



Headline News

Registration confirmations sent out

LCUL's 2010 Annual Meeting & Convention

Confirmation emails were sent out Tuesday, July 20 to all those who have registered for LCUL's 2010 Annual Meeting & Convention. If you did not receive a confirmation email and have registered for convention, please email convention@lcul.com or call 800-452-7221, ext 3020. Detailed convention information is available online at www.lcul.com.

We look forward to seeing you in paradise!

'Mad City Money': a simulation for high school students

LCUL's 2010 Annual Meeting & Convention

Mad City is a mythical town where teenagers learn how to live on a budget. It's a simulation a few years into the future where they are newly employed, have families, and a myriad of new financial responsibilities.

However, for one day only, YOU get to try the program out and be entered for a chance to win the complete program for your credit union! This is your credit union's chance to help educate today's youth (and your potential members) on the importance of sound money and financial responsibility.

Join us on Thursday, August 5th during LCUL's Annual Meeting and Convention from 11:30 a.m. - 1:30 p.m. The cost to participate in this breakout session is included in your convention registration. However, we ask that you pre-register to participate. Spaces are Limited, so register today. Go to www.lcul.com and click on the convention banner to the right for registration.

CUNA announces call for entries for 2010 Community Credit Union of the Year

CUNA invites credit unions to submit entries for the 2010 Community Credit Union of the Year Award, recognizing the outstanding work being done by community credit unions across the country.

Awarded annually, this year's competition will recognize four award-winning credit unions that excel in the advancement of the ideals of the credit union movement, are active in their communities, and provide a wide array of services that meet the needs of their diverse communities.

Winners will be announced at an award luncheon during the 2010 CUNA Community Credit Union and Growth Conference in Boston, MA October 6 - 9. To learn more about 2010 CUNA Community Credit Union & Growth Conference and to register, visit community.cuna.org.

For more information on the award and to submit an entry, visit community.cuna.org or email mmccrary@cuna.coop. Entry deadline is August 20, 2010.

Make sure you have the facts about Reg E before discounting its impact

By John M. Floyd,

Chairman/CEO of John M. Floyd & Associates

In a survey conducted by The Nielsen Company in March of this year, 2,013 respondents weighed in on the likelihood that they would opt in to an overdraft program. Of the consumers surveyed, 26 percent said they would opt in; 22 percent would not and a majority; 39 percent, were undecided.

Similarly, some financial institutions are hesitant to implement an opt-in strategy because they don't think they will be impacted by the restrictions imposed by Reg E's ruling on paying overdrafts on ATM and one-time debit card transactions. Or, they have decided that they will just "take the hit" because they don't believe it will have much of an effect on their bottom line.

Unfortunately, this strategy could lead to a loss of as much as 60 percent of NSF/OD income caused by force pay or pre-authorized debit transactions. Following are three common scenarios that demonstrate how the loss of force pay income can happen and create a negative impact on your credit union:

Myth:

1. Your institution does not offer overdraft limits at the ATM/POS...*so there is no risk for income loss.*
2. Your institution has online, real-time processing for handling ATM/POS transactions...*so there is no risk for income loss.*
3. Your institution has online, real-time processing and does not offer overdraft limits on ATM/POS channels...*so there is no risk for income loss.* \

Fact:

If your debit card network rules require your institution to pay an authorized debit card transaction that overdraws a member's account and you don't have permission to charge a fee for that service, your income will be impacted due to the loss of force pay income.

The volume of that income loss can be as high as 60 percent of your NSF/OD income.

While there is still much confusion in the marketplace about the implications of new regulations, you know that your members expect you to provide the services they need to maintain financial stability. And, you know that your credit union needs a strong bottom line to compete in the marketplace. A disclosed overdraft program can be a real benefit for both your members and your institution.

File: new payment mix about market share

The new payment mix, or the different ways consumers choose to pay for goods, is more about market share than about which payment dominates or will dominate, according to the Filene Research Institute. Credit unions need to recognize that a complex mix of payments--from debit cards to credit cards, each attuned to the context and convenience of the purchase--is here to stay, Filene said.

Debit cards have been used by more than half of U.S. households for barely a decade, and there is no evidence that a peak in debit use is imminent--although changes to interchange rules could affect those trends, Filene said.

Filene also noted:

- Intensive credit card users have higher incomes and higher debt levels than those with neither card and those with only debit cards. Intensive users also have higher household net worth and a higher net worth to income ratio;
- Intensive debit card users are generally younger. Debit-only users decrease by age, from 29% of 18- to 29-year-olds to just 7% of those over 70. Conversely, credit-only users increase by age, from 29% of 18- to 29-year-olds to 49% of those over 70; and
- The fraction of households using electronic billing has grown much faster than those for earlier technological innovations.

(source: CUNA's NewsNow 7/16/2010)

MBLs could be front and center in Senate

The Senate resumed discussion of the small business lending bill on Monday, and Sen. Mark Udall (D-Colo.) still hopes that legislation that would lift the member business lending cap for credit unions to 27.5% of total assets can be added to that bill.

The small business legislation would provide \$30 billion in funds that small banks could then lend to small businesses.

The Credit Union National Association (CUNA) is backing Udall's amendment, and CUNA has also asked credit unions and credit union leagues to urge their senators to support the legislation. CUNA President/CEO Bill Cheney this week will meet with several key lawmakers to seek their support for the MBL provision.

Udall's legislation has the support of Democratic, Independent, and Republican senators, with Sen. Susan Collins (R-Maine) becoming the latest legislator to back the bill on Monday.

CUNA's Vice President of Legislative Affairs Ryan Donovan said that it is "vital" that the Senate version of MBL legislation has "the same level of bipartisan support that the House version of the bill has." Similar legislation that was introduced in the House by Rep. Paul Kanjorski (D-Pa.) currently has 123 cosponsors, including 33 Republicans.

CUNA has estimated that lifting the MBL cap, a move that has been endorsed by groups as disparate as the National Association of Manufacturers and Americans for Tax Reform, would create over 108,000 new jobs and inject over \$10 billion in funding into the economy.

The small business legislation and, potentially, Udall's member business lending bill, is expected to be one of the many items on the docket this week, as the Senate recently completed its work on comprehensive financial regulatory reform.

(Source: CUNA's NewsNow 7/20/2010)

In the News

Helen Godfrey-Smith earns international designation

During the 1 Credit Union Conference last week, members of NCUF's Development Educator program who had earned their International Credit Union Development Educator designation were recognized during a special ceremony. Helen Godfrey-Smith, President/CEO of Shreveport FCU, was one of thirteen individuals earning the special designation.

The 1 Credit Union Conference was a one-time joint event. In 2011, CUNA will host its America's Credit Union Conference in San Antonio, Texas from June 19-22 and WOCCU will host its World Credit Union Conference in Glasgow, Scotland from July 24-27.

Kristin Reedy wins \$100 VISA gift card

Congratulations to Kristin Reedy from Jefferson Financial CU in Metairie. Kristin won the drawing for a \$100 Visa Gift Card by submitting feedback on the new LCUL website (www.lcul.com) Congratulations, Kristin!

Educational Opportunities

How your credit union can be more attractive to young people (teleconference)

They are tired of being marketed to. If you invade their social media spaces, they are turned off. If you are fortunate enough to extract a slice of their attention span from their text messaging and iPods, your message better be quick, to the point, fun and meaningful. "They" are our credit unions' future - Generation Y. And whereas attracting them as members and, more significantly, obtaining their business is a challenge, it doesn't have to be as daunting as it may appear.

Join us on Tuesday, July 27, 2010 from 10-11:00 am for an informative 1-hour teleconference that will provide some clues and suggestions to help enhance your visibility and make your credit union the financial institution of choice for young adult members. This session will be presented by Nancy Pierce, Ph. D., a 25-year veteran of the credit union industry, who has served as president of Mazuma Credit Union in Kansas City and Chairwoman of both the Missouri Credit Union Association and the Credit Union National Association.

The cost of this program is only \$129 for one phone connection. As a value-added feature for this session, we will be audio archiving it for 30 days following the seminar. You may access the archive by clicking on the following link beginning 48 hours after the session and using the same PIN you used to access the live call. For more information or to register, visit our website at www.lcul.com or contact Christopher Johnson at

800-452-7221 ext. 3012 or education@lcul.com.