



Horizons

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President signs Regulatory Relief into law

On October 13, President George W. Bush signed the Credit Union National Association (CUNA)-backed Financial Services Regulatory Relief Act of 2006, legislation that originated in the House five years ago to reduce the excessive regulatory burden on credit unions, banks and thrifts. CUNA President/CEO Dan Mica thanked the President for minting the new law, calling it “an important measure for credit unions and the greater financial services industry.”

The broad new law contains numerous relief provisions for national banks, thrifts and credit unions. However, it falls short of providing several important measures to credit unions—reforms to prompt corrective action (PCA) and member business lending (MBL) requirements.

The five provisions most specific to credit unions:

- One that would allow check-cashing and money-transfer services to be offered to nonmembers within a credit union’s field of membership;
- Another that would raise to 15 from 12 years the permissible maturity of unsecured federal credit union loans;
- A third that would help credit unions avoid a potential accounting dilemma that could dis-

courage constructive credit union mergers by revising the net worth calculation permitted;

- A fourth that would restore the authority for the U.S. Military to charge a nominal fee, rather than fair market value, to credit unions leasing land on military bases; and
- A fifth clarifies existing Federal Trade Commission (FTC) oversight of private insurance, which requires credit unions, as well as other financial institutions, to disclose if deposits are not federally insured.

In addition to the five provisions contained in the bill that affect credit unions most directly, CUNA analysis has identified the following also as pertinent:

- *Interest on monetary reserves (Section 201):* The regulatory relief law permits, but does not require, the Federal Reserve Board to pay interest on the reserves that credit unions and other depository institutions must hold with the Fed on their transaction accounts.
- *Reserve levels (Section 202):* Provides the Fed with more flexibility in setting reserve ratios, all the way down to 0%, even for transaction accounts which now have a reserve floor of 8%, effective, upon signing of the bill into law, October 1, 2011.

• *Legal privileges (Section 607):* The bill clarifies an issue that has been occasionally raised in lawsuits — depository institutions, including credit unions, do not waive their privileges of nondisclosure for other purposes just because they are required to provide certain information to examiners or other regulatory personnel.

• *Management interlocks law (Section 610):* Generally, a management official of a depository institution cannot serve as a management official of another depository institution in the same metropolitan statistical area, with certain exceptions. One exception is for a depository institution under \$20 million in assets. The bill increases the cut off to \$50 million in assets.

• *Model privacy forms (Section 728):* The bill requires the federal agencies to publish draft model privacy forms within six months. The

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President’s Message

By Daniel F. Egan, Jr.

In early November the National Credit Union Administration (NCUA) will issue its report on the “data gathering” it conducted on federally-chartered credit unions. The report will be released to the House Ways and Means Committee and to the Government Accountability Office (GAO). The purpose of

the data gathering was to determine if credit unions were serving “people of modest means” and to “provide transparency” by reporting the collective salaries of the 3 highest paid executives in the credit unions surveyed.

The data, no matter how it turns out, will be debated and described from different perspectives as either supporting credit unions’ current commitment to serving people of modest means or as supporting the premise that credit unions do not support people of modest means as they were intended to do. Hanging in the balance is the argument that credit unions

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. . . and more!



CREDIT UNION LEAGUE



Legislative & Regulatory Notes

October NCUA Board meeting results...

Credit unions can help more unbanked; dividend possibility discussed

The October 19th National Credit Union Administration (NCUA) board meeting could be called a winner all the way around.

The three-member board approved implementing regulations that will help credit unions reach more unbanked consumers in their communities, offer loan plans with longer maturities, and also suggested that the National Credit Union Share Insurance Fund (NCUSIF) equity ratio could possibly be sufficient to offer credit unions in 2007 the first dividend since 2000, albeit a modest one.

Just four business days after President George W. Bush signed the Financial Services Regulatory Relief Act of 2006 into law, the NCUA approved an interim final rule that will allow credit unions to offer check-cashing and money-transfer services to nonmembers within their fields of membership.

“Credit unions are serious in their efforts to reach underserved portions of their com-

munities, and the NCUA’s swift action to implement this new authority will benefit those who are most vulnerable to disreputable or predatory lending practices,” said Mary Dunn, senior vice president and deputy general counsel of regulatory advocacy for the Credit Union National Association (CUNA), after the board meeting.

The interim final rule also implemented a section of the new law that revises the general maturity limit for loans to 15 years—up from 12 years, a move that may enable credit unions to structure loans with lower payments.

In presenting the rule for board consideration, Tonya Green, staff attorney noted the following:

- Residential and mobile home loans are not covered by the new rule and are subject to separate maturity limits; and,
- NCUA staff will be evaluating whether the prompt corrective action rule, which references

a 12-year loan term in the alternative risk-based net worth calculation, will change as a result of this statutory amendment. The agency will address any necessary change in future rulemaking.

Credit unions may begin acting on their new authorities once the interim rule is published in the *Federal Register*, generally seven to ten days after agency approval. There will be a 60-day comment period.

NCUA Chairman JoAnn Johnson said the agency will immediately issue a Letter to Federal Credit Unions to advise them of the rule’s effective date.

Also at the open meeting, Dennis Winans, CFO of the agency, indicated that the federal share insurance fund equity ratio reached 1.3% as of September 30 and is projected to rise to 1.31% in November, before dropping back to a projected 1.3% in December.

A dividend can only be paid when, at the end of a calendar year, the equity level exceeds the fund’s normal operating level, which is currently set at 1.3%. Winans said the agency will have to cull information from the year-end 5300 call reports before a dividend decision by the NCUA board could be made.

President...law - Continued from Page 1.

forms will not have to be used by credit unions and other financial institutions, but their usage would assure “safe harbor” compliance.

• *CTR study (Section 1001)*: The General Accountability Office (GAO) is to study, over 15 months, the extent to which Currency Transaction Report (CTR) filing rules “are burdensome; and can or should be modified to reduce such burdens without harming the usefulness of such filing rules to Federal, State, and local anti-terrorism, law enforcement, and regulatory operations.”

• *Study on institution diversity (Section 1002)*: The GAO is also directed to conduct a 12-month study on “institution diversity and consolidation.” The study is to examine such things as the evolution of different types of depository institution charters, the differences in powers, the impact of differences in size and

complexity, and the “aggregate cost and breakdown associated with regulatory compliance for banks, savings associations, credit unions, or any other financial institutions...”

The new law is the culmination of efforts. Since the 108th Congress, the House Financial Services Committee has held a total of 10 hearings with 66 witnesses on the subject of regulatory relief, according to a committee press release. Additionally, since 2002, the committee held six markups at which regulatory relief bills received overwhelming support.

For the complete CUNA analysis about the bill’s credit union provisions, use this resource link (affiliated CUs only) (http://www.cuna.org/compliance/member/comp_challenge/comp_challenge.html).



AMERICA'S CREDIT UNIONS

Where people are worth more than money.

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Wave Federal Credit Union opens Warwick office

Wave Federal Credit Union officially opened its new corporate headquarters and Warwick Branch Office at 480 Greenwich Avenue. The \$3 million, 13,500-square foot three-story signature building boasts conveniences like drive-up tellers and a drive-up ATM, safe deposit boxes, extended hours including Saturdays coming soon, plenty of parking and a stylish spacious interior with a computer desk for a hands-on demonstration of its popular Wavenet and Bill-Pay Internet Services.

Originally founded in 1938 as the Narragansett Electric Employees Federal Credit



Union, Wave Federal Credit Union has over \$62 million in assets and 5,300 members.

The credit union is planning a grand opening celebration in November.

Grant awarded to America's Credit Union Museum

The National Credit Union Foundation (Foundation) has awarded a \$25,000 grant to America's Credit Union Museum (Museum) for the CU 4 Reality Financial Literacy Program that it has been spearheading in New England.

The Foundation uses a rigorous review process to select projects that will reach people of modest means and those most in need of credit unions' affordable services. The CU 4 Reality Financial Literacy Program is an example of a project that reaches out directly into the community to provide financial education to

middle school students by providing teachers with a carefully designed curriculum and an interactive and engaging educational experience, the actual CU 4 Reality Fair.

Credit unions in New Hampshire, Rhode Island and Massachusetts have worked with the Museum to host CU 4 Reality Fairs in their communities. For more information about the Museum or the CU 4 Reality Financial Literacy Program, please contact Peggy Powell, executive director of America's Credit Union Museum at ppowell@acumuseum.org.

Equipment leasing opportunity for credit union members

New England Credit Union Services, LLC and Lease One Corporation have entered into an exclusive relationship to provide a commercial equipment leasing program designed to fit the needs of credit union member businesses.

Leasing is often a flexible, cost-effective complement to other forms of member business financing. While perceived as non-traditional, the fact is that many small business applicants for credit do not qualify for – or choose not to accept – traditional loan terms, based on their business' cash flow needs or borrowing capacity. Leasing allows business owners to choose a monthly payment, to turn the deal around quickly; and put new equipment – furniture, software, etc. – to use to do business, while preserving their lines of credit and working

capital. It also allows them to expense their monthly payments and dispose of unwanted equipment at the end of the lease term vs. depreciating assets and using working capital. This option is already chosen by many small businesses and is accepted as preferable in certain cases by accountants.

The basic assumptions that CFO's and business owners make is that benefit is derived from the use rather than the ownership of assets. Therefore, available or excess cash is spent on things which are not traditionally financed such as sales, marketing and personnel. Meanwhile, financing, and increasingly leasing, is used to acquire depreciable assets such as equipment.

Whether starting a new company, expanding an existing facility or simply acquiring new technology, the method used to

Bush signature boosts payday protection for military

President George W. Bush recently signed into law protections for U.S. military servicemembers from abusive lending practices, including a 36% interest rate cap on loans to those in the armed services. The cap was included in a House-Senate passed conference report on defense authorizations approved earlier this month.

"The 36% cap on loans, strongly supported by CUNA, can help prevent servicemembers from falling into the devastating cycle of high-interest, short-term loans that are targeted by some payday lenders to the military," said CUNA Legislative Affairs Vice President Dean Sagar.

He noted that the interest rate ceiling, in conjunction with the newly passed authorization for credit unions to provide check-cashing services to nonmembers, will provide important tools to help credit unions help working families away from such financial pitfalls as high-cost payday loans. The check-cashing provision was included in the Financial Services Regulatory Relief Act of 2006 (S. 2856), which was signed by President Bush.

acquire assets can have a profound impact on any business. The three most common methods of equipment acquisition are paying cash, loans and leasing.

Lease One can vary lease payments to match a company's cash flow curves. In a seasonal business, that can be a life saver.

After extensive consideration, Lease One was chosen as a business partner due to its 17 years of experience, ability to handle and train a network of referral sources, and its reputation for service and integrity.

For more information on equipment leasing, please contact Bonnie L. Doolin, League SVP, Credit Union Strategic Planning, Research and Product Development, at 800-842-1242, Ext. 321 or by e-mail at bdoolin@cucenter.org.



Social Responsibility

Inspire greatness for Special Olympics...one pin at a time

In the Rhode Island Credit Union League's efforts to continue its support for the Special Olympics Rhode Island, the Social Responsibility Committee is excited about its newest fundraiser program, Designs by Lucinda Pins. Since 1998 Designs by Lucinda has been creating distinctive, hand-made pins for the purpose of bringing much needed financial help and awareness to non-profit organizations and their causes. To date more than 3.5 million pins sold have helped raise more than \$20 million for 8,000 organizations.

The Committee conducted a pilot pin program last year and raised more than \$1,900. The program will feature four types of pins, "Angel Pins," "Snowmen Pins," "Christmas House Pins," and "Winter House Pins." The uniquely designed, one-of-a-kind, handcrafted pins make great gifts for any occasion during the holiday and winter season.

Here's how the program works:

- A minimum order of 60 pins is required at a

cost of \$7.50 per pin. (*Suggestion: an order of 60 pins could be divided among several credit unions*).

- Payment for pins required in advance prior to shipping pins.



- Orders are packed and shipped directly to each credit union. (*If order is divided among several credit unions, shipment will be sent to one credit union only*).

- Sell pins for \$15.00 each making \$7.50 per pin for the Special Olympics Rhode Island.

- Make proceeds check for Special Olympics Rhode Island payable to Rhode Island Credit Union League and send to Donna Bevilacqua at the League office.

Designs by Lucinda flyers and order forms will be mailed to all credit unions. If you have any questions, please feel free to contact Donna Bevilacqua at 800-842-1242.

We truly appreciate your continued support of this great cause which helps to inspire greatness...one pin at a time!

Credit union people...

William Cruz

*Mortgage and Commercial Loan Originator
Credit Union Central Falls*

Credit Union Central Falls is pleased to announce that William Cruz has joined the credit union as a bi-lingual loan originator. Mr. Cruz brings more than 16 years of experience in the retail banking and service industry. For the past seven years he has dedicated his efforts toward helping Latino families reach the American dream of purchasing their first home. He has experience



in both residential and commercial lending markets.

In addition to his responsibilities as a mortgage and commercial loan originator, he will be a liaison to the Latino community. His focus will be to support and guide members through the loan process, assisting them in identifying and selecting the correct loan product that will improve their financial lives. He will also share his banking experience through educational seminars that will teach the fundamentals of banking to the Latino market.

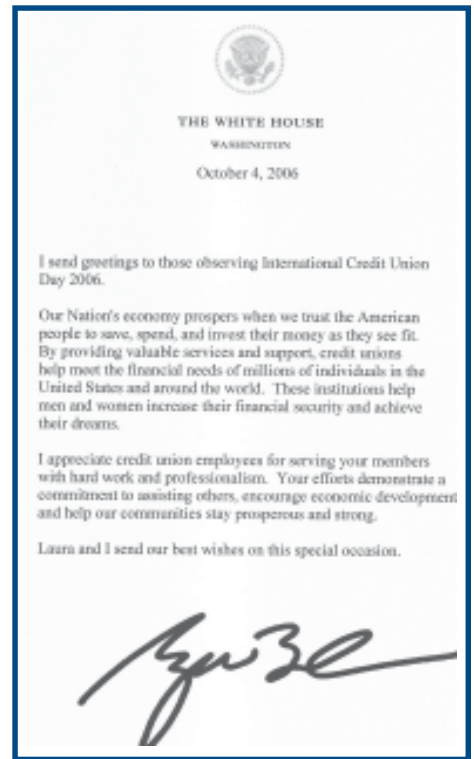
Mr. Cruz lives in Pawtucket with his wife Maria Elsa and two children.

Bush issued 2006 International Credit Union Day greeting

President George W. Bush sent his greetings for International Credit Union (ICU) Day, October 19, to mark the importance of credit unions around the world.

"By providing valuable services and support, credit unions help meet the financial needs of millions of individuals in the United States and around the world. These institutions help men and women increase their financial security and achieve their dreams," the President wrote, commending credit unions for the role they play helping the nation's economy prosper.

First Lady Laura Bush joined the President in the White House greeting. International Credit Union Day falls annually on the third Thursday of October.



HOLIDAYS

The League office will be closed on Thursday, November 23 and Friday, November 24 in observance of Thanksgiving. *The League staff wish you all a safe and pleasant Thanksgiving Holiday.*

CUNA economists see notable slowdown in 2007

Credit Union National Association (CUNA) economists have revised their 2007 forecast to reflect a lower expectation of economic growth. It will not be a recession, they say, but the slowdown will be notable. “The coming year will be a difficult one for credit unions as the economy transitions to a slower growth path. Savings growth will be hard to come by, and downward pressure on the bottom line will continue.” according to CUNA’s chief economist, Bill Hampel. “However, because weaker growth will shore up net worth ratios, credit unions will be able to accept lower net income,” he added.

CUNA’s three economists – Hampel, Mike Schenk and Steve Rick – update their economic forecasts every two to three months, to reflect the latest changes in the economic environment.

The updated CUNA forecast deflated the outlook for economic growth for next year to 2%, down from the previously predicted 2.5%. Growth for all of this year will come in about

3.3%, and has averaged 3.5% over the past five years. The CUNA economists also believe that the Federal Reserve (Fed) is essentially done with its current cycle of raising interest rates, meaning that the Fed Funds rate has likely peaked at 5.25%—with a “small chance” that it could hit 5.5%.

The yield curve will remain essentially flat, according to the CUNA forecast, until next spring when the Fed begins lowering the Fed Funds rate in response to the slowing economy. Other details of the CUNA economists’ predictions include:

- Inflation in 2007 will likely slow to 2.5% after hitting 3.5% this year;
- Credit union savings growth this year will be 3% at yearend—the weakest rate in more than 60 years. 2007 will see a recovery, with a predicted 8% growth as the economy slows;
- Credit union loan growth will slow to 8% for this year, and an even slower 6% in 2007.

Consumer borrowing slows, credit union market share edges up

Consumer credit growth slowed in July as credit-card debt decelerated, the Federal Reserve (Fed) reported recently. The Fed also revised its data for finance companies from June 2000 forward. That revision boosted the annual growth rate of total consumer credit by about 1¼-percentage points from 2001 to 2005. It also lowered the credit union share of the market during the period.

Consumer credit rose at an annual rate of 2.8% in July—down sharply from a 7.3% increase in June. Revolving credit (which includes credit cards) rose by only 3.4% following a 13.2% gain. Nonrevolving credit (which includes auto loans, and loans for mobile homes, education, vacations, boats and other items) rose by 2.5% after a 4% gain.

Credit unions captured 10.1% of the consumer loan market in July—up slightly from 10% a year earlier, according to the Credit Union National Association’s economics and

statistics department. Banks’ share declined to 29.9% from 30.9%, while the finance company share edged down to 21.9% from 22.1%.

Credit unions held a bigger 14.1% of the nonrevolving credit market in July—up slightly from 13.9% in the same month last year. Banks’ share fell to 26.9% from 27.4%, while the finance company share declined to 29.5% from 30.3%.

Consumers are using consumer credit to finance their consumption as home-equity borrowing slows, noted *Economy.com* (September 8). However, the research firm predicts that consumers will begin to spend less and save more as economic growth slows during the remainder of this year and into 2007.

For further information on the economy and credit unions, refer to this web site: <http://advice.cuna.org/econ/>

“Vishing” scams use phones instead of fake websites

CUNA Mutual published a Risk Alert to help inform credit unions and their employees about a new fraud threat called “Vishing” designed to take advantage of unwary consumers. In a new twist on the basic concept behind “Phishing”, identity thieves are sending spam that warns victims that their credit union/bank account or PayPal accounts were supposedly compromised. However, unlike typical phishing emails, there is no website address in these phishing messages. Instead, the victim is urged to call a phone number to verify account details.

The automated voice message says: “Welcome to account verification. Please type your 16-digit card number.” The goal is to get the victim to enter their credit card number. In these reported scams, no mention of the credit union, bank, or PayPal is made.

Security experts tracking this scam and other instances of “vishing,” short for “voice phishing,” say the frauds are particularly despicable because they imitate the legitimate ways people interact with financial institutions. In fact, some vishing attacks do not begin with an e-mail. Some come as calls out of the blue, in which the caller already knows the recipient’s credit card number. This increases the perception of legitimacy, the caller asks for the valuable three-digit security code on the back of the card.

Vishing appears to be prospering with the help of Voice over Internet Protocol, or VoIP, the technology that enables cheap and anonymous Internet calling, as well as the ease with which caller ID boxes can be tricked into displaying erroneous information.

Additional information regarding Vishing loss prevention techniques is available from CUNA Mutual. Please pass this information on to all appropriate employees. If your credit union has experienced a loss contact CUNA Mutual’s Credit Union Protection Response Center at 1-800-637-2676.



Agency Update

Introducing...Freedom Dental

Members Insurance Agency is pleased to introduce *Freedom Dental*. *Freedom Dental* offers dental plans that provide the end user with the ability to choose any dentist they like, while providing the employer unlimited flexibility in plan design and cost savings over traditional dental plans.

The "Direct Reimbursement" or "Money Purchase" plan design of *Freedom Dental* provides the end user with more benefit for their dollar. Benefit levels and plan payouts are not distinguished by benefit type/service (i.e. preventive, basic, or major). With *Freedom Dental* each subscriber is provided with a dental budget to spend as they see fit.

Along with a program that allows for 100% freedom of choice regarding dental provider, *Freedom Dental* does not require claim forms or other paperwork. Each subscriber is provided with an ID card that lists a summary of the plan design on the back. Also, on the back of the card is the name and number of the claims administrator that is responsible for paying the dentist. The dentist is paid directly by the administrator. All that is required of the employee is to present the new ID card to the dentist upon their initial visit under the *Freedom Dental* plan.

For the employer, *Freedom Dental* provides the ability to design a plan that will accomplish the dual objectives of providing a quality benefit for the employees and their families, while containing and controlling benefit costs. While there is no "typical" plan design, looking at an example of one design option is beneficial for the purpose of better understanding how a direct reimbursement plan works.

Intent of the plan is to provide \$1,000 benefit per subscriber without ANY deductibles

100% 1st \$200 spent in the plan year
80% next \$1,000 spent in the plan year

Under the above example, it does not matter what type of service the person is going to the dentist for. It only matters what the cost for the service is. For example, if the first service under the plan was a filling that cost \$500, the plan would pay \$440 and the employee would only have to pay \$60 (\$500 total cost of service: 1st

\$200 @ 100% and then remaining \$300 cost at 80%).

Plans can be designed to include/exclude orthodontia benefits. "Ortho" benefits can be subject to a "lifetime maximum" benefit or included under that plan as any other expense annually. The total annual plan benefit can be

any amount desired by the credit union, and the percentages and benefit levels have no limitations.

If you would like to see how Freedom Dental can benefit your credit union, please contact Andy Hollatz (ahollatz@cucenter.org) by e-mail or phone at 1-888-746-2476.

Opportunity for growth – Generations X and Y

As the last of the baby boomers phase out of their prime borrowing years, credit unions' largest pool of borrowers will decrease by 2.5 million members by 2010. This represents a cost between \$25 billion and \$35 billion in loans for U.S. credit unions, according to conservative estimates from Credit Union National Association (CUNA) analysts.

Those baby boomers have left some pretty big shoes to fill but there are strategies credit unions can implement. A good place to start is attracting new members. CUNA reports in its 2006 – 2007 *Environmental Scan (E-Scan)* that most credit unions have financial relationships with only 15% of their eligible members regardless of their field of membership classification.

Attracting members who are already in their prime borrowing years is a short-term fix but can prove beneficial as a means of developing

the coveted long-term primary financial institution relationship. Another strategy is to look to younger consumers who have yet to discover the benefits of belonging to credit unions but have a need for low-cost, high-touch service.

Education is the key with potential members between the ages of 18 to 29, which represents more than 49 million people. In a recent survey conducted by CUNA, this demographic is least familiar with what credit unions are and the financial services they provide. Nearly 50% of this age group are either "not very familiar" or "not at all familiar" with credit unions.

For more information about building membership or strategic planning, contact League Senior Vice President Bonnie Doolin at (800) 842-1242 or bdoolin@cucenter.org.

President's Message - Continued from Page 1.

either deserve or do not deserve their tax exemption.

Without any knowledge of the results of NCUA's data gathering, I am convinced that neither the credit unions' position nor the banks' position will be supported by conclusive evidence but each side will argue that it is. The one fact that will be unavoidable as a result of this report is that credit unions will be held to a higher standard of performance of serving

people of modest means. In preparation for this, the League will be unveiling a new program by the end of the year entitled, *Relevant, Effective, Asset Building, Loyalty – producing services, REAL Solutions*. This program, developed by the Filene Research Institute and distributed through the National Credit Union Foundation, is based on solving the financial service needs of America's working families.



Technology Now

Free Web tool explains credit union difference to teens

Credit unions can explain the credit union difference to their high school-age members by attaching a free link from CUNA's new interactive teen tutorial to their Web site.

"My Credit Union... Where I Belong," explains:

1. How credit unions are different from banks.
2. How credit unions serve their members.
3. Why credit unions began and succeeded.

The course was initially created as part of the "Guides to Independence" financial education series for teen members. Each guide takes less than 15 minutes to complete and uses quizzes, games, simulations, and more to provide an entertaining, yet informative way to learn essential financial lessons.

In the first week since this program began, almost 100 credit unions have downloaded the program and plan to use it in the classroom, both at school and in the credit union.

"When teens understand the credit union difference, they are committed to the concept of cooperatives and loyal to their credit union," said Lin Standke, CUNA's manager of youth programs.

Participating affiliated credit unions can use this course, along with free linking buttons to build members awareness of the information, until June 30, 2007.

The complete "Guides to Independence" suite provides how-to information on: starting a checking account, balancing a checking account, achieving financial goals, getting a loan, buying a used car, using a check card, shopping for everyday savings, building short-term savings, managing debt, budgeting expenses, budgeting income, and credit unions. Future courses will cover how to use a credit card, choose long-term investments, shop for big-ticket items, and pay for school.

For more information or to download the free tutorial, go to buy.cuna.org and enter "whynot" in the product finder search box.

Online banking and bill pay usage are up as fees decrease at credit unions

More and more credit unions are offering their members — typically at no charge - convenient, time-saving services such as online banking and online bill pay, says the just-released 2006-2007 Credit Union Fees Survey from the Credit Union National Association (CUNA).

According to the survey, conducted by CUNA's Center for Research and Advice, 60 percent of credit unions now offer online banking, up from 45 percent two years ago. Nearly all (97 percent) credit unions offer this service for free to their members. Further, 65 percent of credit unions that offer online banking also include a bill-pay function with their offering. This means that nearly 40 percent of all credit unions offer an online bill-pay program - up from just 27 percent in 2004.

Although the number of credit unions offering online bill-pay has continued to rise, the number of credit unions charging their members for this feature has dropped - quite dramatically. Today, only 33 percent of credit unions offering online bill pay charge for this

service, down from 62 percent in 2004, and 81 percent in 2001.

"Nowadays, it's nearly impossible to turn on the news and not hear a story about consumers paying more for something, so we're ecstatic to share this good news with credit union members," said Jon Haller, director of market research for CUNA's Center for Research and Advice. "Credit unions clearly understand online bill pay's mainstream usage as well as the convenience it offers to their members."

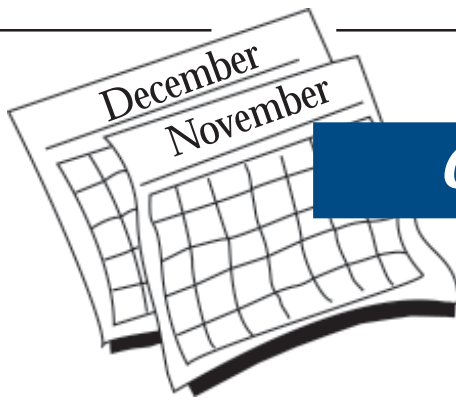
Along with new mortgage- and business-lending chapters, more than 65 fee types and account structures have been documented and analyzed for credit unions of all sizes, including:

- Share draft/checking fees,
- ATM and debit card fees,
- Non-sufficient funds/overdraft protection programs,
- Automated clearing house,
- Foreign wire transfer fees,
- First mortgage applications and closing costs,
- Member business loan applications and commitments,

- Non-member check cashing,
- Credit cards,
- Internet banking and bill payment fees, and
- Distribution of fee income by source.

In addition to the percentage of credit unions that offer a certain product along with the overall percentage that charge a fee for that product, the report also includes the average, maximum, and most common amount charged, and the number of free transactions before a fee is charged. All data tables are broken down by asset size and by region for peer comparison purposes.

The report is available in both hard copy and PDF format, and sells to credit unions for \$235 and \$195 respectively. For more information or to order a copy of CUNA's 2006-2007 Credit Union Fees Survey online, visit www.advice.cuna.org and type stock number 27249 in the search box, or call (800) 356-8010, press 3, and use the stock number as a reference.



Calendar of Events

IRA Essentials Training

November 7, 2006
Radisson Hotel
Milford, MA

IRA Advanced Training

November 8, 2006
Radisson Hotel
Milford, MA

Consumer Lending Basics

November 8, 2006
Members United Corporate
Federal Credit Union
Warwick, RI
-or-

November 29, 2006
Credit Union Center
Marlborough, MA

Internet Streamed Webcast

November 14 - ALM 101

Employment Law

November 15, 2006
Credit Union Center
Marlborough, MA

QUICKBITES

(one hour telephone conferencing)

November 16 - Flood Lending
November 29 - FCRA (Fair Credit Reporting Act) & FDCPA (Fair Debt Collection Practices Act) (2 hours)
December 13 - Compliance Update (2 hours)
December 19 - E-Services

Internet Sessions

December 5 - Delivering a Consistent Member Experience

Credit Union Employee Boot Camp

December 13, 2006
Credit Union Center
Marlborough, MA

Policy writing course added to self-study program for credit union executives

Credit union professionals can learn the step-by-step skills needed to develop and write clear, concise policies through a new self-study class from the Credit Union National Association (CUNA).

Policy Writing (course number 3300) is a new course offered through the Certified Executive Program (CEP). Students learn how to anticipate, review, and develop new credit union policies or update current ones, and get them approved by the board.

The advanced-level course covers the following topics, dividing them into easily managed components:

- Essential concepts in policy development;
- Step-by-step approach to policy writing;
- Strategic management of policy review and development;

- Compliance framework and policy issues for deposit accounts;
- Developing lending policies in compliance with goals and regulations;
- Advantages of a flexible collections policy;
- Major operational policies, including asset

liability management, e-commerce, and privacy;

- Lesser operational policies, including check cashing, marketing, and purchasing; and
- Recognizing the full scope and depth of personnel policies.

Additionally, the course textbook, Credit Union Model Policies, includes easily customizable sample policies provided in Microsoft Word.

CEP provides comprehensive college-level curriculum relevant to credit union professionals in 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. The policy-writing course may be taken as a requirement for the compliance certification or as an elective for the CCUE designation.

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