



# Horizons

Vol. 11 No. 1

January, 2007

## *Congressman Frank incoming Financial Service Committee Chair to speak at GAC*

**U**S. Representative Barney Frank (D-Mass.), incoming chairman of the House Financial Services Committee, will join the list of speakers for the 2007 CUNA Governmental Affairs Conference (GAC) in Washington, D.C. The event happens February 25-28, 2007. Frank is scheduled to speak Tuesday afternoon, February 27. Capitol Hill visits are slated for Wednesday, February 28. The 13-term congressman will lead the committee in January after the Democrats' gained majority control of the House in the November election. During an interview this fall with *Credit Union NewsWatch*, Frank said of this year's just enacted regulatory relief bill, "I will make it a very high priority—one of my highest priorities—to enact all of those provisions of the bill that we sent to the Senate which the Senate rejected."

Also scheduled to speak during the conference are the following speakers: Senator Joseph Lieberman (I-CT); Michelle Singletary, *Washington Post* Columnist; and Brit Hume, *FOX News'* Washington, D.C. Managing Editor.

Now entering his fourth term representing

Connecticut in the U.S. Senate, Joe Lieberman has earned a national reputation as a thoughtful and principled legislator. He is perhaps best known as the Democratic candidate for Vice President in 2000. Senator Lieberman believes in economic policies that spark business growth, encourage innovation, open the doors of opportunity for all, expand markets for American products, and keep the government's budget in balance.

With a sassy, no-nonsense style, Michelle Singletary provides answers to the financial issues that confront almost every household: how to teach children the value of money; how to address money issues in a relationship or marriage; saving money; and getting the best loans. Her popular personal finance column, *The Color of Money*, appears in more than 120 newspapers. Her book, *7 Money Mantras for a Richer Life: How to Live Well With the Money You Have*, is about saving enough money to have choices.

With more than 35 years of journalism experience to draw from, Brit Hume serves as anchor of Special Report with Brit Hume, the

highest rated political program on cable television. He also serves as a panelist on the weekly public affairs program, *FOX News Sunday*. In addition to covering major political stories and contributing news analysis to *FOX News Channel*, Hume is responsible for overseeing news content for the Washington, D.C. bureau. Before joining *FOX News* in 1996, Hume was with *ABC News* for 23 years.

After 30 years, 2007 will be the final time the Washington Hilton & Towers will host the CUNA event. It moves to the Washington (D.C.) Convention Center in 2008. So get ready to "Make An Impact" at this year's GAC and for more information or to register please visit: <http://www.cuna.org/events/gac07>



### *President's Message*

*By Daniel F. Egan, Jr.*

**I**f there is a single, universal idea that we can agree to as 2007 gets underway it is that credit unions are, by far, our nation's most consumer-friendly and community focused financial institutions. The credit union movement's century long commitment to the betterment of American families has been clearly

demonstrated by loan rates based on meeting the needs of those families not maximizing profit, our diligence in helping understand how they can improve their financial condition and focusing on the credit union's role as an integral part of the community.

It is our philosophy and heritage that inspires us as we look toward the many challenges of the upcoming year. Margins that continue to shrink, competition from national and international financial companies with unlimited resources, and an ever increasing compliance burden that absorbs more and more

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### *Inside . . .*

**GAO releases report on credit union tax, service**

**IRS decisions on UBIT expected in early 2007**

**CUNA Mutual Group - Plastic Card Fraud**

**CUNA Annual Survey to be mailed in January**

*. . . and more!*



CREDIT UNION LEAGUE



# Legislative & Regulatory Notes

## GAO releases report on credit union tax, service

Recently, the Government Accountability Office (GAO) released its long anticipated report on credit union service to people of modest means and taxation. No legislative recommendations were made in the report, which was released approximately one month after the National Credit Union Administration (NCUA) released its own report on the Member Service Assessment Program. Unlike the NCUA report on credit union service to members, the GAO report was intended to have a broader scope embracing not only credit union service to members of modest means, but also applications of Unrelated Business Income Tax (UBIT) to credit unions, NCUA governance issues, and more. The IRS is expected to release UBIT guidance during the first quarter of 2007.

The House Ways and Means Committee originally requested that the GAO conduct their study in the wake of the House panel's hearing on credit union tax status in November 2005. While it provides no legislative recommendations, it suggests that NCUA:

- Systematically obtain information on income levels of credit union members;
- Monitor the progress of credit unions serving low and moderate income individuals;
- Take action to ensure information about federal credit union executive salaries is available to members and the public; and
- Explore and periodically review the benefits of expanding NCUA's three-seat board to five.

Retiring House Ways and Means Committee Chairman Bill Thomas (R-Calif.), in a four-paragraph statement called the GAO report "balanced," but noted that "many questions remained unanswered—reinforcing the idea that the NCUA and credit unions need to enhance their transparency and data collection."

The Credit Union National Association (CUNA) indicated that the GAO study does not demonstrate that credit unions are not doing what Congress intended from the outset, that is; serving middle income working men and women. While credit unions have

expressed a great willingness to reach out to the underserved, CUNA President Dan Mica indicated that field of membership restrictions are restricting credit unions from offering their benefits to a broader population.

National Credit Union Administration Chairman JoAnn Johnson indicated that the agency's report provides a more complete picture of credit union service practices and performance, citing the review of over 14 million member records that were a part of the NCUA study. She indicated that it was encouraging that the GAO study noted the barriers that credit unions face in their efforts to broaden their fields of membership to include additional members of modest means.

Predictably the bank trade groups took the opportunity to use the report to advance their anti-credit union agenda.

A copy of the 110-page report can be downloaded at: [http://www.cuna.org/initiatives/ncua\\_data/download/gao\\_modest-means.pdf](http://www.cuna.org/initiatives/ncua_data/download/gao_modest-means.pdf)

## Fed holds rates steady, credit unions deposit rates peak

As expected, the Federal Open Market Committee (FOMC) decided to keep its target for the federal funds rate at 5.25%—the fourth consecutive time the Fed has held rates steady (*CNNMoney.com* Dec. 12). What does that mean for credit unions? According to the Credit Union National Association's (CUNA) *News Now*, Steven Rick, senior economist at CUNA indicated, "Credit unions have slowed their pace of deposit rate increases since the Federal Reserve halted their rate-raising cycle in August," he said. "Credit union one-year share certificate rates increased only 10 basis points from August through November, compared to a 45 basis point increase during the prior four-month period." Credit union money market account rates rose five basis points in the most recent four-month period, compared to 37 basis points

from April to July," Rick added. "It therefore appears credit unions' deposit rates have peaked and will begin to decline sometime next summer when the Federal Reserve is expected to begin its rate-cutting cycle," he said. The Fed had raised rates 17 consecutive times to keep inflation in check. "Some inflation risks remain," the FOMC said in a statement. However, the committee noted that a "substantial cooling of the housing market" has prompted a slowdown in economic growth. "Although recent indicators have been mixed, the economy seems likely to expand at a moderate pace on balance over coming quarters." Many analysts expect the Fed to begin lowering rates next year as the economy slows. But Fed officials have repeatedly said they want to ensure that inflation remains under control, so a further tightening is possible.



### Horizons

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# IRS decisions on UBIT expected in early 2007

The Credit Union National Association (CUNA) is alerting state-chartered credit unions that the Internal Revenue Service (IRS) may have some unpleasant announcements in store for them in early 2007. That's when the agency is expected to issue its decisions regarding what income it will consider substantially related to a credit unions' tax-exempt purpose and what will fall under unrelated business income tax (UBIT), according to a credit union panel.

A memo from the UBIT Steering Committee to state-chartered credit unions says that it will challenge—even through litigation—portions of the IRS decision that do not “reflect a broad, modern view of what a credit union can and should do to promote thrift.” The committee is comprised of representatives from CUNA, American Association of Credit Union Leagues (AACUL), CUNA Mutual Group, and the National Association of State Credit Union Supervisors (NASCUS).

In its memo, the UBIT group notes that its sponsor organizations have been arguing with the IRS for almost 10 years about what state-chartered credit union income, if any, should be taxed. “We continued those discussions this year and emphasized that IRS should give heavy weight in its decisions to state law definitions of what credit unions should be allowed to do and to the modern practices of the financial services industry,” the group writes.

The steering committee says that, while it was advised that the IRS decision will affirm its arguments about the exemption of several important sources of income, it also anticipates adverse decisions on income from:

- The sale of most insurance and insurance-related products, including annuities for retirement, accidental death and disability (AD&D), health-related insurance, credit life and credit disability, guaranteed auto protection insurance (GAP), and auto warranties;
- The sale of securities products and other investment products, including products related to retirement planning;
- Most ATM fees received from nonmembers; and
- Auto buying referral services designed to benefit a credit union's members.

The industry UBIT group, however, also anticipates the following favorable rulings regarding exemptions from federal taxation for:

- Interchange fees from debit and credit card transactions;

- ATM fees from a credit union's own members and in some limited circumstances from other credit union members;
- Income from the sale of checks to a credit union's members; and
- Income from the sale of collateral protection insurance to a credit union's members.

The steering committee communication advises that each credit union must assess its

situation with its own accounting and legal advisers, but notes the availability of an accounting tool prepared by CUNA's Accounting Task Force. The accounting tool, “Guidance For State-Chartered Credit Unions on Unrelated Business Income Tax (UBIT)”, is intended to provide general guidance to most credit unions facing a UBIT filing for the first time.

## Schaffer joins Balance Sheet Solutions, LLC as Senior Director, Financial Product Sales

Balance Sheet Solutions, LLC (a wholly-owned CUSO of Members United Corporate Federal Credit Union), is proud to announce the addition of Lonnie Schaffer of North Greenbush, NY as a Senior Director of Financial Product Sales.

In his position, Schaffer's responsibilities include the oversight of financial product sales for credit unions primarily located in the Northeast. In addition, he co-develops business unit strategies and sales plans to ensure resources and sales efforts are achieving desired results.

Schaffer formerly served as Senior Vice

President at First Albany Capital where he traded and sold high yield and convertible bonds, as well as other fixed-income securities.

He has been in the financial industry for over 23 years. He attended Boston State College and Upsala College. In addition, he holds his Series 7 and 63 licenses.

Balance Sheet Solutions, LLC, is a wholly-owned CUSO of Members United Corporate Federal Credit Union. The CUSO provides a full range of balance sheet management products geared and designed exclusively for credit unions.



## 2007 Rhode Island Governmental Affairs Day

The Rhode Island Credit Union League's Rhode Island Governmental Affairs Day will be held on Tuesday, January 23, 2007 from 4:00 p.m. to 6:00 p.m. in the Governor's State Room at the State House in Providence. Key Rhode Island lawmakers and Governor Carcieri have been invited to attend and meet with credit unions. This is a wonderful opportunity for credit union staff and directors to network with their elected officials and focus on the cooperative

structure of credit unions, pending legislation, and issues important to our consumer members. Registration materials have been mailed to credit unions and lawmakers. Credit union participation and attendance helps secure lawmaker attendance. All credit unions are encouraged to personally contact lawmakers to invite them to attend. Please contact the League if you have any questions or require additional information.

*Please join us for the Rhode Island's Boys & Girls High School Basketball Championships on Saturday and Sunday, March 10-11, 2007. Proudly sponsored by the Rhode Island Credit Union League, Members United Corporate Federal Credit Union, and the Credit Unions of Rhode Island.*



## Social Responsibility

### People's Credit Union supports Books are Wings

On Saturday October 21, 2006, People's Credit Union held their inaugural Books are Wings book swap celebration. People's Middletown and Wakefield offices sponsored the festivities with snacks, balloons, and books galore! The event was a culmination of a six week book drive held at all of the People's Credit Union branch locations. Members, employees, businesses, and community members rose to the challenge and donated a whopping 1,438 books for this worthy charity. Books are Wings is a statewide nonprofit organization founded to promote reading, literacy, and libraries through community outreach and the distribution of books.



From left to right: Trish North, People's Credit Union; Monique Renaud, director/president, and Dorothy O'Gara, vice president, Books are Wings; Tracy Rothstein and Dante Benedetti, People's Credit Union.

### "Tis the season. . .



Capital City Community Center Development Associate Suzanne Alden (center) accepts gifts from Wave Federal Credit Union's Pat Swanson (left) and President/CEO Paul Archambault.



Unwrapped gifts gathered by Wave Federal Credit Union employees were delivered to Gateway Healthcare, Inc. in Pawtucket. These, along with other gifts, are put on display so that individual social workers may pick out items for their respective clients. Shown left to right are Gateway Marketing/Communications Specialist Leslie DaCruz and Wave Federal Credit Union Pawtucket Office Manager Sharon Castigliero.



## Technology Now

### The Digest *becomes* Compliance Connection, *goes electronic*

Beginning with the January 2007 edition, the League's compliance newsletter *The Digest* will undergo a name change and it will be distributed solely via e-mail to member credit unions. The content of this important publication will not change. For years *The Digest* has highlighted the most important federal and state legislative and regulatory developments for credit unions and *Compliance Connection* will continue that tradition.

This new distribution method is being implemented because of the League's commitment to providing comprehensive and timely compliance information. However, there are a number of advantages in addition to the speed of delivery. For example, it will be easier for you to distribute to appropriate people

within your credit union by simply forwarding the PDF file that contains the newsletter. The PDF file format contains a search function which will allow you to locate the information you need more rapidly. It will also be possible to archive your copies of *Compliance Connection* on your computer, CD, or a credit union server.

League staff has been matching lists and verifying e-mail addresses to ensure that we maintain continuity of delivery. A test e-mail was sent to verify list accuracy. To add staff members to the e-mail list or change e-mail addresses please send an e-mail to [complianceconnection@cucenter.org](mailto:complianceconnection@cucenter.org) detailing the changes.

### League partners with CO-OP Financial Services

The Rhode Island, Massachusetts, and New Hampshire Credit Union Leagues are now partnering with CO-OP Financial Services to promote participation in CO-OP's national surcharge free ATM Network.

"We look forward to a long association with CO-OP," said Al Ricci, executive vice president of New England Credit Union Services. "Our credit unions can now provide their members access to 25,000 surcharge-free CO-OP network ATM's throughout the country. This partnership will provide our credit unions with the tools to compete even more effectively with larger financial institutions."

CO-OP Financial Services (formerly CO-OP Network) is the nation's largest credit union service organization. Wholly-owned by its shareholders, CO-OP provides volume discounts on products and services that include ATM network access and ATM processing.

For more information, please contact Dean Martino, director of business development at [dmartino@cucenter.org](mailto:dmartino@cucenter.org) or 1-800-842-1242.

### Filene: credit unions price deposits, loans differently from banks

Banks consistently price their loans and deposits in a manner that increases income—a pattern that is not followed by credit unions, according to a new report from the Filene Research Institute. In "A Comparison of the Deposit and Loan Pricing Behavior of Credit Unions and Commercial Banks," the report's author, William Jackson III, financial economist and associate policy adviser in the research department of the Federal Reserve Bank of Atlanta wrote that banks tend to price their de-

posits asymmetrically—they lower rates on deposits faster when market interest rates drop than they raise deposit rates when the market rates rise. The asymmetric pricing of deposits is characteristic of commercial banks that aim to maximize profit. They do not drop loan rates as quickly as deposit rates in response to the changing interest climate, however. Although credit unions do lower deposit rates when market rates are falling, they lower loan rates quicker to match the decreasing market rates. This results in lower

average rates on both deposits and loans, maintaining a relatively constant margin between the two rates. "Rates on loans and deposits at credit unions adjust over the interest rate cycle in a fashion that does not appear to be driven by profit-maximization," the report said. To read an abstract of this report please visit: <http://filene.org/publications/detail/e-comparison-of-the-deposit-and-loan-pricing-behavior-of-credit-unions-and-commercial-banks>.

### Northeast CUSO hits \$100 million

In less than 18 months, nine New England credit unions have collectively processed over \$100 million in small business loan applications through Northeast CUSO, a credit union service organization created by credit unions to establish and service small business loan programs.

According to Northeast's COO Rick Slater, the average loan size is under \$125,000, which

translates into a significant volume of applications. "The process for applying and approval is convenient and fast. Business owners receive their loan decision in three days or less." Slater said the majority of applications received are closed.

Northeast CUSO was launched in December 2004. Its current partners include: Workers' Credit Union, Fitchburg, MA; RTN

Federal Credit Union, Waltham, MA; Metropolitan Credit Union, Chelsea, MA; Westerly Community Credit Union, Westerly, RI; Connex Credit Union, North Haven, CT; Charter Oak Federal Credit Union, Groton, CT; HarborOne Credit Union and Crescent Credit Union, Brockton, MA; and Medical Area Federal Credit Union, Boston, MA.



## Agency Update

### *CUNA Mutual Group - Plastic Card Fraud*

#### ***The final impact of plastic card fraud***

The issue of plastic card fraud is having a tremendous impact on the credit union community. It is a costly problem. According to the reports of CUNA Mutual (CMG) policyholders, plastic card fraud-related losses (which include actual fraud losses and losses related to the blocking and reissuing of cards) have cost them more than \$236 million over the past three years; \$89 million in 2005 alone. And it is not a problem that is going away anytime soon: losses in 2006 are already ahead of last year's pace and expected to reach at least \$110 million.

This problem has escalated substantially in the past two to three years. According to an international consultancy group, the United States alone will likely face \$3.2 billion of online credit card fraud by 2007. (*E Commerce Times*, May 25, 2006).

#### ***Failure of the card system, legislation, and the best efforts of law enforcement***

In Congress and in some states, legislation to remedy plastic card fraud and identity theft has been pursued, but with very limited success. Often, merchant businesses and others successfully oppose such legislation. "Banks, credit card companies, and retailers want to make it easy to buy," Bob Hartle, ID Theft Services said. "They write off identity theft as the cost of doing business. So whenever legislation comes up that's going to cost them money, they throw themselves against it" (*New York Times*, May 30, 2006).

While the card system, legislation, and law enforcement have all attempted to remedy the plastic card fraud problem, nobody has been successful because resources are not aligned. Some legal experts say that courtroom action, in suits alleging lax controls of consumer data, may be more effective than legislation or regulatory action in spurring adoption of common-sense, best practice security procedures (*The Wall Street Journal*, July 21, 2005). But litigation takes time with often uncertain and conflicting results.

Beyond insurance, CMG continues to take a leadership role in advocating concepts and

support on behalf of credit unions – through legislative, risk management, and litigation efforts – in response to the growing plastic card problem.

#### ***CMG working with processors***

Working with data/card processors, credit unions and industry experts, CMG has been able to define Plastic Card Security Best Practices. CMG believes that implementing these best practice recommendations is one of the best defenses against fraud and losses. In fact, CMG has seen many major processors within the credit union marketplace make enhancement to their loss prevention tools and resources, such as:

- Installing, outsourcing and implementing fraud management systems; 24/7/365 maintenance with the ability to block cards and decline transactions.
- Making CVV/CVC and/or equivalent for PIN and ATM cards available.
- Utilizing daily dollar and velocity limits.
- Providing monthly reports detailing security tools/features deployed for card programs and BINs.
- Issuing communication that outline their capabilities as compared to our loss prevention requirements, and helping clarify the process for getting the necessary capabilities and tools enabled for customers.

#### ***CMG pursuing legislation***

CMG is leading litigation and legislation efforts to force changes.

- CMG has actively pursued legislative solutions in Congress and in various state capitals to reduce plastic card fraud. They have worked with credit union leagues across the country to support strong disclosure requirements when merchant data security breaches occur.
- Many of CMG policyholders are benefiting from our ongoing lawsuit against BJ's Wholesale and the Fifth Third Bank. CUMIS is leading and paying for the lawsuit on behalf of almost 200 credit unions and itself to recover more than \$5 million in losses due to a merchant breach.

***Update:*** The lawsuits currently in the time-consuming discovery phase which includes exchanging and reviewing documentation from credit unions participating in the suit. The next phase involves taking depositions of the relevant witnesses and has a deadline in early 2007. After the discovery phase closes, both sides have the opportunity to make legal arguments to the courts as to why the judge should rule in their respective favors as a matter of law. If the judge denies those motions, the matter will proceed to trial with the current schedule having the trial occur in the late summer of 2007.

- Additionally, CMG has worked with state leagues to introduce legislation that would specifically ban merchants from retaining magnetic stripe data from the back of consumers' credit and debit cards after a transaction has been processed. They have requested that similar language be included in various federal bills in Congress seeking strong penalties against those who fail to act reasonably to protect sensitive personal data and who thereby expose consumers to the escalating problem of identity theft and compromised personal financial data security.

Specifically this year, CMG Group's lobbyists have:

- Worked with the U.S. House of Representatives' Financial Services Committee to include language in H.R. 3997 that would prohibit merchant retention of data. Although CMG has so far been unsuccessful in getting that prohibition into the language of the bill, the committee report describing the bill did include language directing merchants to stop unnecessary retention of data and urging the FTC to address this problem with appropriate enforcement.
- Met with senior staffers from the Senate Judiciary and Financial Committees to urge them to hold a hearing on the plastic card data loss problem next year. They were quite receptive to this suggestion, and CMG is optimistic that one of these committees will hold a hearing to focus on the problem of improper retention of plastic card data and how that is greatly increasing the risk of personal identity theft.

*Continued on Page 7.*

## League staff celebrates milestones

The League is pleased to recognize the auspicious anniversaries of three staff members. League staff recently celebrated the 20<sup>th</sup> anniversaries of Donna Bevilacqua, Paula Dion and Jack Morrill with a cake and gifts of appreciation.

Donna Bevilacqua joined the League's Public Relations and Marketing department on November 17, 1986. She has performed various tasks in the department since that time including League charities, conventions, and newsletters, and is currently the Public Relations Manager.

Having joined the League on November 24, 1986, Paula Dion, senior vice president of Professional Development and Information, has been giving credit unions insight into their ever changing issues throughout her



*Donna Bevilacqua is overjoyed at the staff celebration for the 20th anniversary honorees.*

tenure with the League. She remains a great resource to both staff and members.

Jack Morrill celebrated his anniversary on December 31. As Vice President of Educational Programming, Jack produces a complex program of educational offerings from one-hour QuickBite sessions to conferences and conventions.

The League staff and directors hope you will join them in congratulating these staffers for their efforts on behalf of the credit unions of Rhode Island.

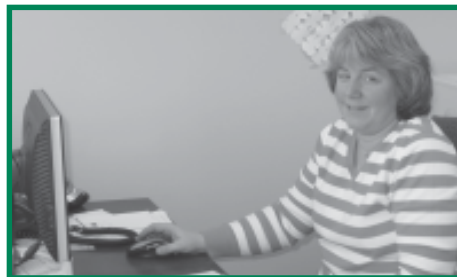


*Everyone is in the spirit of the happy occasion of recognizing the 20<sup>th</sup> anniversaries of League staff members. (Left to right) MA League Chairman of the Board Jim Blake, Vice President of Educational Programming Jack Morrill, Senior Vice President of Professional Development and Information Paula Dion, and League President Dan Egan.*

## Roberts Certified Payroll Specialist

League Controller Dawn Roberts recently completed her ADP Certified Payroll Specialist certificate.

In January of this year, Dawn starts her 18th year of service to the League and our members. The League congratulates her on this accomplishment and for her service.



## HOLIDAY

The League office will be closed on Monday, January 15, in observance of Martin Luther King, Jr. Day. The League's regular office hours are Monday through Friday 8:00 a.m. to 5:00 p.m.

*Happy New Year!*

## CUNA Mutual... Card Fraud

*Continued from Page 6.*

- Encouraged the card associations to move to the PIN & chip technology prevalent in Europe as a more advanced solution to the risk of unsecured personal data on plastic cards. If CMG can get a hearing on the general subject in either the Senate or House, it will be pushing this as an important next step for the card industry in this country.
- Worked indirectly with the FTC to encourage the agency to take a more vigorous enforcement approach to the plastic card data retention problem and to support legislation mandating improved merchant security practices in this regard. Next year, we may see more direct communications with the FTC, particularly if a Congressional hearing is scheduled.

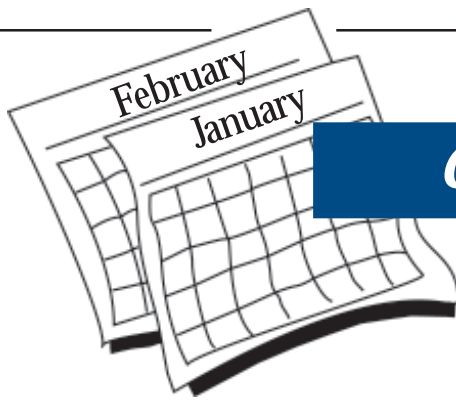
### Conclusion

Together, CMG and credit unions have made significant progress; however, without question, plastic card fraud continues to be on the rise and it is critical that credit unions actively manage their plastic card exposure. Some credit unions fear that plastic card fraud losses threaten their ability to provide competitive card programs for their members, and they are considering selling their card portfolios. Others realize cards are necessary to their vitality and they are finding ways to cope.

Either way, losing the ability to issue plastic payment cards would have devastating impacts on credit unions, including:

- Lost income from both credit and debit card programs would affect the overall health of every credit union.
- Loss of deposit accounts if credit unions cannot offer debit card access to them. In addition, you can expect a negative consumer experience as members, expecting to have debit card access to their deposit accounts, will turn to other credit unions or financial institutions.
- Reduced membership base could significantly harm the vitality of the credit union movement.

CMG remains uniquely committed to continue our advocacy roles by leading a team effort among processors, associations, credit union organizations, and credit unions in order to make coverage viable. For questions on matters relating to this important issue, please contact your CUNA Mutual representative at 1-800-333-2644.



## Calendar of Events

### QUICKBITES

#### (one hour telephone conferencing)

January 11 - Reg CC (2 Hours)

January 30 - Getting Over the Supervisor Blues

February 6 - Home Equity Lending

February 13 - Be a Culturally Ready & Friendly Employer: Insights into a Diverse Workforce

February 22 - Right to Financial Privacy Act

March 14 - Disciplining and Documenting Employees (2 Hours)

March 20 - Top 12 Collection Tips

### 2007 Rhode Island Governmental Affairs Day

January 23, 2007

Rhode Island State House

Providence, RI

### CUNA's Governmental Affairs Conference

February 25-28, 2007

Washington Hilton Hotel

Washington, D.C.

### Rhode Island Credit Union Classic High School Basketball Championships

March 10-11, 2007

URI - Ryan Center

Providence, RI

### It's In the Cards - Plastic Card Forum

March 15-16, 2007

Mohegan Sun

Uncasville, CT

### Spring Conference

March 16-18, 2007

Newport Marriott Hotel

Newport, RI

### Credit Union Employee Boot Camp

March 21, 2007

Credit Union Center

Marlborough, MA

## President's Message - Continued from Page 1.

of our energy. As daunting as the business climate looks, it is important to remember that, throughout our history, credit unions have achieved great things for their members and for the community in the face of adversity.

Like many success stories, ours is one made up of the outstanding efforts of many talented, dedicated and hardworking individuals. What makes the story of the credit union movement unique, however, is the cooperative spirit that has driven it since its inception. By working together, credit unions that are smaller than for profit competitors have brought the consumer cutting edge products and services. Credit unions have also built a proud tradition of pulling together to support less fortunate people of Rhode Island.

The League is, at its core, a reflection of the cooperative spirit of our credit union movement. It is a shared resource that helps each credit union magnify and multiply its power to do good for consumers and the community. Throughout the years, credit unions have relied on the League to work with regulators and legislative bodies to maintain a positive business climate. Our Credit Union

Resource Center is the focal point for interaction with credit unions on a host of business related matters ranging from compliance to strategy to training. By bringing credit unions together through the League, buying power and economies of scale have been maximized over and over again. As a result, credit unions of all sizes have benefited over the years from the research and development work done by the League. Public advocacy and image building for credit unions is another important task that the League has embraced on behalf of the Rhode Island credit union community.

So as we look toward 2007 - and I believe that we have every reason to be optimistic about the upcoming year - I welcome you to continue and expand your cooperative efforts with the League and the credit union community. We should all take every opportunity to work together and work with the organizations that support credit unions and, by extension, the people of Rhode Island.

I thank you for your continued support and look forward to working with you and your credit union in the upcoming year.

## CUNA annual survey to be mailed in January

The CUNA Annual Survey will be mailed out to all US credit unions at the start of January. This survey is used to track new trends in credit union service offerings not covered by the NCUA 5300. The survey allows CUNA to answer questions from the public, government agencies and elected officials. The survey can be completed on the web. Credit unions can sign up to complete the survey on the web using <http://resource.cuna.org/econstat/year-book/qstpre.html>

The time required to complete the survey should be under 10 minutes. We hope that you will be able to spare this time and this way help the movement collect the information it needs to prosper.

If you have any questions about the survey please contact Marc Shafroth at 608-231-4182 or [mshafroth@cuna.coop](mailto:mshafroth@cuna.coop).