



# The Communicator

Vol. 11 No. 1

January, 2007

## *A memorable night of wishes....*

### *Merrimack Valley and Monadnock Chapters hold annual holiday celebrations*

On Monday, November 27, it was a memorable night of wishes at the Merrimack Valley Chapter's holiday program and silent auction. More than 100 credit union staff, volunteers, and guests attended the annual event, which raised more than \$8,000 for the Make-A-Wish Foundation® of New Hampshire.

Wish Child Meghan's bright and bubbly personality stole the hearts of everyone in attendance. Meghan said, "The BEST thing about my trip to Disney was when Mary Poppins was there as a greeter." At home, Mary Poppins songs are enjoyed by Meghan and her nurse at lunch time. Meghan asked Mary Poppins if she could call her nurse at school to talk with her. And of course she said yes. Meghan still talks about that and how special that was to her. It is just all the little things that Make-A-Wish does that make it a big memory. Her mom Sue spoke to the group about their family's positive experience with the Make-A-Wish Foundation® and what they had done for not only her daughter but also for their family. She praised the New Hampshire credit unions for all the support that they have given to the Make-A-Wish Foundation®, because



*Wish Child Meghan wows the guests at the Merrimack Valley Chapter Holiday Party.*

without it dreams such as Meghan's would not come true.

Julie Baron from Make-A-Wish extended her sincerest thanks to the credit unions of the Merrimack Valley Chapter and to the entire credit union community for their continued support.

Guest auctioneers for the evening's event were the team from the Morning Buzz Rock 101 (101.1 WGIR-FM) Greg Kretschmar and Laura Boyce. These popular radio personalities

added many laughs to the night.

On Thursday, December 14, the Monadnock Chapter held their annual holiday dinner and live auction for the Make-A-Wish Foundation® of New Hampshire. More than 70 guests attended the fun-filled evening and were entertained by the auctioneer team of James Neilsen, his son Will (Santa) from New Hampshire Community Federal Credit Union and Santa's elves Kathy Lowell, Kelly Gabriele, and Deb Prior from Upper Valley Community Credit Union. Carla Scott Raswyck from Make-A-Wish extended her gratitude to all the credit unions. When the auction was complete, the Monadnock Chapter raised more than \$1,340 for Make-A-Wish. *Additional photos on Page 4.*



## *President's Message*

*By Daniel F. Egan, Jr.*

If there is a single, universal idea that we can agree to as 2007 gets underway it is that credit unions are, by far, our nation's most consumer-friendly and community focused financial

institutions. The credit union movement's century long commitment to the betterment of American families has been clearly demonstrated by loan rates based on meeting the needs of those families not maximizing profit, our diligence in helping understand how they can improve their financial condition and focusing on the credit union's role as an integral part of the community.

*Continued on Page 3.*

### *Inside . . .*

**GAO releases report on credit union tax, service**

**Statewide credit union image advertising campaign update**

**CUNA Mutual Group - Plastic Card Fraud**

**CUNA Annual Survey to be mailed in January**

*. . . and more!*



New Hampshire Credit Union League



# Legislative & Regulatory Notes

## GAO releases report on credit union tax, service

Recently, the Government Accountability Office (GAO) released its long anticipated report on credit union service to people of modest means and taxation. No legislative recommendations were made in the report, which was released approximately one month after the National Credit Union Administration (NCUA) released its own report on the Member Service Assessment Program. Unlike the NCUA report on credit union service to members, the GAO report was intended to have a broader scope embracing not only credit union service to members of modest means, but also applications of Unrelated Business Income Tax (UBIT) to credit unions, NCUA governance issues, and more. The IRS is expected to release UBIT guidance during the first quarter of 2007.

The House Ways and Means Committee originally requested that the GAO conduct their study in the wake of the House panel's hearing on credit union tax status in November 2005. While it provides no legislative recommendations, it suggests that NCUA:

- Systematically obtain information on income levels of credit union members;
- Monitor the progress of credit unions serving low and moderate income individuals;
- Take action to ensure information about federal credit union executive salaries is available to members and the public; and
- Explore and periodically review the benefits of expanding NCUA's three-seat board to five.

Retiring House Ways and Means Committee Chairman Bill Thomas (R-Calif.), in a four-paragraph statement called the GAO report "balanced," but noted that "many questions remained unanswered—reinforcing the idea that the NCUA and credit unions need to enhance their transparency and data collection."

The Credit Union National Association (CUNA) indicated that the GAO study does not demonstrate that credit unions are not doing what Congress intended from the outset, that is; serving middle income working men and women. While credit unions have

expressed a great willingness to reach out to the underserved, CUNA President Dan Mica indicated that field of membership restrictions are restricting credit unions from offering their benefits to a broader population.

National Credit Union Administration Chairman JoAnn Johnson indicated that the agency's report provides a more complete picture of credit union service practices and performance, citing the review of over 14 million member records that were a part of the NCUA study. She indicated that it was encouraging that the GAO study noted the barriers that credit unions face in their efforts to broaden their fields of membership to include additional members of modest means.

Predictably the bank trade groups took the opportunity to use the report to advance their anti-credit union agenda.

A copy of the 110-page report can be downloaded at: [http://www.cuna.org/initiatives/ncua\\_data/download/gao\\_modest-means.pdf](http://www.cuna.org/initiatives/ncua_data/download/gao_modest-means.pdf)

## Fed holds rates steady, credit unions deposit rates peak

As expected, the Federal Open Market Committee (FOMC) decided to keep its target for the federal funds rate at 5.25%—the fourth consecutive time the Fed has held rates steady (*CNNMoney.com* Dec. 12). What does that mean for credit unions? According to the Credit Union National Association's (CUNA) *News Now*, Steven Rick, senior economist at CUNA indicated, "Credit unions have slowed their pace of deposit rate increases since the Federal Reserve halted their rate-raising cycle in August," he said. "Credit union one-year share certificate rates increased only 10 basis points from August through November, compared to a 45 basis point increase during the prior four-month period." Credit union money market account rates rose five basis points in the most recent four-month period, compared to 37 basis points

from April to July," Rick added. "It therefore appears credit unions' deposit rates have peaked and will begin to decline sometime next summer when the Federal Reserve is expected to begin its rate-cutting cycle," he said. The Fed had raised rates 17 consecutive times to keep inflation in check. "Some inflation risks remain," the FOMC said in a statement. However, the committee noted that a "substantial cooling of the housing market" has prompted a slowdown in economic growth. "Although recent indicators have been mixed, the economy seems likely to expand at a moderate pace on balance over coming quarters." Many analysts expect the Fed to begin lowering rates next year as the economy slows. But Fed officials have repeatedly said they want to ensure that inflation remains under control, so a further tightening is possible.



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Where people are worth more than money.™

### The Communicator

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# *Statewide credit union image advertising campaign update*

The fall flight of the League's image advertising campaign concluded in November and the results are impressive. The audience data collected by Channel 9 WMUR-TV shows that the League's TV spots were seen by 86.4% of people aged 35-54 and that they saw the spots an average of four times. This performance, coupled with similar frequency for the companion radio campaign on WOKQ and WPKQ as well as a strong presence on New Hampshire Public Television and New Hampshire Public Radio, means that the

people of New Hampshire were getting the credit union message loud and clear throughout the fall.

The campaign will be back on the air in the spring and it will be supported by a number of new online advertising components. A completely redesigned version of [www.gocu.org](http://www.gocu.org) will be available. This dynamic web presence will reinforce the credit union message and help consumers get in touch with a credit union that can meet their financial needs. The credit union message will also be prominently

displayed on WMUR-TV's website. In addition, the campaign is employing a new search engine optimization (SEO) strategy that will help draw consumers who are searching the web for financial information and products toward the [gocu.org](http://gocu.org) site.

The response to the initial fundraising efforts for the 2007 campaign has been very encouraging to date. A number of credit unions have already made contributions and many others have indicated that their 2007 contribution is budgeted for payment in 2007.

## *Granite State Credit Union celebrates its founder with new exhibit at America's Credit Union Museum*

Granite State Credit Union unveiled the installation of a new exhibit at America's Credit Union Museum in Manchester, NH, which honors the contributions of its founder John E. Grace to the New Hampshire credit union landscape.

Grace, who founded the Utility Worker's Credit Union in 1945, now Granite State Credit Union, organized 17 credit unions throughout New Hampshire. A member of

the "Founder's Club" comprised of credit union members who throughout their own endeavors organized one or more credit unions. Grace was dedicated to helping people safeguard their family's financial welfare through careful money management.

"Through the generosity of Grace's daughter, Patricia Cummings, this exhibit has come to life," states Denise Caristi, president/CEO, Granite State Credit Union. "The

photographs, artifacts, and mementos share a glimpse into both the credit union's history and that of the origins of New Hampshire's credit union community."

Guests included New Hampshire's Banking Commissioner Peter Hildreth; New Hampshire Credit Union League President Dan Egan; and other League officials; credit union CEOs from around the state, as well as many of Grace's family members.

### *President's Message - Continued from Page 1.*

It is our philosophy and heritage that inspires us as we look toward the many challenges of the upcoming year. Margins that continue to shrink, competition from national and international financial companies with unlimited resources, and an ever increasing compliance burden that absorbs more and more of our energy. As daunting as the business climate looks, it is important to remember that, throughout our history, credit unions have achieved great things for their members and for the community in the face of adversity.

Like many success stories, ours is one made up of the outstanding efforts of many talented, dedicated and hardworking individuals. What makes the story of the credit union movement unique, however, is the cooperative spirit that has driven it since its inception. By working together, credit unions that are smaller than for profit competitors have brought the consumer cutting edge products and services. Credit unions have also built a proud tradition of

pulling together to support less fortunate people of New Hampshire. Part of that mandate dovetails with our development of the Community Outreach Initiative in conjunction with the Credit Union National Association's Home Loan Payment Relief program, which works, to among other things, to facilitate homeownership and promote financial literacy.

The League is, at its core, a reflection of the cooperative spirit of our credit union movement. It is a shared resource that helps each credit union magnify and multiply its power to do good for consumers and the community. Throughout the years, credit unions have relied on the League to work with regulators and legislative bodies to maintain a positive business climate. Our Credit Union Resource Center is the focal point for interaction with credit unions on a host of business related matters ranging from compliance to strategy to training. By bringing credit unions together

through the League, buying power and economies of scale have been maximized over and over again. As a result, credit unions of all sizes have benefited over the years from the research and development work done by the League. Public advocacy and image building for credit unions is another important task that the League has embraced on behalf of the New Hampshire credit union community.

So as we look toward 2007 - and I believe that we have every reason to be optimistic about the upcoming year - I welcome you to continue and expand your cooperative efforts with the League and the credit union community. We should all take every opportunity to work together and work with the organizations that support credit unions and, by extension, the people of New Hampshire.

I thank you for your continued support and look forward to working with you and your credit union in the upcoming year.



# Social Responsibility

*A memorable...of wishes* - Continued from Page 1.



The three elves from Upper Valley Community Credit Union added to the festivities during the Monadnock Chapter Holiday Party. They are from left to right Kathy Lowell; Kelly Gabriele; and Deb Prior.



New Hampshire Credit Union League Chairman Tim Naro (center) spends some time with Wish Child Meghan and her mom Sue at the Merrimack Valley Chapter Holiday Party.

New Hampshire Community Federal Credit Union CEO and Chapter Auctioneer Jim Neilsen (left) got some extra help from Santa and his elves this year at the Monadnock Chapter Holiday Party. From left are Kathy Lowell, and Kelly Gabriele, Upper Valley Community Credit Union and Santa himself, Jim's son William.

## Northeast Credit Union CEO joins Make-A-Wish Foundation® board

The Make-A-Wish Foundation® of New Hampshire Board of Directors voted to accept the nomination of Peter J. Kavalasuskas, president/CEO of Northeast Credit Union and New Hampshire Credit Union League director, to their board.

Peter has been with Northeast Credit Union for 28 years and president/CEO since 1985. He has been involved with the New Hampshire Credit Union League since 1982 and served as Chairman from 1999-2001. Peter served as the Chairman of the League's Social Responsibility Committee from 2001-2005.



“Peter brings so much passion, experience and dedication to our team. Through his leadership on the credit union League’s Social Responsibility Committee, he has already made it possible for the Foundation to grant so many wishes. He understands that a wish can teach a sick child that anything is possible. . . even the future. We are proud to have him serve in this new capacity. As we face the challenge of increased referrals we cannot think of a better person to add to our team,” said Make-A-Wish Foundation® of New Hampshire CEO Julie Baron.





## Technology Now

### Compliance Wire *becomes* Compliance Connection, *goes electronic*

Beginning with the January 2007 edition, the League's compliance newsletter *Compliance Wire* will undergo a name change and it will be distributed solely via e-mail to member credit unions. The content of this important publication will not change. For years *Compliance Wire* has highlighted the most important federal and state legislative and regulatory developments for credit unions and *Compliance Connection* will continue that tradition.

This new distribution method is being implemented because of the League's commitment to providing comprehensive and timely compliance information. However, there are a number of advantages in addition to the speed of delivery. For example, it will be easier

for you to distribute to appropriate people within your credit union by simply forwarding the pdf file that contains the newsletter. The pdf file format contains a search function which will allow you to locate the information you need more rapidly. It will also be possible to archive your copies of *Compliance Connection* on your computer, CD, or a credit union server.

League staff has been matching lists and verifying e-mail addresses to ensure that we maintain continuity of delivery. A test e-mail was sent to verify list accuracy. To add staff members to the e-mail list or change e-mail addresses please send an e-mail to [complianceconnection@cucenter.org](mailto:complianceconnection@cucenter.org) detailing the changes.

### League partners with CO-OP Financial Services

The New Hampshire, Massachusetts, and Rhode Island Credit Union Leagues are now partnering with CO-OP Financial Services to promote participation in CO-OP's national surcharge free ATM Network.

"We look forward to a long association with CO-OP," said Al Ricci, executive vice president of New England Credit Union Services. "Our credit unions can now provide their members access to 25,000 surcharge-free CO-OP network ATM's throughout the country. This partnership will provide our credit unions with the tools to compete even more effectively with larger financial institutions."

CO-OP Financial Services (formerly CO-OP Network) is the nation's largest credit union service organization. Wholly-owned by its shareholders, CO-OP provides volume discounts on products and services that include ATM network access and ATM processing.

For more information, please contact Dean Martino, director of business development at [dmartino@cucenter.org](mailto:dmartino@cucenter.org) or 1-800-842-1242.

### Filene: credit unions price deposits, loans differently from banks

Banks consistently price their loans and deposits in a manner that increases income—a pattern that is not followed by credit unions, according to a new report from the Filene Research Institute. In "A Comparison of the Deposit and Loan Pricing Behavior of Credit Unions and Commercial Banks," the report's author, William Jackson III, financial economist and associate policy adviser in the research department of the Federal Reserve Bank of At-

lanta wrote that banks tend to price their deposits asymmetrically—they lower rates on deposits faster when market interest rates drop than they raise deposit rates when the market rates rise. The asymmetric pricing of deposits is characteristic of commercial banks that aim to maximize profit. They do not drop loan rates as quickly as deposit rates in response to the changing interest climate, however. Although credit unions do lower deposit rates when market rates

are falling, they lower loan rates quicker to match the decreasing market rates. This results in lower average rates on both deposits and loans, maintaining a relatively constant margin between the two rates. "Rates on loans and deposits at credit unions adjust over the interest rate cycle in a fashion that does not appear to be driven by profit-maximization," the report said. To read an abstract of this report please visit: <http://filene.org/publications/detail/e-comparison-of-the-deposit-and-loan-pricing-behavior-of-credit-unions-and-commercial-banks>.

### St. Mary's Bank Credit Union ranked third among New Hampshire housing lenders

New Hampshire Housing Finance Authority's Director of Home Ownership Programs Elizabeth Lamoureux announced that, for the month of October, the Mortgage Center at St. Mary's Bank Credit Union ranked third among the forty-nine lenders who serve first-time home buyers in New Hampshire through New Hampshire Housing. The ranking is based upon the number of loans that a lender has provided to first-time home buyers

in a given month. St. Mary's is typically included in the top ten but moved to its highest ranking ever in October at number three. The forty-nine lenders who serve customers through New Hampshire Housing compete to be among the top ten in the Authority's annual ranking. "To be among the top ten," says Lamoureux, "means that these lenders are really taking the extra time with borrowers to help them settle into a loan

and a home that they can safely afford. Besides the extra time, this requires people with a huge heart."

Of the Mortgage Center's significant jump in the rankings in October, Lamoureux observes, "To be number three really reflects a strong commitment to affordable housing and to doing right by people. St. Mary's has been helping New Hampshire home buyers for many years."



## Agency Update

# CUNA Mutual Group - Plastic Card Fraud

### *The final impact of plastic card fraud*

The issue of plastic card fraud is having a tremendous impact on the credit union community. It is a costly problem. According to the reports of CUNA Mutual (CMG) policyholders, plastic card fraud-related losses (which include actual fraud losses and losses related to the blocking and reissuing of cards) have cost them more than \$236 million over the past three years; \$89 million in 2005 alone. And it is not a problem that is going away anytime soon: losses in 2006 are already ahead of last year's pace and expected to reach at least \$110 million.

This problem has escalated substantially in the past two to three years. According to an international consultancy group, the United States alone will likely face \$3.2 billion of online credit card fraud by 2007. (*E Commerce Times*, May 25, 2006).

### *Failure of the card system, legislation, and the best efforts of law enforcement*

In Congress and in some states, legislation to remedy plastic card fraud and identity theft has been pursued, but with very limited success. Often, merchant businesses and others successfully oppose such legislation. "Banks, credit card companies, and retailers want to make it easy to buy," Bob Hartle, ID Theft Services said. "They write off identity theft as the cost of doing business. So whenever legislation comes up that's going to cost them money, they throw themselves against it" (*New York Times*, May 30, 2006).

While the card system, legislation, and law enforcement have all attempted to remedy the plastic card fraud problem, nobody has been successful because resources are not aligned. Some legal experts say that courtroom action, in suits alleging lax controls of consumer data, may be more effective than legislation or regulatory action in spurring adoption of common-sense, best practice security procedures (*The Wall Street Journal*, July 21, 2005). But litigation takes time with often uncertain and conflicting results.

Beyond insurance, CMG continues to take a leadership role in advocating concepts and

support on behalf of credit unions – through legislative, risk management, and litigation efforts – in response to the growing plastic card problem.

### *CMG working with processors*

Working with data/card processors, credit unions and industry experts, CMG has been able to define Plastic Card Security Best Practices. CMG believes that implementing these best practice recommendations is one of the best defenses against fraud and losses. In fact, CMG has seen many major processors within the credit union marketplace make enhancement to their loss prevention tools and resources, such as:

- Installing, outsourcing and implementing fraud management systems; 24/7/365 maintenance with the ability to block cards and decline transactions.
- Making CVV/CVC and/or equivalent for PIN and ATM cards available.
- Utilizing daily dollar and velocity limits.
- Providing monthly reports detailing security tools/features deployed for card programs and BINs.
- Issuing communication that outline their capabilities as compared to our loss prevention requirements, and helping clarify the process for getting the necessary capabilities and tools enabled for customers.

### *CMG pursuing legislation*

CMG is leading litigation and legislation efforts to force changes.

- CMG has actively pursued legislative solutions in Congress and in various state capitals to reduce plastic card fraud. They have worked with credit union leagues across the country to support strong disclosure requirements when merchant data security breaches occur.
- Many of CMG policyholders are benefiting from our ongoing lawsuit against BJ's Wholesale and the Fifth Third Bank. CUMIS is leading and paying for the lawsuit on behalf of almost 200 credit unions and itself to recover more than \$5 million in losses due to a merchant breach.

*Update:* The lawsuits currently in the time-consuming discovery phase which includes exchanging and reviewing documentation from credit unions participating in the suit. The next phase involves taking depositions of the relevant witnesses and has a deadline in early 2007. After the discovery phase closes, both sides have the opportunity to make legal arguments to the courts as to why the judge should rule in their respective favors as a matter of law. If the judge denies those motions, the matter will proceed to trial with the current schedule having the trial occur in the late summer of 2007.

- Additionally, CMG has worked with state leagues to introduce legislation that would specifically ban merchants from retaining magnetic stripe data from the back of consumers' credit and debit cards after a transaction has been processed. They have requested that similar language be included in various federal bills in Congress seeking strong penalties against those who fail to act reasonably to protect sensitive personal data and who thereby expose consumers to the escalating problem of identity theft and compromised personal financial data security.

Specifically this year, CMG Group's lobbyists have:

- Worked with the U.S. House of Representatives' Financial Services Committee to include language in H.R. 3997 that would prohibit merchant retention of data. Although CMG has so far been unsuccessful in getting that prohibition into the language of the bill, the committee report describing the bill did include language directing merchants to stop unnecessary retention of data and urging the FTC to address this problem with appropriate enforcement.
- Met with senior staffers from the Senate Judiciary and Financial Committees to urge them to hold a hearing on the plastic card data loss problem next year. They were quite receptive to this suggestion, and CMG is optimistic that one of these committees will hold a hearing to focus on the problem of improper retention of plastic card data and how that is greatly increasing the risk of personal identity theft.

*Continued on Page 7.*

## League staff celebrates milestones

The League is pleased to recognize the auspicious anniversaries of three staff members. League staff recently celebrated the 20<sup>th</sup> anniversaries of Donna Bevilacqua, Paula Dion and Jack Morrill with a cake and gifts of appreciation.

Donna Bevilacqua joined the League's Public Relations and Marketing department on November 17, 1986. She has performed various tasks in the department since that time including League charities, conventions, and newsletters, and is currently the Public Relations Manager.

Having joined the League on November 24, 1986, Paula Dion, senior vice president of Professional Development and Information, has been giving credit unions insight into their ever changing issues throughout her



*Donna Bevilacqua is overjoyed at the staff celebration for the 20th anniversary honorees.*

tenure with the League. She remains a great resource to both staff and members.

Jack Morrill celebrated his anniversary on December 31. As Vice President of Educational Programming, Jack produces a complex program of educational offerings from one-hour QuickBite sessions to conferences and conventions.

The League staff and directors hope you will join them in congratulating these staffers for their efforts on behalf of the credit unions of New Hampshire.

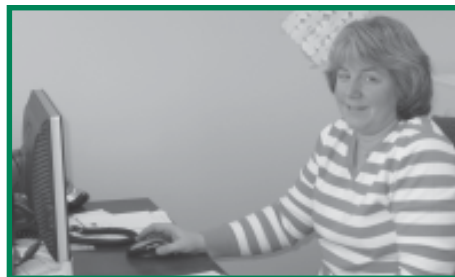


*Everyone is in the spirit of the happy occasion of recognizing the 20<sup>th</sup> anniversaries of League staff members. (Left to right) MA League Chairman of the Board Jim Blake, Vice President of Educational Programming Jack Morrill, Senior Vice President of Professional Development and Information Paula Dion, and League President Dan Egan.*

## Roberts Certified Payroll Specialist

League Controller Dawn Roberts recently completed her ADP Certified Payroll Specialist certificate.

In January of this year, Dawn starts her 18th year of service to the League and our members. The League congratulates her on this accomplishment and for her service.



## HOLIDAY

The League office will be closed on Monday, January 15, in observance of Civil Rights Day. The League's regular office hours are Monday through Friday 8:00 a.m. to 5:00 p.m.

*Happy New Year!*

## CUNA Mutual... Card Fraud

*Continued from Page 6.*

- Encouraged the card associations to move to the PIN & chip technology prevalent in Europe as a more advanced solution to the risk of unsecured personal data on plastic cards. If CMG can get a hearing on the general subject in either the Senate or House, it will be pushing this as an important next step for the card industry in this country.
- Worked indirectly with the FTC to encourage the agency to take a more vigorous enforcement approach to the plastic card data retention problem and to support legislation mandating improved merchant security practices in this regard. Next year, we may see more direct communications with the FTC, particularly if a Congressional hearing is scheduled.

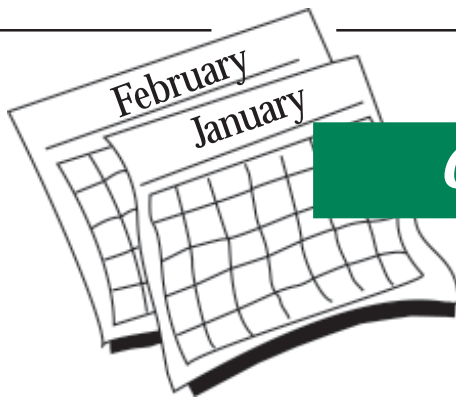
### Conclusion

Together, CMG and credit unions have made significant progress; however, without question, plastic card fraud continues to be on the rise and it is critical that credit unions actively manage their plastic card exposure. Some credit unions fear that plastic card fraud losses threaten their ability to provide competitive card programs for their members, and they are considering selling their card portfolios. Others realize cards are necessary to their vitality and they are finding ways to cope.

Either way, losing the ability to issue plastic payment cards would have devastating impacts on credit unions, including:

- Lost income from both credit and debit card programs would affect the overall health of every credit union.
- Loss of deposit accounts if credit unions cannot offer debit card access to them. In addition, you can expect a negative consumer experience as members, expecting to have debit card access to their deposit accounts, will turn to other credit unions or financial institutions.
- Reduced membership base could significantly harm the vitality of the credit union movement.

CMG remains uniquely committed to continue our advocacy roles by leading a team effort among processors, associations, credit union organizations, and credit unions in order to make coverage viable. For questions on matters relating to this important issue, please contact your CUNA Mutual representative at 1-800-333-2644.



## Calendar of Events

### QUICKBITES

#### (one hour telephone conferencing)

January 11 - Reg CC (2 Hours)

January 30 - Getting Over the Supervisor Blues

February 6 - Home Equity Lending

February 13 - Be a Culturally Ready & Friendly

Employer: Insights into a Diverse Workforce

February 22 - Right to Financial Privacy Act

March 14 - Disciplining and Documenting Employees (2 Hours)

March 20 - Top 12 Collection Tips

### Merrimack Valley Chapter Meeting

February 13, 2007

America's Credit Union Museum

Manchester, NH

Program: CEO Night - "Politics in NH"

Speaker: TBA

### CUNA's Governmental Affairs Conference

February 25-28, 2007

Washington Hilton Hotel

Washington, D.C.

### Monadnock Chapter of Credit Unions Meeting

March 1, 2007

PapaGallos' Restaurant

Keene, NH

Program: Collection Issues

Speaker: Attorney Larry Kane

Meeting Sponsor: Precision Credit Union

### It's In the Cards - Plastic Card Forum

March 15-16, 2007

Mohegan Sun

Uncasville, CT

### Spring Conference

March 16-18, 2007

Newport Marriott Hotel

Newport, RI

### Credit Union Employee Boot Camp

March 21, 2007

Credit Union Center

Marlborough, MA

### New Hampshire Credit Union League Legislative Breakfast

March 28, 2007

New Hampshire Historical Society

Concord, NH

## Stronger job growth in November, tight labor market for credit unions

The economy created 132,000 jobs in November – reflecting increased hiring at retailers, restaurants, and health-care firms, the Labor Department reported recently. The increase followed a gain of 79,000 the previous month (*Bloomberg.com* Dec. 8). The unemployment rate, which is based on a separate survey, rose to 4.5% last month. That is up from a five-year low of 4.4% in October.

"An unemployment rate below 5% is indicative of a very tight labor market that is running above long-run full employment," said Steven Rick, senior economist at the Credit Union National Association. "This corresponds to economic activity running at or slightly above its long-run potential level. This report will, therefore, send a signal to the capital markets that wage and inflation pressures remain strong," he added. "This will push up longer-

term interest rates and delay any reduction in the federal funds target interest rate by the Federal Reserve."

The Labor Department said average hourly earnings increased 0.2%, or 3 cents, to \$16.94 an hour in November. Wages were up 4.1% from a year earlier. "This report confirms what many credit unions have been experiencing over the last few months concerning rising wage pressures of higher-skilled financial service workers," said Rick. Service-producing employment rose a strong 172,000 in November as firms' demand for these workers continued to grow.

"Credit unions are finding the current labor market similar to the 1999-2000 labor market. At that time it became increasingly difficult to find qualified staff for their institutions."

## CUNA annual survey to be mailed in January

The CUNA Annual Survey will be mailed out to all US credit unions at the start of January. This survey is used to track new trends in credit union service offerings not covered by the NCUA 5300. The survey allows CUNA to answer questions from the public, government agencies and elected officials. The survey can be completed on the web. Credit unions can sign up to complete the survey on the web using <http://resource.cuna.org/econstat/year-book/qstpre.html>

The time required to complete the survey should be under 10 minutes. We hope that you will be able to spare this time and this way help the movement collect the information it needs to prosper.

If you have any questions about the survey please contact Marc Shafroth at 608-231-4182 or [mshafroth@cuna.coop](mailto:mshafroth@cuna.coop).