



Training Commencement

The first compliance training sessions took place the first week of September. All staff was asked to attend training on the Bank Secrecy Act and related regulations (USA PATRIOT Act, OFAC, and MIP). After completing the hour long training session and 20 minute study session, participants were given the opportunity to take the quiz on BSA. I am proud to announce that all employees have successfully completed and performed to or exceeded expected levels on this test!

Training will continue in the same “classroom” manner through the first part of 2007. Following this initial training time, “refresher” training and follow-up training will be offered via a computer-based program where the participant can work independently.

During subsequent sessions, I will be asking you to fill out a training-specific evaluation form. However, I would like everyone to print off and fill out the training general evaluation form located on page 3 of this newsletter. Again, CONGRATULATIONS to all on completing your first session!

Regulatory Relief a Probability this Congressional Session

Regulatory relief for financial institutions is more of a probability than a possibility before Congress’ targeted September 29th adjournment date according to CUNA’s Legislative Affairs VP Dean Sagar. In order to help facilitate the passage of a bill this session, the House has stepped back from its broad-based bill approved earlier this year in order to adopt the more modest approach the Senate wishes to take.

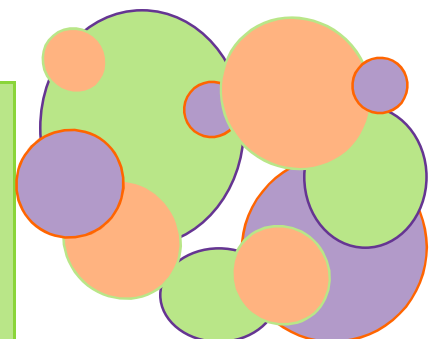
The Senate bill has several provisions for regulatory relief. Two of these key interests would affect the services ISPFCU is *able* to provide:

- One would allow check-cashing and money-transfer services to be offered to non-members within a credit union’s field of membership.

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Higher Contribution levels for IRA's

In August, President Bush signed into law H.R.4, a pension reform measure permanently extending the Retirements Savings Tax Credit (Saver's Credit) and higher ceilings for Individual Retirement Account (IRA) contributions. The Saver's Credit enables lower-income individuals to offset 50% of up to \$2,000 of contributions made to certain retirement accounts, including Roth IRA's.

In addition to the Saver's Credit, the Pension Protection Act of 2006 also preserves the IRA catch-up provision that allows higher contributions for workers over age 50. The new law will allow that ceiling to reach \$6,000 by 2008 and remain there.

Similar good news is included for younger savers as the new law allows annual contribution levels to rise to \$5,000 by 2008 and remain at that level.

Under the 2001 Tax Act, higher IRA ceilings were set to expire at the end of tax year 2010 and revert to the \$2,000 annual maximum.

From CUNA's News Now- August 18th

HOEPA Fee-based Trigger Increased

The Federal Reserve Board annually adjusts the dollar amount that triggers additional disclosure requirements under the Truth in Lending ACT (TILA) for home mortgage loans that bear rates or fees above certain amounts.

The fee is adjusted based on the annual percentage change reflected in the consumer price index that was in effect on June 1, 2006. The dollar amount of the fee-based trigger has been adjusted to \$547 for 2007. The 2006 figure was \$528.

The adjustment is effective January 1, 2007.

HOEPA restricts certain terms of credit such as balloon payments. It also requires additional disclosures whenever total points and fees to be paid by the consumer exceed the fee-based trigger or 8% of the total loan amount, which ever is greater.

*Compliance Connection for MSR's and
Loan Staff: Connecting the Regulations
with the everyday workings of the
Departments*

Regulatory Relief (cont.)

- Another would increase the current 12-year term limit on unsecured federal credit union loans to 15 years.

Other points of interest for credit unions include a provision that would streamline the process of filing Currency Transaction Reports (CTR) and Suspicious Activity Reports (SAR), and another that would authorize the Federal Reserve to pay interest on sterile reserves maintained by credit unions and banks. The bill would also allow banks to pay interest on business checking accounts.

For more information see CUNA's News Now filed on 2006-09-11.

Training Evaluation Form

This evaluation form is to gain feedback on the structure of training sessions. Some of the questions will ask you to evaluate methods actually used during BSA training while other questions will ask for your feedback regarding proposed methods. Please rank each question from 1-6 (1 being “Didn’t work for me at all”, 6 being “Best way for me to learn”). For each question ranked a 3 or lower, please list suggestions for improving in the notes section or on the back of the sheet. Please return them to my inbox by Wednesday, September 20th.

1	Lecture handout: use of “fill-in-the-blank” sheet	1	2	3	4	5	6
2	Using only a handout with the slides for independent note taking	1	2	3	4	5	6
3	Using both a “fill-in-the-blank” sheet as well as a handout with the slides	1	2	3	4	5	6
4	Use of a study guide	1	2	3	4	5	6
5	Filling out the study guide in groups	1	2	3	4	5	6
6	Filling out the study guide independently	1	2	3	4	5	6
7	A study period after the lecture	1	2	3	4	5	6
8	Use of a “Study Game” to break things up after the lecture	1	2	3	4	5	6
9	Use of “Extras” handouts for independent reference later (such as the OFAC policy or “exempt persons” list)	1	2	3	4	5	6
10	Use of “situational” handout (CTR/SAR/Both/Neither)	1	2	3	4	5	6
11	The question structure of the test (Multiple choice, T/F etc. as opposed to fill in the blank)	1	2	3	4	5	6

NOTES:

2006 Training Calendar

Month	Monday	Tuesday	Wednesday	Thursday	Friday
<u>September</u>	18	19	20– Regulation CC	21– Regulation CC	22
	25	26	27	28– Regulation B	29
<u>October</u>	2	3	4– Field of Memb.	5– Field of Memb.	6
	9– Offices Closed	10	11	12– make up day	13
	16	17	18– TISA	19– TISA	20
	23	24	25– TILA	26– TILA	27
<u>Oct./Nov</u>	30	31	1– Advertising	2– Advertising	3
<u>November</u>	6	7	8	9– make up day	10
	13	14	15– Safeguarding	16–Safeguarding	17
	20	21	22	23– Offices Closed	24
	27	28	29– Website	30– Website	1
<u>December</u>	4	5	6	7– Lending Regs.	8
	11	12	13	14–make up day	15
	18	19	20– Share Insur.	21– Share insur.	23
	25– Offices Closed	26	27	28	29

Calendar Guide

Red: MSR's and Operation Staff

Blue: Loan Staff

Green: Managers/IT

Purple: Most/All Staff

Gray: Make-up day

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

Inspirational Thoughts:

Successful and unsuccessful people do not vary greatly in their abilities. They vary in their desire to reach their potential.

~ John Maxwell~

Success consists of going from failure to failure without loss of enthusiasm.

~Winston Churchill~

The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will.

~Vince Lombardi~

The secret of success is consistency of purpose.

~Benjamin Disraeli~