



Horizons

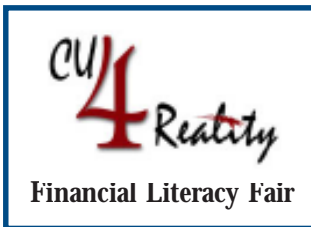
Vol. 10 No. 5

May, 2006

Financial Literacy Fair to teach financial decision-making skills

The first Rhode Island CU 4 Reality Financial Literacy Fair will be held on Wednesday, May 17, 2006 at Credit Union Central Falls in Smithfield. The morning program, hosted by Credit Union Central Falls, is designed to help middle school students learn basic financial management skills.

Spending money has never been easier than it is today – especially for America’s young people. Data indicates that nearly a third of all high school seniors now use at least one credit card. Nearly half use ATM cards. And more than three-quarters have a savings or checking account. But for all the spending options young people enjoy today, there is one check they don’t always have ... and that’s a reality check. Too many students are learning to live beyond their means ... because only a fraction of them is learning to manage their personal finances in school. According to statistics from JumpStart Coalition for Personal Financial Literacy, 2004, just 20% of high school seniors in our



communities graduate with any formal instruction in personal finance (19.5%). And as national surveys show, most students earn a failing grade in financial literacy (65.5%).

The CU 4 Reality Financial Literacy Fair was originally developed in New Hampshire in conjunction with America’s Credit Union Museum after researching other such projects in communities and credit unions. In 2004, the Financial Literacy Education Committee (FLEC) of America’s

Credit Union Museum was established to develop an educational program for the Museum. This program was then integrated into a neighboring middle school’s curriculum and through a partnership with the teachers, the FLEC Committee members, and several local credit unions, the first CU 4 Reality Financial Literacy Fair was held in May of 2005 at the Museum.



act on it, the results can be dramatic if we utilize the cooperative principles inherent in credit unions. Examples of this are clear today in the multiple events that are organized to aid the athletes of the Special Olympics Rhode Island. These philanthropic efforts provide much needed financial support.

On an individual as well as a collective basis, it should occur to us that credit unions can be a strong influence in creating positive change in a number of areas. Financial literacy, first time homebuyers programs and outreach to immigrant populations are but a few of the examples of positive change brought about by credit unions. I would hope that every credit union’s Board of Directors would take time to examine what might occur to them that the credit union could do to improve the community it serves.

Utilizing the program developed in New Hampshire, Credit Union Central Falls will partner with Gallagher Middle School in Smithfield, to pilot a similar concept.

Eighth grade students from Gallagher Middle School will participate in a hands-on event that propels them through the personal financial management process, including career selection, budgeting for housing, transportation, luxuries, and more. The students must calculate their “take-home pay,” and then progress to booths throughout the fair to create a monthly spending plan. The students will visit booths where they must choose an apartment and pay rent, purchase an automobile, purchase insurance, and much more. At the end of the event, students will have learned what it takes to make ends meet from month to month, and will have a better appreciation of the importance of budgeting, financial planning, and making wise purchasing decisions.



President's Message

By Daniel F. Egan, Jr.

The poet, Robert Frost said, “How many things have to happen to us before something occurs to us.” This thoughtful reflection indicates what happens to many of us in our daily lives. As events unfold around us, we are overwhelmed by the daily routine without it occurring to us how we could help provide for positive change.

For all of us in credit unions, it should “occur” to us that we have the ability on a daily basis to have a positive impact on the lives of others. When something “occurs” to us and we

Inside . . .

CUNA seeks comments on NCUA share insurance rule

Credit unions must take action to reduce plastic card fraud losses

MemberClose continues to grow, expand and improve!

Get a Life - Vintage whines make life a big mess

. . . and more!



CREDIT UNION LEAGUE



Legislative & Regulatory Notes

CUNA seeks comments on NCUA share insurance rule

Credit unions have an opportunity to comment on an interim final rule adopted by the National Credit Union Administration (NCUA) to implement statutory changes to share insurance rules, and the agency specifically seeks comment on whether pass-through insurance coverage for employee benefit plans should extend to nonmembers.

In a Regulatory Comment Call, the Credit Union National Association (CUNA) outlines the changes in share and deposit insurance rules that were enacted by Congress, which, in part, increase the ceiling for certain retirement accounts to \$250,000 from \$100,000 as of April 1. CUNA encourages credit unions to address the pass-through issue for nonmembers, as well as the following questions:

- If pass-through coverage for employee benefit plans should cover nonmembers, should there be requirements before such coverage applies, such as a standard that the employer or a trustee be a member of the credit union or that a certain percentage of participants be members?

- Under the new rules, only certain retirement plans will receive additional insurance coverage up to \$250,000 per account, such as IRAs and Keoghs, and different IRAs created by the same member will be combined and insured in the aggregate, while Keoghs will be separately insured. Are you concerned about how to explain these differences to your members, and do you have suggestions on how to alleviate this possible confusion?

- Are you aware of any states that allow state-chartered credit unions to offer additional retirement accounts that are not permitted for federal credit unions? Are you concerned about confusion that may result since IRAs and Keoghs will be insured up to \$250,000 but these other accounts may not be?

The share and deposit insurance changes signed into law by the President in February represent the first increase in insurance ceilings in 25 years. The NCUA began implementing the changes at its March 16 meeting, starting with the higher ceiling for certain retirement accounts. The Federal Deposit Insurance Corp.

(FDIC) issued its proposed final interim rule for bank and thrift insurance two days earlier.

The two agencies will likely act separately on other issues, such as changes to insurance fund logos. The new law allows the National Credit Union Share Insurance Fund (NCUSIF) seal to carry the statement that "insured share accounts are backed by the full faith and credit of the United States Government", and provides for similar language for the FDIC insurance logo.

Before 2010, the two agencies will coordinate their efforts to implement a reform provision that allows NCUA and FDIC to consider whether to index the general \$100,000 coverage limit, as well as the new \$250,000 limit for IRAs and Keoghs, based to inflation. The first increase could occur in 2011, and the process could be repeated every five years.

CUNA requests that credit unions submit their comments on the current NCUA final interim rule by May 11. Comments are due to the agency on May 22.



NCUA considering audit modifications

The National Credit Union Administration (NCUA) has issued an Advance Notice of Proposed Rulemaking. There are 22 questions proposing possible modifications to Part 715 of the NCUA Rules and Regulations which cover audit requirements. A sampling of the questions is listed below in *italics*.

Should NCUA require credit unions to obtain an "attestation of internal controls" in connection with their annual audits?

This procedure would require management to provide a written report of its assessment of the effectiveness of internal controls and procedures. Management must support this evaluation with sufficient evidence. Then a CPA must examine, attest to (or certify) and report separately on management's report.

What qualifications should be required as prerequisites to serve on the Supervisory Committee?

Is there a value in retaining the "Supervisory Committee Guide audit" in existing Part 715 (c) as an audit option for credit unions with less than \$500 million in assets?

If this audit option is eliminated, it would mean that only CPAs can perform audits for credit unions of any asset size – a very costly endeavor for small and mid-size credit unions.

There are many important issues being proposed. To review all the proposed rule changes see http://www.ncua.gov/RegulationsOpinionsLaws/proposed_regs/P-704-715-741.pdf

Horizons

is a monthly publication of the Rhode Island Credit Union League
20 Altieri Way
Warwick, RI 02888
(800) 842-1242
Fax (508) 481-3586
www.riculeague.org

Chairman of the Board
Paul Archambault
Wave Federal Credit Union

President
Daniel F. Egan, Jr.

Editors:
Marguerite A. Thorsen
Donna M. Bevilacqua

Credit unions must take action to reduce plastic card fraud losses

By Jeff Post, CEO, CUNA Mutual Group

Plastic card fraud has been increasing – seemingly unabated, growing into a \$100 million issue for credit unions.

CUMIS Insurance Society, Inc., a member of CUNA Mutual Group, is the fidelity bond insurer for more than 94 percent of all U.S. credit unions. We pioneered plastic card fraud coverage to our Credit Union Bond policyholders. Our total paid plastic card claims for 2005 were more than double those paid in 2003, and 54 percent higher than those paid in 2004. Losses in 2006 are already ahead of last year's pace.

What is most troubling is that the worst may be yet to come. Today's plastic card problems take place on a number of fronts – data breaches, "phishing," and counterfeit "skimming" are primary contributors to plastic card fraud losses.

Closing these security breaches is CUNA Mutual's number one priority, but we cannot do it alone. The criminal minds perpetrating these acts of thievery on unsuspecting individuals and businesses are resilient, resourceful and relentless. It will take the power of credit union cooperation to find ways to prevent these losses and protect the viability of credit union plastic card programs.

CUNA Mutual has shared its concerns with the card associations about the recurring card compromises

occurring at one retailer after another as a result of the associations' ineffectiveness in enforcing their own compliance rules. CUNA Mutual has also worked extensively with plastic card processors that support credit unions' card programs and encouraged them to more actively promote loss prevention services and tools, as well as develop and offer additional tools to help credit unions significantly reduce plastic card fraud losses.

We have extensively assessed the current and emerging causes of fraud losses and developed additional loss prevention training programs and

tools to help our Bond policyholders address this challenge.

We have sent Credit Union Bond policyholders with plastic card coverage a Plastic Card Security Best Practices document that was developed based on our work with credit unions, card processors, and industry experts. These practices are designed to help credit unions reduce fraud and, in doing so, reduce losses.

How You Can Fight Fraud

If your credit union does not currently have a plastic card fraud problem, do not assume it will not. Use every available fraud prevention tool as effectively as you can. 24/7 vigilance is key.

Following is a brief summary of the most critical best practices CUNA Mutual strongly recommends credit unions immediately adopt:

- **24 X 7 review of potentially fraudulent activity** – This goes beyond simply having a fraud model or rules that "score" a transaction around the clock. 24 x 7 review means having the ability to take action on alerts any time, day or night.

- **CVV (Visa) and CVC (MasterCard) Validation** – Card associations require that CVV/CVC be validated for all signature transactions when credit and debit cards are presented at a point of sale.

What many credit unions do not realize is that CVV/CVC should also be checked for PIN-driven transactions at both merchant and ATM locations. If credit unions do not check CVV/CVC on PIN-debit transactions, members can be duped into providing their name, account number, expiration date and PIN number to the criminals – that is all they need to commit fraud.

- **CVV2/CVC2** – This three-digit code on the cardholder's signature panel is used to authenticate Internet, mail, telephone and key-entered transactions. These should be declined when a mismatch occurs.

- **Daily Limits** – A criminal with access to a working card will spend every dime as quickly as possible. Establishing and enforcing daily limits is a critical measure that puts a lid on fraudulent activity.

- **Compliance/Recovery** – Most credit unions are not asserting their rights to recover fraudulent losses from merchants that improperly store card data and later suffer a compromise that puts member data in the hands of organized, high-tech crime rings. Increase pressure on merchants by holding them accountable for irresponsible data management and violation of card association compliance rules.

- **Name Matching** – Set up the authorization system to decline for all card programs when the name transmitted on the magnetic stripe does not match the cardholder's name stored on the credit union's master file.

- **Exact Cardholder Expiration Date** – An expiration date mismatch should be set to decline for both swiped (magnetic stripe read) and manually-keyed transactions.

- **Card Activation** – Use an effective activation procedure for all credit and debit card programs, such as PIN-driven or calling from a home phone.

- **Address Verification Service (AVS)** – Support the AVS tool to allow mail, telephone order and Internet merchants to automatically match a cardholder's billing address to the shipping address.

For the sake of credit union members everywhere, we must all do our part to help stem this rising tide of plastic card fraud. We will continue to communicate with policyholder credit unions about this vitally important issue. For more information in the meantime, visit www.cunamutual.com or call 1-800-637-2676.



Jeff Post

HOLIDAY

The League office will be closed on Monday, May 29 for Memorial Day. The League's regular office hours are Monday through Friday 8:00 a.m. to 5:00 p.m. The League Board of Directors and staff wish you all a safe and pleasant holiday week-end.



Social Responsibility

Rhode Island credit unions “gear up” for the summer ... games that is ...

More than sixty volunteers from Rhode Island credit unions and the League “gear up” in yellow and blue each year to participate in the Special Olympics Rhode Island Summer Games. This year’s games are scheduled for Friday, June 2, at the University of Rhode Island, Kingston from 11:00 a.m. to 4:30 p.m.

The Special Olympics Rhode Island program is one of the most innovative and dynamic in the world. Special Olympics Rhode Island is a non-profit organization that contributes to the lifelong physical, social and personal development of people with intellectual disabilities in Rhode Island.

The volunteers dedicate their day to the spe-

cial athletes, clerking them for their events and cheering them on as they compete throughout the day. A volunteer solicitation letter was mailed to all credit unions in April. Please send your list of volunteers to the League office by May 19th. Volunteer registration forms and directions will be mailed to all credit unions in advance. If you need to order any shirts or hats, please contact Donna Bevilacqua at the League, (800) 842-1242 or by email at: dbevilacqua@cucenter.org.

Be among the hundreds of volunteers and join the more than 1,500 athletes, family members, friends, and coaches for a special day of athletic competition.

University of Phoenix Online now accepts select CUNA courses for college credit

The University of Phoenix Online is now accepting a number of CUNA-developed courses for credit union staff, managers, and volunteers for college credit at their university.

The selected courses were evaluated and approved to meet lower division general education and elective requirements of a bachelor’s degree by the National Program on Noncollegiate Sponsored Instruction (National PONSI) or by the American Council on Education’s (ACE) College Recommendation Service. The courses are part of a number of certificate programs offered by CUNA, including:

- Staff Training and Recognition Program (STAR) - training geared toward the needs of front-line and operational staff;
- Volunteer Achievement Program (VAP) - which provides new and experienced volunteers with learning opportunities to help hone their decision-making abilities at their credit unions;
- Volunteer Leadership Program (VLP) - advanced-level strategic courses for credit union volunteers;
- Certified Executive Program (CEP) - a

comprehensive self-study curriculum relevant to credit union professionals and includes the Certified Credit Union Executive (CCUE) designation, the Certified Financial Services Professional (CFSP) designation, and five Specialty Certifications in Lending, Marketing, Financial Management, Human Resources, and Compliance;

- Regulatory Training and Certification (RegTraC) Level 2 program - gives a detailed look at the laws and regulations affecting credit unions in a self-study format, designed for compliance professionals and staff directly responsible for credit union compliance; and
- Management Enrichment Training Program (MERIT) - performance and development education for beginning to experienced managers spanning areas such as: fundamentals, human resources, employee performance, budgeting and financing, lending, change, marketing, and products and services.

National PONSI is based on the position that it is sound educational practice to grant academic credit for high quality educational programs conducted by noncollegiate

CUNA advises on May 15 IRS filing

There is a May 15 deadline for state credit unions who must file an IRS Form 990 for the 2005 tax year, Nichole Seabron, federal compliance counsel for the Credit Union National Association (CUNA), reminded recently, and the IRS has provided tips to help tax-exempt organizations with those filings. Seabron also noted that credit unions with \$100 million or more in assets and that file at least 250 returns are required to file their 990 forms electronically.

In early February, the IRS released a revised Form 990 and followed that up in March with a phone forum that provided filing tips for that document, as well as Form 990-EZ, Seabron said. One significant change to the form is a new part labeled V-B which requires information about compensation or other benefits to former officers, directors, trustees, and key employees.

Seabron noted there has been some confusion regarding this requirement and said the IRS official on the March call had this to say: The requirement applies to board members who are no longer key employees; their compensation must be reported indefinitely – until the instructions on the form change to provide a time limit.

organizations, provided that these experiences are at the college level, and that the credit is appropriate to an individual’s degree program.

Through the ACE College Credit Recommendation Service, college and university faculty evaluate courses offered by business and industry, labor unions, associations, and government agencies and recommend college credit as appropriate. The results of its evaluations are published in the National Guide to Educational Credit for Training Programs, which is distributed annually to college registrars and admissions officers throughout the United States.

For more information on these or other learning opportunities offered by CUNA’s Center for Professional Development, visit training.cuna.org, or call (800) 356-9655, ext. 4249.

NCUA approves merger of Empire and Mid-States Corporates

Mid-States Corporate Federal Credit Union and Empire Corporate Federal Credit Union announced that the National Credit Union Administration (NCUA) has approved the application for the two corporates to merge.

Empire's members will vote on the plan in May. If approved, the merger is expected to be completed at the end of June 2006.

"We are very pleased the NCUA has approved this merger of equals," noted David Preter, current president and CEO of Mid-States, who will become the new corporate's president. "The combined resources will provide an optimal platform for the new corporate to be a premier financial services provider to credit unions nationwide, while maintaining the local presence members need and deserve."

"The next step is for Empire's membership to vote next month," stated Joseph Herbst,

current president/CEO of Empire and slotted to be the new corporate's CEO. "We held several town hall meetings with our membership, which went very well. This merger is indeed a positive one for both Mid-States' and Empire's members, and for the nation's credit unions."

The new corporate's name will be Members United Corporate Federal Credit Union.

"We felt that the new corporate's name should demonstrate the many positive facets the organization will offer the nation's credit unions," stated Herbst. "Member relationships will continue to be at the core of everything we do, and we felt that honoring that connection with the word 'Members' first and foremost in

our name was paramount. And, the word 'United' expresses not only the solidarity of the combined organization, but also the power of unity of credit unions nationwide."

"Once the Members United name was decided, work began on a logo that would combine the national scope, visual identity, and professional image we wanted to portray," noted Preter. "All

the elements of the logo, from the typeface, to the color selections, and artwork, were deliberate as the logo needed to reflect the philosophical attributes and the vision of the new organization. In addition, it needed to work well with the Members United name in various marketing elements."



New statement stuffer explains new HLPR mortgage loan program

Credit unions participating in the national Home Loan Payment Relief (HLPR) program can explain and promote the program to their members with a new statement stuffer from CUNA.

"HLPR Mortgage Loans Make the American Dream A Reality," explains the CUNA-facilitated billion dollar mortgage-lending initiative to consumers, which makes below-market-rate mortgage loans available to borrowers with household incomes at or below the median in their markets.

The stuffer explains how the program works, why credit unions are offering it, who is eligible, and more.

Additionally, a statement stuffer that explains why college students are a major target of credit card issuers and the wise use of credit was recently revised.

"The Credit Card Push on Campus" outlines the potential pitfalls of credit cards for college students. The stuffer also provides ways to avoid these pitfalls and advice on how to use credit wisely.

To order through CUNA Member Service, call (800) 356-8010, press 3, and ask for stock number 27189-PRO for the HLPR loan stuffer

or 22956-PRO for the credit cards on campus stuffer. For more information, to view a PDF version of the statement stuffers, or to buy online,

go to buy.cuna.org, type "stuffers" in the search box or enter the individual stock number in the product finder box.

Branding seminar a success

On April 6, the League held a daylong branding seminar at its headquarters in Marlborough. The seminar, which was presented by a team from *Everything CU.com*, a credit union marketing and branding firm located in Holyoke, MA, dealt with a wide range of branding considerations and their practical application in the world of credit union marketing.

The day began with an overview of brand strategy and its importance for all credit unions. Morriss Partee urged credit unions to identify and clarify their credit union "story" and make certain that it is well known throughout the credit union. Josh Lynn followed with a discussion of the emotional

factors that are at work in all brands and how credit unions can bring those factors to the forefront to establish a strong connection with members. Matt Taggart closed the day out with a presentation on the critical importance of aligning the credit union's service experience with brand values that the credit union expresses both privately and publicly.

The attendees reported that the day was very well spent based on extremely positive evaluations. The energy level, insight and interactive approach were all cited as key elements leading to the success of the program.



Agency Update

MemberClose continues to grow, expand and improve!

There are now seventy-five credit unions from six different states that rely on *MemberClose* for assistance in closing all types of Home Equity loans fast, easy and safe. And now that *MemberClose* offers the ability to upload files from the credit unions' data processing system, *MemberClose* is even easier to use than ever. Here is how the process works...

A member "comes to the credit union", through the Internet, over the phone, or through the front door, and applies for a loan. The information about the member is input into the credit union's data processing and/or loan origination system as usual. That file can be uploaded directly into *MemberClose* with a click of the mouse. With all of the necessary information in the system, the credit union can simply *point & click* its way through the loan process. As always, the credit union can select only the specific services it needs on a loan-by-loan basis.

The credit union can choose to use its current vendor for accessing the credit bureaus, or it can rely on *MemberClose*. Those credit unions selecting *MemberClose* will have access to all three major credit repositories. Once a positive decision regarding the creditworthiness of the member has been reached, the next step is to assess the member's equity position in the property.

MemberClose offers assessment of property values through any of seven Automated Valuation Model (AVM) providers. Having the availability of seven providers greatly increases the "hit ratio" of each AVM request. In addition to the AVMs, the system also provides the option of selecting a Desktop Appraisal or a wide variety of other appraisal options.

MemberClose provides options for assessing and insuring the credit union's lien position in a matter of seconds, too. This can be accomplished with either of two easy to use tools. With either option, the credit union will be guaranteed (and insured) to be in the lien position that the report shows it to be in. This means that there is no need to pay for – and to wait for – a title search to be conducted.

A growing number of credit unions use the

customized "Doc Prep" component of *MemberClose* to quickly prepare their closing package. Once the specifics of the credit union's loan programs are built into the system, most of the closing package is automatically populated with the required information. The end result is that the final closing package can be prepared in a matter of minutes. Once the system prepares the package, it provides the credit union with the option of printing the documents, or emailing them to another location.

Another attractive feature of the *MemberClose* program is that it eliminates the inability to lend to a member for whom it is

not practical or convenient to come to a physical location of the credit union to close their loan. In other words, it can open up new marketing opportunities for credit unions because closing and recording services are available nationwide.

MemberClose is all about working on behalf of the credit unions, using the system to make loan processing easier and less expensive. Its goal is to provide credit unions with the tools necessary to better serve their members.

If you would like more information, including a no obligation demonstration of our website, please contact Bill Smith (bsmith@cucenter.org) at 1-888-746-2476.

NCUA phisher spoofs Share Insurance Rule

The latest phishing scam tries to lure unsuspecting victims by encouraging them to read new share insurance rules from the National Credit Union Administration (NCUA).

The phishing e-mail, titled "Important Share Insurance and Appendix Rule," asks recipients to read the new regulations. The following quote includes the spelling errors in the e-mail: "NCUA issues interim rule on amending share insurance coverage. Please take a moment and read NCUA Recent Final Regulations. This Rule refferes (*sic*) to Share Insurance and Appendix and allready (*sic*) applies to all cases. Click on the link bellow (*sic*) to get to the new regulation PDF."

Although the link has ncua.gov in its title,

it leads the user to a spoof site. This follows yet another recent scam using NCUA's moniker. The e-mail claimed a new credit union member database is being created and tells the recipient to enter their personal information for inclusion in the database (*News Now* March 31).

NCUA does not solicit personal information by e-mail. It asks that suspect e-mails be forwarded to Phishing@ncua.gov. People who receive such e-mails should not click on the links in the message. Instead, delete the message. Recipients of these e-mails may also report the incident to local law enforcement and the Internet Fraud Complaint Center at ncua@ic3.gov.

ALERT



Loretta LaRoche & Company

Health • Happiness • Humor

Get a Life... by Loretta LaRoche

Vintage whines make life a big mess

LLeading up to the Rhode Island Credit Union League's 72nd Annual Meeting, *Horizons* will feature articles on stress management written by Loretta LaRoche. As announced in the February issue of *Horizons*, Loretta will be the featured speaker, *thanks to the generous support of Empire Corporate Federal Credit Union*, following the Annual Meeting dinner on Monday, June 26 at Blithewold Mansion in Bristol, RI.



"When it comes to stress, people love to talk about it in black-and-white terms.

'It's been a terrible week.' 'My kids are always fighting.' 'It's been a dreadful winter.' 'I never get along with my family.'

What fascinates me is how capable we are of making things even worse than they are, rather than discovering what fragments or chunks of our days might really be OK or even great. In order to reduce tension, anger or depression, we need to be more focused on what is making us feel good rather than what makes us feel bad. Not every minute of every day is an exercise in horror.

You've probably managed to get through the winter without having to be rescued by 911. I'm sure you haven't had to be medicated every time you see your family. And I don't think your children have gotten so good at fighting that Don King has been calling to see if he can get them into the ring with Mike Tyson.

The truth is that nothing is ever 100 percent good or bad. What would happen if we tried to look within the terrible week we shared with everyone for some wonderful moments or hours tucked in among the irritating ones? Are there times when your kids really get along? Do you ever have fun with your family or one of its members?

It becomes quite difficult to discover any-

thing positive when we and everyone around us find negativity to be the way to bond. This type of thinking has slowly crept into the world of entertainment to such a degree that it is often the norm. We now find it amusing to have people removed from a group because they don't fit the criteria of being manipulative and overly competitive. We watch shows that focus on people's dysfunctional behavior. Then, if they are bad enough, they get their own talk show.

I find this need to whine and find some-

thing wrong to be extremely detrimental to our mental and physical well-being. It is a phenomenon that has swept the country and does not seem to be slowing down. When we are surrounded by negative messages, we can't help but start to believe that life is merely an exercise in futility. I suggest that we all begin to express those things that are making our lives more fulfilling and happy. Try to get your children and co-workers to do the same. You may start to shift from black and white to gray.

CUDL receives Auto Dealer Monthly's prestigious Diamond Award as an industry leading credit lender

CU Direct Corporation (CUDL), which administers the Credit Union Direct Lending (CUDL) program, the nation's largest point-of-sale lending network for credit unions, announced recently that they have been named this year's recipient of *Auto Dealer Monthly* magazine's Diamond Award for the "Prime Credit Lender – Non-Captive" category of the magazine's 2006 Dealers' Choice Awards.

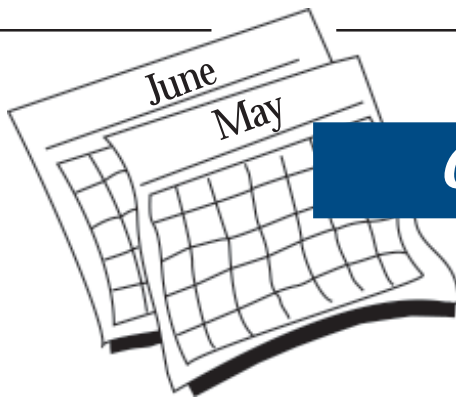
This was CUDL's first year receiving the prestigious award, as their overall survey rating ranked them ahead of both Citizens Bank and Wells Fargo Auto Finance, which won the Platinum and Gold awards respectively. The survey, which provides dealers the ability to choose winners in 20 distinctive categories of products and services, had nearly 16,000 votes cast. Ratings were gathered on the performance of the product or service as well as the support and service from the provider and the overall value compared to cost to the dealership.

"We are very thankful to both *Auto Dealer Monthly* and their readers for recognizing CUDL with the Diamond Award," said Tony Boutelle, CUDL's president and CEO. "We

accept this award on behalf of all the credit unions on the CUDL platform that are providing dealers with great service and helping them sell more automobiles," continued Boutelle.

"This award is a testament to the great relationships that our CUDL credit unions have developed with auto dealerships here in New England (and nationwide) and the outstanding service and support they are providing," said Northeast Regional Director Bob Nealon. "I'm proud to know that the CUDL Northeast Region contributed to this exciting accomplishment."

The CUDL network was the nation's first indirect and point-of-sale lending platform for credit unions, providing a network where credit unions and dealers can successfully work together to achieve a common goal – to increase auto loans and sales, while providing automobile buying convenience for credit union members. Currently, the ever-growing CUDL network includes over 7,000 dealerships and 550 credit unions with 17.3 million potential car buying members, in over 40 states nationwide.



Calendar of Events

QUICKBITES

(one hour telephone conferencing)

May 3 - *Thinking Like a Robber*

May 11 - *Key Provisions of UCC (90 minutes)*

May 31 - *CU Financials for Staff Members and Volunteers (2 hours)*

June 6 - *Deciphering Credit Reports*

June 15 - *Service Excellence on the Phone*

June 27 - *Death of a Member*

July 11 - *Internal Employee Fraud*

July 27 - *Improving Your Collection Numbers*

Advanced Lending Workshop

May 2, 2006

Radisson Hotel

Milford, MA

Review of Bank Secrecy Act

May 9, 2006

Hampton Inn

Warwick, RI

Credit Union Employee Boot Camp

May 24, 2006

-or-

June 21, 2006

Credit Union Center

Marlborough, MA

-or-

July 19, 2006

Empire Corporate FCU

Warwick, RI

Credit Union Direct Lending Charity Golf Tournament

June 7, 2006

Overlook Country Club

Hollis, NH

Rhode Island Credit Union League Annual Meeting

June 26, 2006

Blithewold Mansion

Bristol, RI

Internet Sessions

July 13 a.m. - *Understanding FICO Scores*

July 13 p.m. - *How to Sell from a Credit Report*

Rhode Island Credit Union League Charity Golf Tournament

July 17, 2006

Crestwood Country Club

Rehoboth, MA

OpSS Council seeks "Best Practices" nominations

Nominations are now being sought for the second annual Best Practices Awards, sponsored by the Credit Union National Association (CUNA) Operations, Sales & Service (OpSS) Council. The awards were enhanced this year and will include four categories of innovative solutions that optimize credit union performance.

A panel comprised of council executive committee members, past winners, and industry professionals will choose award winners, without regard to credit union asset size, based on strategy, process, application, and results in the following four categories:

- Sales and Service Management - Includes innovative approaches to creating and cultivating a sales culture, unique sales coaching or incentive programs, or staff sales tools designed for selling and customer relationship management.

- Branch Design - Focuses on the non-traditional elements used in the development of new/remodeled branch facilities that will enhance member service.

- Call Center Operations - Includes outstanding performance and excellence in call center operations.

- Operational Efficiency and Productivity - Effective operations are cost-efficient. This category highlights tactics to increase expense control, improve productivity, and to provide measurable member benefits.

Entries for these awards must be received no later than July 7, 2006. Descriptions and entry forms are available online at www.cunaopsscouncil.org, select the "Best

Practices Awards" link contained in the "Events" pull down menu.

Winners will be notified by August 4 and officially announced during the 9th Annual CUNA OpSS Council Conference, September 24-27, in San Francisco.

For more information on entry procedures, contact Bobbi Bischke, council administrator at CUNA, at (800) 356-9655, ext. 4018, or by e-mail at bbischke@cuna.coop.

General questions pertaining to the Best Practices Awards should be directed to Carolyn Jordan, council executive committee member and senior vice president of retail operations for Neighborhood Credit Union in Dallas, at (214) 748-9393, ext. 1260, or by e-mail at cjordan@myncu.com.