

JUNE 16, 2003

CREDIT UNION

# NEWS Watch



Legislation, Regulation, and Innovation from CUNA & Affiliates

## Privacy Provisions to Help Credit Unions

As privacy becomes one of the top financial issues before Congress, CUNA has recommended privacy provisions

that would be in the best interest of credit unions.

CUNA's Board of Directors unanimously passed policy

recommendations relating to fair credit, information sharing, and identity theft.

*(Continued on Page 2)*

## CUNA Defeats Bank Suit on CU Brand

CUNA has won the legal case upholding credit unions' right to use the National Credit Union Brand slogan, "Where people are worth more than money."

"Credit unions are free to use the brand mark without fear of further harassment from Gold Banc," reports CUNA General Counsel Eric Richard.

A federal judge dismissed Gold Banc's trademark suit with prejudice. Gold Banc agreed to permanently abandon any action against the Credit Union Brand.

Credit unions' legal victory comes as CUNA unveils new Brand Campaign ads. *(See Page 3.)*



For More, CLICK HERE National CU Brand www.cuna.org

## Banks' Tax Evasion Exposed to Congress



Banks avoiding their tax obligations are being exposed by CUNA in front of key contacts on Capitol Hill.

The latest exposé: Banks are using loopholes and accounting tricks to avoid state taxes by setting up shell corporations in Nevada -- a state with no income tax.

*(Continued on Page 6)*

CUNA Chief Lobbyist John McKechnie (right) shows a Capital Times article on bank tax evasion to Will Stone, Chief of Staff for Rep. David Obey (D-Wis.), Ranking Member of the House Appropriations Committee.

## HIGH lights

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Credit unions gain international remittance options



More than a conference: Future Forum, Sept. 29 - Oct. 2, Reno, Nevada

For More, CLICK HERE Training www.cuna.org



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# CUNA Privacy Provisions to Help Credit Unions

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These privacy recommendations were prepared in anticipation of this year's Congressional review of Fair Credit Reporting Act preemptions.

CUNA expects to present additional recommendations, as CUNA committees continue their ongoing consideration of this important set of issues.

CUNA's intent is to ensure that the credit union system can respond effectively to any situation that could arise as Congress decides the fate of FCRA.

FCRA governs America's credit reporting system, which contains millions of pieces of consumer information used for granting credit, underwriting insurance, and conducting pre-employment background checks.

CUNA believes that without FCRA's preemptions, states could enact different definitions, restrictions, and penalties -- making it almost impossible for uniform credit reports and credit scoring models. Loan decisions would take longer, and possibly be more expensive. Less credit would be available to consumers.

For more on what the Fair Credit hearings mean to you -- and key terms defining the debate -- see the Special Report in the April 28 *NewsWatch*. ♦

For More,  
CLICK HERE  
*NewsWatch*  
www.cuna.org



*CUNA Vice Chairman Dick Ensweiler presents the Governmental Affairs Committee's financial privacy recommendations to the CUNA Board.*

## CUNA Privacy Recommendations

### Information Sharing

- Urge Congress to extend FCRA and its preemptive provisions to preserve a nationally uniform credit reporting system and reserve the right to determine at a later time what, if any, changes it might recommend in renewing FCRA.

- Do not promote legislation that includes an "opt-in" method for information sharing.

- Support voluntary action within the credit union system to better promote the Gramm-Leach-Bliley "opt-out" method for information sharing.

- Promote that all information provided to consumers and describing information sharing by financial institutions include:

- (a) details describing the benefits they derive from information sharing, such as quick access to credit; and

- (b) an explanation describing how the choice to restrict information sharing could affect a consumer's access to and cost of financial services.

### Identity Theft

- Support legislation drafted to protect consumers from identity theft, as long as the language is carefully written to allow legitimate lenders, such as credit unions, to operate efficiently and cost-effectively. ♦

*Sources: CUNA Governmental Affairs Committee; approved by CUNA Board on June 12*



*This statement staffer warns credit union members about "ID Theft: How to Prevent It and How to Get Over It." To order, call 1-800-356-8010, press 3, and ask for Stock # 24209-NW.*



## New Brand Ads Urge “Switch to a Credit Union”

In the strongest call to action ever in the National Credit Union Brand Campaign, new ads urge consumers to “Switch to a Credit Union.”

The new ads also carry forward the Brand Campaign’s message of credit unions as member-owned, not-for-profit financial institutions “Where *people* are worth more than money.”

The ads convey this through visual imagery and radio vignettes that suggest an alternate meaning to each money-oriented theme.

“These new spots have a high emotional impact but take the Brand Campaign to the next level,” says Mark Wolff, CUNA’s Senior VP of Communications.

CUNA-member credit unions

*Because we care what's in your wallet.*

**Switch to a credit union.**

America's credit unions believe the pictures of Franklin and Jefferson are not the most important ones in your wallet. We're member owned and take the view that people are worth more than money. Our rates are better and our fees are lower. Our service and advice has only your interest at heart. If this sounds like the kind of financial institution you can relate to, make the switch. There's a credit union near you that cares about exactly the same things you do.

AMERICA'S CREDIT UNIONS  
*Where people are worth more than money.*

TAGGABLE AREA

*This is 1 of 3 new ads available in print, billboards, and radio.*

and state leagues can tag the ads with their name, logo, and contact info.

To purchase the ads, call 1-800-356-8010, then press 3. ♦

For More,  
CLICK HERE  
National CU Brand  
[www.cuna.org](http://www.cuna.org)

## Credit Unions Gain International Remittance Options



*CUNA's Dan Mica and WOCCU's Arthur Arnold shake on the deal to widen international remittance options.*

International remittance services will be more broadly available to U.S. credit unions thanks to an agreement entered into by CUNA with the World Council of Credit Unions (WOCCU) and Travelex.

U.S. credit unions now have the option of using Travelex’s World-wide Money Remittance system or the Vigo Remittance service currently used by WOCCU.

“This agreement means U.S. credit unions can provide international money remittances to their members and potential members efficiently and economically,” says CUNA President & CEO Dan Mica.

CUNA has licensed the International Remittance Network (IRnet) name from WOCCU.

“Through this agreement, we are combining CUNA’s presence, outreach, and stature with WOCCU’s international experience to help credit unions throughout the U.S. serve the growing immigrant and international markets,” explains WOCCU CEO Arthur Arnold.

For more on IRnet, call (608) 231-7130. ♦

# CUNA Board Elections

Credit Unions <small>(Class is based on number of members as of December 31, 2002)</small>	Class	District 1 Connecticut Maine Mass. N. Hampshire New Jersey New York Pennsylvania Rhode Island Vermont Puerto Rico Virgin Islands	District 2 Delaware D.C. Indiana Kentucky Maryland Ohio Virginia W. Virginia	District 3 Alabama Arkansas Florida Georgia Louisiana Mississippi N. Carolina S. Carolina Tennessee	District 4 Illinois Iowa Michigan Minnesota Missouri Wisconsin	District 5 Arizona Colorado Kansas Montana Nebraska New Mexico North Dakota Oklahoma S. Dakota Texas Utah Wyoming	District 6 Alaska California Hawaii Idaho Nevada Oregon Washington Am. Samoa Guam
<b>Up to 14,999 Members</b>	<b>Class A</b>	2004 Diana Roberts	<b>2003 ***</b> Jim Oliva	2005 Sandy Lingerfelt	2004 Janet Craig	2005 Mary Shipe	<b>2003 ***</b> Don Larsen
<b>15,000 to 55,999 Members</b>	<b>Class B</b>	2005 Holly Herman	2004 Patrick McGrady	<b>2003 ***</b> John Deese Laida Garcia	2005 Allan McMorris	<b>2003 ***</b> Jim Williams	<b>2004 *</b> Barry Jolette
<b>At Least 56,000 Members</b>	<b>Class C</b>	<b>2003 ***</b> Patrick Calhoun	2005 Juri Valdov	2004 Tom Dorety	<b>2003 ***</b> Darrell Pierce	2004 Chris Jillson	2005 Richard Ghysels
<b>Leagues</b>	<b>Class D</b>	2004 John Murphy	2004 Ken Watts	2005 Gary Wolter	2005 Tom Griffiths	<b>2003 ***</b> Dick Ensweiler	<b>2003 ***</b> Gene Poitras

\*\*\* Seats up for election in 2003 for 3-year terms

\* Special election in 2003 for 1-year term

## Nominations Open for 9 CUNA Board Seats

Through June 20, CUNA members can nominate individuals willing to run for any of 8 seats up for 3-year terms on the CUNA Board. *(These 8 seats are shaded in green with 3 stars on the chart.)*

A 9th seat is up for special election. *(See the next story.)*

### To Obtain Nomination Packets

• Web: <http://www.cuna.org/cuna/boardelec.html>

Or send your name, CU, mailing address, district and class via:

- Phone: 1-800-356-9655, ext. 4013
- E-Mail: [thanson@cuna.coop](mailto:thanson@cuna.coop)
- U.S. Mail:  
CUNA Corporate Secretary  
5710 Mineral Point Rd.  
Madison, WI 53705 ♦

## Special Election to Replace Jolette

CUNA Chairman Barry Jolette, CEO of San Mateo CU in California, will step down from the CUNA Board after the 2003 Annual General Meeting October 1.



Barry Jolette

Candidates are being sought by July 14 for a special election to fill the remainder of his term, expiring after the 2004 AGM.

The seat represents mid-size CUs in CUNA District 6. *(See the gray box in the chart.)* To obtain nomination forms, see [http://www.cuna.org/download/boardelect\\_spec\\_d6.pdf](http://www.cuna.org/download/boardelect_spec_d6.pdf).

"It has been a sincere pleasure to serve on the CUNA Board," Jolette remarked. "I hope in some

small way I have contributed to the success of CUNA in our efforts to serve credit unions and their members."

"Throughout his tenure on the CUNA Board, Barry has been one of the movement's strongest activists," said CUNA President & CEO

Dan Mica. "He has inspired many peers to become more politically involved."

Jolette is a force behind political programs including Hike the Hill, Project Zip Code, Project Differentiation, and the Political & Legislative Action Network. "Barry's legacy will live on as credit unions make political action part of their job description." ♦



# CUNA Supports Business Loan Reg Changes

Calling bankers' comments "offensive" and "misleading," CUNA sent a strong comment letter supporting NCUA's plan to expand member business lending for credit unions.

CUNA's letter also rebuts all of the bankers' points.

"It is certainly regrettable that the banking industry, which has reaped record profits for the last several years, continues to target credit unions, which hold less than 1% of business loans," says CUNA Associate General Counsel Mary Dunn.

CUNA urges NCUA not to apply the American Bankers Association's interpretation of credit union law, but follow what Congress intended.

CUNA also suggests that NCUA:

- Clarify that credit unions may purchase member business loan participations from their CUSOs.
- Eliminate the dollar ceiling on unsecured loans to a single borrower;
- Apply a risk weighting factor of 6% for the low-

est-risk MBLs and no greater than 8% for MBLs in other tiers;

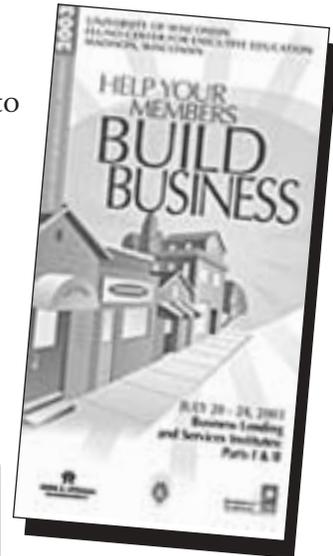
- Remove inconsistencies between Small Business Administration requirements and NCUA requirements for credit union SBA loans.

The NCUA Board is expected to vote on a final MBL regulation July 31. ♦

For More,  
CLICK HERE  
[Regulatory Advocacy](http://www.cuna.org)  
[www.cuna.org](http://www.cuna.org)

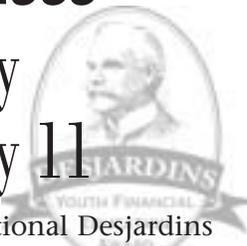
To learn more about business lending, attend CUNA's Business Lending & Services Institutes. Parts I & II will be held at the University of Wisconsin-Madison, July 20-24. To register, call 1-800-356-9655, ext. 4074. For room reservations, call (608) 441-7117.

For More,  
CLICK HERE  
[Training](http://www.cuna.org)  
[www.cuna.org](http://www.cuna.org)



## People & Places

# Financial Literacy Awards Open 'til July 11



Entries are due July 11 for the national Desjardins Youth Financial Education Awards, recognizing CU movement leaders on youth financial literacy.

Entries can include any activities supporting financial education of young members and non-members. For example: face-to-face teaching, teacher & volunteer training, lobbying for curriculum requirements, publicity and use of the NEFE High School Financial Planning Program®.

Awards for CUs come in 4 asset categories. A 5th category covers CU chapters and groups.

The July 11 deadline piggybacks on the annual conference of the National Youth Involvement Board, which provides CUNA with volunteer judges who are experienced youth educators.

Entry forms are available online. ♦

This statement stuffer helps parents teach teens to be accountable. To order, call 1-800-356-8010, press 3, and ask for Stock # 23103-NW.



For More,  
CLICK HERE  
[Youth Education](http://www.cuna.org)  
[www.cuna.org](http://www.cuna.org)

## Klavitter to Lead NewsWatch & News Now

CUNA's *NewsWatch* is under new leadership after this issue.

Dave Klavitter is relocating from Madison to Washington to become CUNA's VP of Information Services.

These duties include editing *NewsWatch* and *News Now*, CUNA's daily news service on the Web. Communications Specialist Tom McElligott continues as Associate Editor.

Klavitter was a *News Now* editor from 2000-02. This year he began co-producing *The Point for CU Research & Advice*, CUNA's Web-based resource for CU execs.

Klavitter replaces Steve Bosack, who becomes the top aide to NCUA Board Member Debbie Matz on June 30.

Former CUNA Legislative Manager Maura Hampton recently became the top aide to NCUA Vice Chair JoAnn Johnson. ♦



Dave Klavitter



Steve Bosack



Maura Hampton



## When Banks Attack, Fight Back

(Continued from Page 1)

“Bankers continue to make a stink in Congress about credit unions and their legislatively mandated tax exemption,” says John McKechnie, CUNA’s Senior VP of Governmental Affairs. “It’s time credit unions make sure members of Congress are fully informed about how banks are not paying their legislatively mandated taxes.” ♦

## Project Differentiation Streamlined

A key weapon against bank attacks has been streamlined. Project Differentiation is now available in a multiple-choice survey format to produce a concise document for educating federal and state lawmakers.

“We need credit unions telling their stories and demonstrating their unique roles in financial services, financial education, serving people of modest means, and community involvement,” urges CUNA President & CEO Dan Mica.

“Credit unions that have completed a Project Differentiation assessment and developed their Statement of Commitment have found the process worthwhile.”

The new format was suggested by CUs and leagues to shorten the preparation time and present each CU’s statement more attractively. ♦

For More,  
CLICK HERE  
[Project Differentiation](http://www.cuna.org)  
[www.cuna.org](http://www.cuna.org)



The new format allows CUs to present a reader-friendly Statement of Commitment in 2 concise pages.

Free for credit unions!  
VISIT  [www.cuna.org](http://www.cuna.org)



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