA Mutual

### CUNA Mutual Mortgage Insurance Company pledges service

CMG Mortgage Insurance Company (CMG MI) responded Friday to the Maricopa County, Ariz., superior court order directing the Arizona Director of the Department of Insurance to take possession and control of PMI Mortgage Insurance Co. (PMI).

PMI currently owns a 50% stake in CMG MI, the other 50% being owned by Madison, Wis.-based CUNA Mutual Group.

CMG MI's executive leadership emphasized that the company's operations remain strong despite this announcement, and that the company's focus on credit unions' mortgage insurance needs is unaffected. CMG MI is a stand-alone, corporate entity with its own capital and dedicated staffing from its shareholders. Arizona's regulatory action with PMI has no impact on CMG MI's operations and claims-paying activities.

"We remain dedicated to providing the same excellent service credit unions have grown to expect from our company," said Kim Shaul, CMG MI senior vice president and co-general manager.

"In addition to the company's solid operating performance and financial strength, CMG MI continues to enjoy the strong support from its joint venture partner CUNA Mutual Group," said Sean Dilweg, CUNA Mutual Group vice president. Dilweg reiterated earlier statements that: "CMG MI will continue to benefit from CUNA Mutual's management and financial strength as well as PMI's ongoing operational services and expertise. The company is committed to serving credit unions over the long term."

The following are key factors supporting CMG MI's solid financial position:

- CUNA Mutual Group's statutory capital, which grew to \$1.45 billion through June, up \$30 million from year-end 2010. The company holds an "A" (Excellent) A.M. Best financial strength rating with a Stable Outlook.
- As of the last available reporting period, June 30, CMG MI had among the industry's strongest financial and operating ratios, including a risk-to-capital ratio of approximately 19.7:1 and the industry's lowest portfolio delinquency ratio at 5.3%.
- As a separate legal entity, CMG MI's investment grade ratings--BBB from Standard & Poor's (S&P) and BBB from Fitch Ratings (Fitch)--are based primarily on CMG MI's own capital, operating performance and loss mitigation efforts, independent of our shareholders. CMG MI's Standard & Poor's rating was reaffirmed in September, while the Fitch rating was affirmed in July of this year.

As of June 30, CMG MI enjoyed a strong two-to-one liquidity-to-reserves ratio, one of the highest in the mortgage insurance industry, with claims-paying resources, backed by cash and readily marketable securities of \$328 million. This liquidity compares favorably to the company's \$171 million in loss reserves for claims as of the end of second quarter 2011.

## Young Professionals Network

### Young Professionals to meet with CUNA Board Chair

The Baton Rouge Chapter of the LCUL Young Professionals Network will be holding their first official meet-up on Wednesday, November 16th in the Beauregard room at the Baton Rouge Marriott located at 5555 Hilton Ave (formerly BR Hilton). We are excited to have CUNA Board Chair Harriet May on hand to address the group.

Networking begins at 7:15 a.m. with Ms. May speaking at 8:00 a.m. Breakfast buffet will be available for \$15/person. Please RSVP to Brett Reynolds at [breynolds@neighborsfcu.org](mailto:breynolds@neighborsfcu.org) by Friday, November 11th.

## Chapter News

### Baton Rouge Chapter hosts special meeting: CU.2.Nite

Join the Baton Rouge Chapter for an evening of food, friends, and comedy in support of CULAC (Credit Union Legislative Action Committee). CUNA Board Chair Harriet May will serve as the evening's guest speaker. Entertainment will be provided by Cajun Humorist Kent Gonsoulin whose unique brand of clean Cajun humor keeps audiences laughing across the south.

The event is scheduled for Tuesday, November 15 at Ashley Manor from 6:30 p.m. - 9:30 p.m. The cost to attend is \$50/person or \$375/table of eight.

If you would like to attend, please contact Kristen Montgomery, Baton Rouge Chapter Secretary, at [kmontgomery@lausafcu.org](mailto:kmontgomery@lausafcu.org) no later than November 1.

## In the News

### Louisiana CUs celebrate International Credit Union Day!

#### ***Alexandria Chapter***

The Alexandria Chapter celebrated ICU Day by holding their annual Children's Miracle Network (CMN) dinner at St. Francis Cabrini. Representatives from CMN were presented a check for over \$3,300 by Chris Chellette, President/CEO of Valex FCU and organizer of the annual CMN golf tournament.

#### ***E FCU***

For the past several years, E FCU has done a variety of activities focused on member appreciation. This year, the credit union decided to step up their game and expand their reach beyond the membership. The project plays off the ICU Day theme of "Credit Unions Build A Better World" and also goes hand-in-hand with Liberty Mutual's TV image campaign which shows community people "paying good deeds forward". The idea is two-fold:

1. A call to members to take photos of themselves in some activity that makes their community/neighborhood a better place. Members submitted photos that were posted on the credit union website the week of International Credit Union Day. One daily winner was selected and the credit union donated \$100 to their favorite charity in their name.
2. A Grant Challenge where members submit an idea on how they could make "their world" (community) a better place if they had the funds. The theme would be "It doesn't take a lot to make a BIG difference." Written submissions included the following information: idea explained; resources needed; impact to community. On November 1, three (3) winners will receive \$250 each. Each winner will be partnered with branch staff to make their idea a reality.

Liberty Mutual is partnering with E FCU on this effort and is sponsoring the Grant Challenge. Senior management will review the Grant applications and select the three winners.

#### ***East & West Orleans Chapters***

A team from the East & West Orleans Chapters of the League participated in the Susan G. Komen Race for the Cure Breast Cancer Walk on Saturday, October 22 in City Park. They had over 180 registered for the event. After the race, the chapter hosted a silent auction in the team tent to raise money for the cause.

#### ***Lafayette Chapter***

The Lafayette Chapter celebrated International Credit Union Day on October 20, 2011 by hosting a Chili Cook-Off for staff and volunteers of area credit unions. Speakers for this year's event were Sidney Parfait, CULAC Chair and Connie Major, Louisiana Credit Union League.

Four teams competed in the chili cook-off including Acadiana Medical FCU, Enterprise Car Sales, First Pioneers FCU, and Lafayette Schools' FCU. Judges' Choice winner was Enterprise Car Sales who donated their \$750 cash award to CULAC. People's Choice winner was Lafayette Schools' Federal Credit Union, who also donated their winnings to CULAC.

### ***Lafayette Schools' FCU***

Lafayette Schools' Federal Credit Union celebrated International Credit Union Day on October 20, 2011 by thanking members and staff. Members enjoyed refreshments, Halloween treats, identity theft and credit score literature and new deposit bags. Several members even threw away their "bank logo" bag when they received the credit union bag. Staff members took part in a pumpkin decorating contest judged by a representative from Fiserv. First place was awarded to the Mortgage Department for their Lafayette Ghouls' Federal Credit Union pumpkin and its unique story.

### ***Monroe Chapter***

The Monroe Chapter celebrated on October 11 with guest speaker Jan Hargrave, body language expert. There were over 180 CU professionals and volunteers in attendance at the event, which was held at the West Monroe Civic Center.

### ***Pelican State CU***

Pelican team members from different departments and branches came together in a video to showcase how "Credit Unions Build a Better World." Pelican sent the video to all team members on Monday, October 17 and encouraged them to share the video with their family and friends. A banner linked to the video is displayed on the homepage of Pelican's website ([www.pelicanstatecu.com](http://www.pelicanstatecu.com)). The video will also be posted on Pelican's Facebook and Twitter on International Credit Union Day.

Facebook: [www.facebook.com/PelicanStateCreditUnion](http://www.facebook.com/PelicanStateCreditUnion)

Twitter: [twitter.com/#!/PelicanStateCU](https://twitter.com/#!/PelicanStateCU)

Video Link: [www.youtube.com/watch?v=IJZ0s\\_fCdw](http://www.youtube.com/watch?v=IJZ0s_fCdw)

### ***Shreveport Chapter***

The Shreveport Chapter had over seventy CU volunteers and professionals in attendance on October 20 to celebrate International Credit Union Day. Chapter President Patrick Gullat introduced a representative for the Cyber Innovation Center, who gave a most enlightening talk about how this facility attracts the top technology talent in the world and is a driving force for the area economy.

### **Louisiana FCU raises \$2600 for Susan G. Komen**

In observance of Breast Cancer Awareness Month, employees of Louisiana FCU raised \$2600 for Susan G. Komen for the Cure. The funds were collected by dressing down in pink attire and by hosting a sweet auction. The live auction, which took place at a staff meeting, featured baked goods donated by employees. Staff members placed bids on cakes, cookie bouquets, brownies and more. They raised over \$1400 in less than an hour.

"Breast cancer affects so many women - and men, too," said Louisiana FCU Chief Administrative Officer, Mia Perez. "Every penny we can raise to help bring awareness to such a violent disease is one step closer to a cure. As an organization, we're proud to support that."

In addition to their fundraising efforts, Louisiana FCU partnered with members of Louisiana Credit Union League to form a team for the 15th Anniversary Race for the Cure. The race, held on October 22 in City Park, featured a 1 mile walk and a 5K race.