

## Grammar Classes

Though not specifically compliance related, I'd like to take a moment to make you aware of the new Grammar Training all employees will be required to complete yearly. In an effort to enhance member service in every possible way, employees will complete courses in "Fundamental Sentence Structures," "Punctuation" and "Writing."

All grammar classes will be on-line. Similarly to our Products and Services Training, the Grammar Training can be accessed on each employee's training page on the credit union server. Please visit <http://cuserver/training> to access your training page. Classes will make the most sense if completed in the order they are presented. Each unit has to be completed before another unit is available.

This training is not timed. You may complete the training at your own pace and I would be happy to answer any questions you might have about the training.

When you have completed all three units, an email will be sent to me letting me know you have successfully finished the training. At that time I will email you the test. The test will involve practical, "real life" situations. If your position does not require you to have much written communication with members, this is still good training to learn about communication (oral as well as written) in a professional environment.

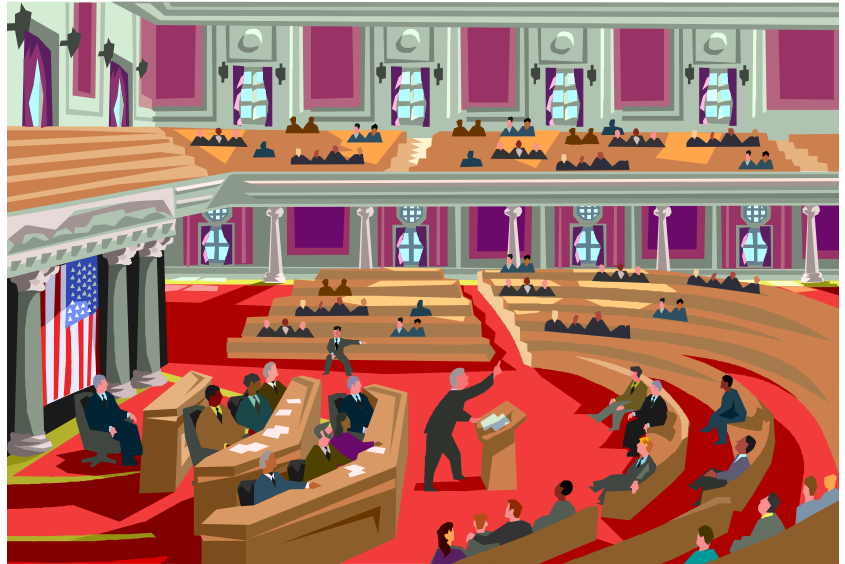
Though the courses themselves are not timed, the timeline for completing the training and the testing is only 2 months. All tests must be turned in by Tuesday, July 31st. Employees will be required to re-take the training by every July 31st.

As a final note: I recognize that it is impossible to be grammatically correct in all things and in all situations. The point of this is not to set a bar of perfection that can never be reached, but to aim for a level of professionalism that will enhance our image to our members and the quality of service we provide to our members. In an effort to increase the use of professional communication methods, *clothes for compliance* will now extend into the arena of grammar. Should you find a grammatical or stylistic error in any subsequent newsletters (including this one), official memos, forms, advertisements (unless the error is intentional for stylistic purposes), etc. you can earn \$.50 towards your next logo wear purchase.



# Things Happening on the Hill That Could Affect Credit Unions

- On Thursday, May 16th, the Senate Committee on Small Business and Entrepreneurship is scheduled to vote on The Small Business Lending Reauthorization and Improvements Act (S. 1256). The bill is designed to expand and improve access to Small Business Administration (SBA) guarantee lending program.
- Up until now, some credit unions wanting to participate in SBA 7 (a) lending have found the qualifying process, as well as the requirements for underwriting and servicing individual loans, too cumbersome and time consuming to make entering the program realistic.
- In April, the House voted 380 to 45 to approve a bill that could encourage more credit union participation in the Small Business Administration's 7 (a) loan program by restoring a streamlined application process and an 85% guarantee on loans of up to \$250,000. Those features had been eliminated from the program in 2005.
- S. 1256 introduced by Sens. John Kerry (D-Mass.) and Olympia Snowe (R-Me.) and co-sponsored by Sens. Barack Obama (D-II.), Carl Levin (D-Mich.), Mary Landrieu (D-La.) and John Tester (D-Mont.) include the following provisions:
  - Authorize the SBA to back more than \$87 billion in loans over the next three years
  - Direct the SBA to establish an optional standard for determining if a borrower is a small business and eligible for an SBA loan, making it easier to determine who qualifies
  - Allow small businesses to receive the maximum amounts under both the 7 (a) and 504 programs
  - Re-establish an Office of Minority Small Business Development to make sure the government's programs are reaching minorities
- The new CURIA bill that has been drafted for this new congressional term has surpassed the sponsorship of the previous CURIA bill.



## NCUA Board Meetings

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Recent action taken at the March and April NCUA Board meetings could have affects on all credit unions or only certain credit unions. Though I doubt we are in danger of a hostile take over or imminent merger, it is prudent to keep an eye on what our regulator is doing.

- During it's March meeting, the NCUA Board approved a proposal to amend Parts 748 and 749 of NCUA's rules and regulations. The proposed amendment would aim to ensure that federal credit unions are able to reconstruct vital records and restore member services should a catastrophic act occur. The proposal clarifies the definition of a catastrophic act, preservation requirements for vital records, and what credit unions should consider when restoring interrupted member services. The comment period for this proposal is almost up, so final amendments should be made soon.
- During the March meeting, the NCUA board voted to submit their Model Privacy Form for public comment. NCUA, along with the other federal banking agencies, will review the comments, continue consumer testing of the form, and propose a final rule. It may be some time before the final rule is issued. The proposed rule has a safe harbor provision providing that a credit union using the Model Privacy Form will know they are in compliance with the Gramm-Leach-Bliley Act requirements. Currently, a safe harbor is granted if a credit union uses the Sample Clauses from Appendix A of the privacy rule provisions. Under the current proposal, the safe harbor currently offered would sunset one year after a final rule is issued. Credit unions need to keep an eye on this if they want the safe harbor.
- During the April meeting, the NCUA Board issued two proposals.
  1. The first proposal would clarify record access rights for members of a federal credit union. The proposal would allow a group of members representing at least one percent of the membership, with at least 20 and a maximum of 250 signatories, to submit a signed petition to obtain access to non-confidential information in the credit union records, including board minutes. The FCU would have 14 days to comply with the proper request.
  2. The second proposal has to do with mergers. It would require the disclosure of a "material" increase in senior management official compensation if the increase would be because of the merger.

All of these items with the exception of number 2 from the April meeting could potentially have an impact on the forms, policies and procedures of ISPFUCU.

## Online Scams Still a Major Concern for Credit Unions

Phishers and “brandjackers” are still targeting financial institutions, including credit unions. Total phishing incidents increased during first quarter by 104%, compared with first-quarter 2006. And 41% of ALL phishing attacks for the first quarter of 2007 were against financial institution.

One of these attacks was against NCUA. This time it takes advantage of consumers’ security fears related to the data breach of Massachusetts-based TJX Cos. The e-mail message purports to a notification that “current legislation mandates businesses (merchants, service providers, financial institutions, etc.) to report breaches in security or occurrences that may pose a threat to cardholder security.” It discusses TJX Cos. data breach, which was made public in January. The breach incidents spanned periods from 2003 through 2006. The phish e-mail gives the wrong dates for the breach and says VISA notified NCUA in January about the breach. The notice warns that “magnetic strip information was being stored and your PIN may have been captured” and “strongly” urges NCUAs “members” to update their information within the next 48 hours. And, like other phish, it provides a link that brandjacks NCUA’s name and website. It also provides a phone number with an area code from Texas. NCUA is based in Arlington, VA.

It is easy for members to become overly hyped and concerned about data breaches and want to trust “national” sites or supposedly “government” sites. However, members should be warned that NCUA, just like ISPFUCU, and other financial service providers, will **never** send unsolicited e-mails asking for a consumer’s personal information.



### Motivational Thought:

**This newsletter will be archived  
on the ISPFUCU intranet!**

It doesn't make any difference whether what you face is something that affects your work, your personal relationships, your sense of security, your appraisal of self-worth, or your appearance--the way you **think** about your situation largely determines whether you will do anything about it and what you will do.

Dr. Arthur Freeman and Rose DeWolf