

*PRESS RELEASE...*

**FOR IMMEDIATE RELEASE:**

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## **CU\*South Compliance Workshop Focused on MFOEL & Reg. Z**

**Daphne, AL – May 6<sup>th</sup>, 2010**

In preparation for this summer's regulatory mandates, CU\*South hosted Gulf Coast area credit unions in a free compliance training workshop in Daphne, Alabama.

The workshop opened as the managers voiced critical concerns for their own credit unions.

"We worry about the impact the 'Opt-In' provision of Reg. E will have on our bottom line," commented Mr. James Dill, CEO of Tri-Rivers FCU and a Board member of the CU\*South CUSO. "We're looking for strategies to encourage members to sign up for the 'Opt-In' rules," he continues "over 25% of our fee income is at risk right now."

Fellow credit union leaders expressed similar concerns discussing the confusion surrounding the Multi-Featured Open-End Lending provisions of Reg. Z. "We're advising credit unions to work very closely with both their forms vendors and their attorneys on this issue," commented Jim Vilker, VP of Professional Services for fellow CUSO, CU\*Answers (Grand Rapids, MI), and the Manager of Audit Link, the compliance arm of the CUSO cooperative network. "NCUA has made it very clear – this will be an examination item in 2010 and 2011, and you need to be prepared."

Jim Vilker had just returned from a week-long NAFCU Compliance Certification workshop in Washington. He shared his insights about other pertinent issues, including the following:

- BSA and CTR monitoring
- Auditing Employee Access to Member Accounts
- Dormancy and Escheat monitoring
- Tighter OFAC and FinCEN monitoring
- Additional recommendations for Red Flag monitoring and compliance
- Increased Reg. D monitoring
- Vendor Risk Management
- Indirect Lending and Participation Lending
- RESPA, ARM's, and flood certification requirements for mortgages

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Also presented was a web-based application tool, the Risk Management Generator, developed by CUSO partner CU\*Answers for the specific purpose of managing compliance with NCUA's vendor management rules.

"This is a great example of how credit unions can collaborate to ease compliance's burden," commented Leo Vaulin, CEO of CU\*South. "Instead of developing individual responses to each question on NCUA's checklist, we give credit unions a chance to share with their peers. You look at what others have said then copy, paste, and edit your answer to fit your situation. You'll find that others have considered details that might not occur to you. The Risk Management Generator is a great tool for both responding to NCUA's checklists and managing the details of your vendor contracts – including the all-important expiration and review dates."

"For 'Opt-In' compliance, again, we leverage the power of our cooperative network," continued Mr. Vaulin. "Instead of waiting for members to fill out a form, we're taking a direct approach, offering credit unions telemarketing and electronic messaging options to push the 'Opt-In' agreement to their members. Members need to understand how important this is for the success of their credit union – we'll work with our credit unions to make sure we stay ahead of the deadlines."

The workshop was a truly collaborative experience for the credit union managers attending:

James Dill, Wendy Carmack, and Cindy Faulk from Tri-Rivers FCU  
Pam Cooks and Leslie James from Gulf Coast FCU  
Jason Martin and Laura Stevens from First Neshoba FCU  
Gwen Lewis from Progressive FCU  
Phyllis Crocker from Degussa Employees FCU  
Joyce Harrison from Mobile Postal Employees FCU  
Susan Perkins from Allied CU

### About CU\*South

CU\*South is a credit union-owned cooperative focused on building a network of successful credit unions. CU\*South offers a wide variety of services including its flagship CU\*BASE processing system offered in both online (ASP) and in-house processing environments, and Internet development services featuring **It's Me 247** online banking product, and **It's Me 247** Mobile Web Banking – new for 2010, and free for CU\*BASE clients. As a partner of the cuasterisk.com network, CU\*South provides the most comprehensive offering of information technology tools and services through a collaborative, shared ownership model, with the same great value credit unions offer members.

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