

STATELINE

The Official Publication of the National Association of State Credit Union Supervisors

NASCUS Chair: Credit Union System Partnerships Effective in Facing Challenges

NASCUS Chair Linda Jekel underscored the strength of collaboration among regulators, credit unions and system groups to 2007 CUNA GAC attendees

At the 2007 Credit Union National Association (CUNA) Government Affairs Conference (GAC), NASCUS Chair Linda Jekel took the opportunity to discuss some critical issues facing state credit unions, as well as the value of working together.

In her remarks, Jekel, the director of credit unions for Washington state, highlighted NASCUS' efforts to strengthen the supervision of state-chartered credit unions in the face of new issues and an evolving industry.



PHOTO BY MARK BORCHERT

NASCUS Chair Linda Jekel (WA) addresses the 2007 CUNA GAC audience on February 27 in Washington, D.C.

"NASCUS' work has become increasingly complex over the years. As credit unions change, regulators work to ensure that credit unions remain viable and competitive," said Jekel. "Regulators work to pro-

See **PARTNERSHIPS** Page 3

Upcoming NASCUS Educational Events

Ensure your space is reserved for NASCUS upcoming educational programs! For more information and additional schools, see page 6.

Just Announced!
**Credit Union Balance Sheet
Management School**
May 17-18, 2007
New Orleans, Louisiana

Member Business Lending Essentials
June 4-8, 2007
Denver, Colorado

NASCUS Annual School
For State Credit Union Examiners Only
July 9-13, 2007
University of Wisconsin, Madison,
Wisconsin

NASCUS 2007 State System Summit
Register on Page 5!
August 9-11, 2007
Fort Lauderdale, Florida

Five TAMs on UBIT Made Public

In an expected move, the Internal Revenue Service (IRS) made public technical advice memoranda (TAMs) on unrelated business income tax (UBIT).

For more than 10 years, NASCUS and the UBIT Steering Committee have been monitoring UBIT issues for state-chartered credit unions. As predicted by the Committee, the IRS released two TAMs on March 2, and three on March 9. Additional TAMs are expected.

The TAMs are a result of the 2005 audits of unidentified state-chartered credit unions. NASCUS and the UBIT Steering Committee disagree with IRS' determination that sources of the credit unions' income should be treated as unrelated business income taxable under section 511 of the IRS code. The financial products determined as unrelated include income from:

- Sale of accidental death and dismemberment (AD&D) insurance;
- Sale of group life, dental and cancer insurance;
- Car buying service and sale of car warranties;
- Sale of guaranteed auto protection (GAP) insurance;

See **FIVE TAMs** Page 8



NASCUS PHOTO

On January 25, NASCUS and the UBIT Steering Committee held its first UBIT Workshop in Dallas, Texas. Presenting for the UBIT Steering Committee, Larry Blanchard, CUNA Mutual Group's Senior Vice President for Corporate and Legislative Affairs and NASCUS President and CEO Mary Martha Fortney provided the group with updates on the latest developments with UBIT. More workshops are scheduled.

NASCUS Welcomes New Members from Small Credit Union Advisory Council Membership Initiative

This year, the Credit Union Advisory Council restructured its dues levels recognizing that the value of small credit union interaction is vital to our work to strengthen the state charter and preserve dual chartering.

NASCUS is offering Credit Union Advisory Council membership at zero cost to state credit unions with under \$10 million in assets. Also, credit unions between \$10-20 million in assets can join the Advisory Council for only \$50.

NASCUS sent membership information to all nonmember state credit unions with under \$20 million in assets to inform them of this special opportunity. The Advisory Council believes it is important to encour-

age smaller credit unions, in particular, to be a part of the only organization dedicated to promoting the interests of state-chartered credit unions.

We welcome the following credit unions who have taken advantage of this membership opportunity (as of March 12, 2007). NASCUS also thanks the Credit Union Advisory Council members who have renewed in 2007 to continue helping us strengthen the state charter and dual chartering.



NASCUS leadership met with NCUA Vice Chair Rodney Hood on February 27 in conjunction with the CUNA GAC. Left to right: C. Michael Litzau, Sooper Credit Union, Arvada, CO; Sandra Troutman, NASCUS; Lori Rush, Universal 1 Credit Union, Dayton, OH; Mary Martha Fortney, NASCUS; NCUA Vice Chair Rodney Hood; and NASCUS Chair Linda Jekel (WA).

NASCUS Holds Board, Committee and Leadership Meetings in Conjunction with CUNA GAC

NASCUS had a full schedule of activities in conjunction with the 2007 Credit Union National Association (CUNA) Government Affairs Conference (GAC).

The NASCUS Boards and Committees met in Washington, D.C. prior to the CUNA GAC, February 24-25. During the CUNA GAC, February 26-28, NASCUS had face-to-face meetings with representatives from credit union system groups and federal agencies, including National Credit Union Administration (NCUA) Board members.

The NASCUS and Credit Union Advisory Council Boards discussed current issues such as unrelated business income tax

(UBIT), the state data collection project and capital reform. The NASCUS Board approved recommended revisions to NASCUS operating policies, a part of NASCUS' effort to update and review internal governance policies.

In addition, NASCUS' GAC schedule included meetings with CUNA, the National Association of Federal Credit Unions (NAFCU), the American Association of Credit Union Leagues (AACUL), the Association of Corporate Credit Unions (ACCU) and CUNA Mutual Group. NASCUS also met with NCUA Chairman JoAnn Johnson, NCUA Vice Chair Rodney Hood and NCUA Board member and NASCUS liaison Gigi Hyland as well as Federal Reserve Board Governor Susan Schmidt Bies.

ADM Credit Union, Decatur, IL
AE Goetze Employees Credit Union, Lake City, MN
Alamosa Credit Union, Alamosa, CO
Alliance Financial Credit Union, Oak Park, IL
BNSF Credit Union, Amarillo, TX
Bluestem Community Credit Union, El Dorado, KS
Burlington Northtown Community Credit Union, North Kansas City, MO
Cascade Forest Products Credit Union, Vancouver, WA
Central Vermont Medical Center, Inc. Credit Union, Barre, VT
City-County Employees Credit Union, Clearwater, FL
City of Painesville Employees Credit Union, Painesville, OH
Corpus Christi S.P. Credit Union, Corpus Christi, TX
C.H.H. Credit Union, Inc., Torrington, CT
Chicago Sun-Times Employees Credit Union, Chicago, IL
Combined Employees Credit Union, Warner Robins, GA
Community Healthcare Credit Union, Inc., Manchester, CT
Community Spirit Credit Union, Lawrenceburg, IN
Dallas Cotton Belt Employees Credit Union, Dallas, TX
Dearborn Village Community Credit Union, Dearborn, MI
East Central Mississippi Credit Union, Newton, MS
Faith Community United Credit Union, Cleveland, OH
Fayetteville Postal Credit Union, Fayetteville, NC
Ferndale Refinery Credit Union, Ferndale, WA
First Community Credit Union, Columbia, TN
Florida Health Care Credit Union, Gainesville, FL
Globe Industries Employees Credit Union, New Carlisle, OH
Great Lakes Members Credit Union, Dearborn, MI
Henry County Community Credit Union, Mt. Pleasant, IA
Lacrosse Burlington Credit Union, La Crosse, WI
Legal Community Credit Union, Denver, CO
Light Commerce Credit Union, Houston, TX
Louden Depot Community Credit Union, Fairfield, IA
Madison V.A. Employees Credit Union, Madison, WI
Malden City Employees Credit Union, Malden, MA
Mason County School Employees Credit Union, Ludington, MI
Medical Community Credit Union, Wichita, KS

IN MEMORIAM:

Doris Gunn, Louisiana State Regulator



Doris Gunn with her fellow NASCUS Board members in 2006, who were respected friends and state regulator peers. Left to right, front: Harold Feeny (TX); Doris Gunn (LA); Jerrie Lattimore (NC); and Mary Martha Fortney, NASCUS. Back, left to right: Jim Fomey (IA); Linda Jekel (WA); Roger Little (MI); and Tom Candon (VT).

It is with great sadness for NASCUS to report that Louisiana state regulator Doris Gunn passed away on February 28 after a long and courageous battle with cancer.

Doris Gunn, the deputy commissioner of the Louisiana Office of Financial Institutions (OFI), was a long time supporter of NASCUS and a passionate advocate for dual chartering. She was a NASCUS Board member for four years, who served as Secretary and Treasurer of the Board for two years. She was an active participant in the NASCUS Accreditation Program. Gunn worked for the OFI for 24 years, beginning her career as a field examiner in 1982.

“Doris’ dedication and passion for the state credit union system were without limits,” said NASCUS President and CEO Mary Martha Fortney. “She will be missed very much by NASCUS, her family, friends and colleagues.”

Memorial donations can be made to Sister Dulce Foundation or St. Jude Children’s Research Hospital.

“Doris was a trusted friend to many state and federal regulators, bankers, educators and government officials across the country, and we will all miss Doris’ counsel, spirit and joie de vivre,” said OFI in a statement of remembrance on its Web site.

Members Choice Credit Union, Inc.,
Greenville, OH

Members United Credit Union, Neenah, WI

Memphis Publishing Company Employees Credit
Union, Memphis, TN

Michigan Coastal Credit Union, Muskegon, MI

MPD Community Credit Union, Nashville, TN

New Horizons Credit Union, West Point, MS

NGH Credit Union, Nashville, TN

Northampton Area School District Employees
Credit Union, Northampton, PA

Northland Credit Union, Spokane, WA

Pacific Coast Credit Union, Costa Mesa, CA

Plainfield Credit Union, Plainfield, NJ

Pluswood Credit Union, Oshkosh, WI

Public Employees Credit Union, Coeur d’Alene, ID

Quality Oil Credit Union, Winston Salem, NC

San Juan Credit Union, Blanding, UT

St. Cletus Credit Union, Warren, MI

St. Jude Credit Union, Chicago, IL

St. Margaret’s Credit Union, St. Louis, MO

Sunrise Credit Union, Loveland, CO

Topeka City Employees Credit Union, Topeka, KS

Tri County Credit Union, Grinnell, KS

Western Illinois Credit Union, Macomb, IL

Union Leader Employees Credit Union,
Manchester, NH

Union of Poles in America Credit Union, Garfield
Heights, OH

United Catholic Credit Union, Granite City, IL

Valley Bell Credit Union, Elgin, IL

Valley Gas Employees Credit Union, Jackson, MS

Partnerships

continued from page 1

vide credit unions with a flexible legal and regulatory framework that enables them to provide a wide array of products and services to their members.”

Jekel remarked that state regulators and state legislatures have long recognized that credit unions must evolve their products and services to meet the needs of members. On the issue of unrelated business income tax (UBIT), Jekel emphasized that the Internal Revenue Service (IRS) must recognize that credit unions are contemporary financial institutions.

“The IRS must recognize the modern character of credit unions — institutions that have continued to provide credit and thrift services to their members since 1908,”

“The IRS must recognize the modern character of credit unions — institutions that have continued to provide credit and thrift services to their members since 1908,” said NASCUS Chair Linda Jekel.

said Jekel. “This understanding will be critical in the system-wide effort to reach IRS agreement regarding what is related to the business of credit unions.”

In addition to discussion on UBIT, Jekel remarked on the importance of NASCUS’ continuing efforts to educate Congress about the significance of state authority and dual chartering. Moreover, she focused on NASCUS and state regulators ongoing dialogue with the National Credit Union Administration (NCUA) on national policy issues, emerging rulemaking and solutions to protect the safety and soundness of credit unions.

Jekel finished her remarks by reminding the audience that while credit unions and organizations are successful in serving and representing their members, progress toward goals and opportunities are best accomplished through partnerships. “The credit union system thrives most when we all work together, share a table for open discussion and pull together innovative minds,” said Jekel. “Let’s build on our partnerships, tackle the challenges of this year and ensure the continued longevity of credit unions.”

Jekel’s February 27 CUNA GAC remarks can be downloaded on the NASCUS Web site at www.nascus.org.



Register Here

NASCUS State System Summit

August 9-11, 2007
Fort Lauderdale, FL

NASCUS State System Summit
August 9-11, 2007
Harbor Beach Marriott
Fort Lauderdale, Florida

The NASCUS State System Summit is a unique opportunity to join your peers at state regulatory agencies, state-chartered credit unions and leagues to learn about economic trends, compliance challenges, emerging regulatory and examination policies and other issues facing the state credit union system today.

During the Summit, credit union experts from across the nation will provide information and education on:

- Challenges to the Credit Union Balance Sheet
- Legal Challenges Confronting the State System
- Member Business Lending Challenges and Opportunities
- Opportunities for Small Credit Unions
- Role of Credit Unions in the American Financial Services System
- Compliance and Regulatory Updates
- Capital Reform and More



Bruce Jolly

Summit attendees will examine these and other issues of vital importance to state-chartered credit unions. The NASCUS Summit is the only national gathering of the state credit union system. Don't miss it!



Bob Hoel



Gigi Hyland

Keynotes and Speakers include:

- Dr. James Likens, President and Dean of Western CUNA Management School
- Bob Hoel, Filene Fellow in Residence at the Filene Research Institute
- Gigi Hyland, NCUA Board member and NASCUS Liaison
- Cliff Rosenthal, Executive Director, National Federation of Community Development Credit Unions
- Bruce Jolly, NASCUS General Counsel and Partner, Venable LLP
- Incoming NASCUS Chairman Ken Roberts, acting deputy superintendent for the Ohio Division of Financial Institutions
- NASCUS Credit Union Advisory Council Chairman Mendell Thompson, president and CEO of America's Christian Credit Union, Glendora, California



Jim Likens



Ken Roberts



Cliff Rosenthal



Mendell Thompson

Who should attend?

- State Regulators, Chief Deputies and Senior Examiners
- State Credit Union CEOs, Executives and Directors
- Credit Union League Executives
- Federal Regulators
- Supporters of the Credit Union Dual Chartering System

Summit Logistics:

Lodging

For hotel reservations, dial Marriott reservations at (800) 228-9290 and ask for the NASCUS room block at the Marriott Harbor Beach in Fort Lauderdale, Florida. The NASCUS rate is \$184.

NASCUS regulator members can qualify a limited block of rooms at a government rate of \$87. If you do reserve your room at the government rate, you must provide proof that you are an employee of state or federal government to qualify. The NASCUS room rate expires on July 6, 2007. Room rates and availability are not guaranteed. Rooms may be sold out prior to this date, so make your hotel reservations early!

Travel

The Fort Lauderdale International Airport is only six miles from the Harbor Beach Marriott. Taxi fare to the hotel is estimated at \$15.

Agenda

The Summit begins at 8:00 a.m. on August 9, 2007 and concludes at noon on August 11, 2007.

Registration

Register at www.nascus.org or by fax at (703) 528-3248 using the adjacent form. (Please copy for additional registrants.)



Register

NAME _____

NAME PREFERRED ON BADGE _____

TITLE _____

ORGANIZATION _____

MAILING ADDRESS _____

CITY _____

STATE _____

ZIP _____

PHONE _____

FAX _____

EMAIL ADDRESS _____

GUEST NAME _____

Registration Fee Summary

	Before 6/29/2007	After 6/29/2007
NASCUS Members	\$745	\$795
Non-Members	\$845	\$895
Small Credit Unions (under \$10 million in assets)	\$495	\$545
Spouses/Guests	\$200	\$200

Optional Tours

Golf Outing	\$185	\$185
Everglades Tour	\$125	\$125

Total Due:

Cancellation Policy

All refund/cancellations must be made to NASCUS in writing by July 27, 2007 and are subject to a \$75 administrative charge. No refunds will be issued after July 27, 2007. Substitutions will be permitted at any time. No refunds on the optional tours (Golf Outing and Everglades Tour) if cancellations are received less than 48 hours prior to the event.

Method of Payment

Check/Share Draft Included Please send me an invoice

Charge my credit card: VISA MASTERCARD

ACCOUNT NUMBER _____

EXPIRATION DATE _____

NAME AS IT APPEARS ON CARD _____

Fax back to NASCUS at (703) 528-3248. Questions? Contact NASCUS at (703) 528-8351 or email us at offices@nascus.org.

NCUA's 2007 Regulatory Review

The NCUA announced its regulatory review for 2007. Several of the regulations affect state-chartered, federally insured credit unions.

The National Credit Union Administration (NCUA) published its list of regulations that it will review in 2007 for possible updates or amendments. Below are the sections being reviewed with relevance to state-chartered, federally insured credit unions.

- 711 Management Official Interlocks
- 712 Credit Union Service Organizations (CUSOs)
- 713 Fidelity Bond and Insurance Coverage for Federal Credit Unions
- 715 Supervisory Committee Audits and Verifications
- 716 Privacy of Consumer Financial Information
- 717 Fair Credit Reporting
- 722 Appraisals
- 723 Member Business Loans
- 725 Central Liquidity Facility
- 740 Advertising
- 741 Requirements for Insurance
- 742 Regulatory Flexibility Program
- 745 Share Insurance
- 747 Administrative Actions, Adjudicative Hearings, Rules of Practice and Procedure, and Investigations

NASCUS will be filing comments on updates and amendments. If you have comments you would like NASCUS to consider, please contact the NASCUS Regulatory Affairs Department at brian@nascus.org. The comment period closes on August 1, 2007.



Send NASCUS Your News!

NASCUS wants to stay up-to-date with news and happenings at your state agency or credit union! NASCUS features news from around the states on its Web site and in its publications. Add NASCUS' Director of Communications Kate Hartig to your news distribution lists at kate@nascus.org.

NASCUS 2007 Educational Calendar

Mark your calendars and register today for NASCUS' upcoming educational programs! Registration is available through the NASCUS Web site at www.nascus.org. If you have any questions, please contact NASCUS at (703) 528-8351 or by email at offices@nascus.org.

Credit Union Balance Sheet Management School

May 17-18, 2007, New Orleans, Louisiana

This school will provide attendees with a broad range of information on risks related to balance sheet management. Beginning with an economic update framing the broad issues of volatile markets and shifting economic risks, the course will then focus on prudent balance sheet management, modeling and testing.

Tuition for this school is \$629 which includes lodging, materials and most meals.

Member Business Lending Essentials

June 4-8, 2007, Denver, Colorado

Instructors will focus on key business lending issues of most concern to NASCUS members such as effective member business lending policies, organizational structure for credit union commercial lending staff, loan policy essentials, underwriting and much more.

The school will also cover safety and soundness elements such as internal controls and information systems, internal audit systems, loan documentation, credit underwriting and asset quality evaluation. Tuition for this school is \$1,190 which includes lodging, materials and most meals.

NASCUS ANNUAL SCHOOL

*For State Credit Union Examiners Only
July 9-13, 2007*

University of Wisconsin, Madison, Wisconsin
During the school, NASCUS will explore the issues essential to examining state credit unions effectively. The agenda also includes a two-day Examiner's Communications Workshop designed to enhance attendees writing and presentation skills. Other sessions will focus on the critical credit union operational and examination issues of 2007 such as balance sheet management, fraud

trends, examining for member business lending, evaluating a credit union compliance program and more.

Throughout the week, attendees will have the chance to exchange examination best practices with their peers from across the country. Tuition is \$1,350 which includes instruction, five nights of lodging and most meals.

NASCUS State System Summit

*August 9-11, 2007, Fort Lauderdale, Florida
See Pages 4-5 for more information*

Don't miss the largest gathering of state credit union system leaders in 2007 at the NASCUS State System Summit. Join state and federal regulators, state credit union and league executives and other supporters of the dual chartering system to actively engage in learning opportunities that advance innovation and growth for the state credit union system.

NASCUS Intermediate Technology School/CSBS Technology Seminar

October 14-17, 2007, Savannah, Georgia

The goal of this school is to expose information technology (IT) examiners and safety and soundness examiners involved in IT examinations to credit union IT examination best practices and techniques. At least one day of this seminar will feature joint sessions with the Conference of State Bank Supervisors (CSBS) to discuss the current technological issues and products affecting the financial industry, credit union and banking departments and the regulatory process.

NASCUS Senior Management Symposium

October 23-26, 2007, Coeur d'Alene, Idaho

Experienced senior staffers within state agencies, deputy commissioners and credit union senior management will benefit from the networking and learning opportunities this school delivers. The goal of this school is to enhance core management skills such as performance management, team building, communications and staff relations.

Third Annual NASCUS/CUNA Comprehensive BSA Training School

October 28-31, 2007, Tempe, Arizona

Again this year, NASCUS and CUNA will work together to present BSA training for the entire credit union system. Join your peers for:

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Legislative Happenings in the 110th Congress

Congress is back in session and is working on several hot topics of interest to the state credit union system.

CURIA

Congressmen Paul Kanjorski (D-Pa.) and Ed Royce (R-Calif.) re-introduced the Credit Union Regulatory Improvements Act (CURIA), H.R. 1537, on March 15. Several of the provisions in the new CURIA apply to state-chartered credit unions. It includes changes to net worth requirements, increases the member business lending cap and adds requirements related to credit union conversions.

Data Security

Data security remains an important issue on the legislative agenda in the House of Representatives. Several bills were introduced in Committees of the House of Representatives during the last Congress but an agreement was never reached on several provisions in the data security bills.

At the beginning of this Congress, Chairman Barney Frank (D-Mass.) of the House Financial Services Committee suggested that the Financial Services and Energy and Commerce Committees form a task force with members from both committees. The purpose was to better understand the perspective of each committee's viewpoint about data security. However, the task force was never initiated.

Since that time, the Energy and Commerce Committee introduced a bill on data security in early February. The purpose of the Data Accountability and Trust Act (DATA) introduced by Reps. Bobby Rush (D-Ill.), chairman of the Subcommittee on Commerce, Trade and Consumer Protection and Subcommittee Ranking Member Cliff Stearns (R-Fla.), is 1) to protect consumers by requiring entities engaged in interstate commerce to have reasonable security policies and procedures; 2) to protect data containing personal information; and 3) to provide for nationwide notice in the event of a security breach.

NASCUS 2007 Educational Calendar,

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- The latest in BSA compliance;
- Updates on changing regulations and examination focus;
- Best practices in compliance; and
- An opportunity to ask questions of leading experts and directly to state and federal regulators.



PHOTO BY MARK BORCHELT

Addressing the 2007 CUNA GAC audience, Rep. Barney Frank (D-Mass.), chairman of the House Financial Services Committee, emphasized his commitment to data security solutions to protect personal information.



PHOTO BY MARK BORCHELT

Chairman of the Senate Banking, Housing and Urban Affairs Committee Christopher Dodd (D-Conn.) identified predatory lending as an obstacle for American homeownership in this remarks to the 2007 CUNA GAC audience.



PHOTO BY MARK BORCHELT

Rep. Ed Royce (R-Calif.) announced his intention to co-sponsor CURIA with Rep. Paul Kanjorski (D-Pa.) in the 110th Congress to the 2007 CUNA GAC attendees.

The issue is also on the radar screen of the House Financial Services Committee. The Committee approved its oversight plan for the 110th Congress. The oversight plan included an amended version of Rep. Spencer Bachus' (R-Ala.) proposal extend-

"If you currently engage in any business practice that you would be ashamed to discuss before this Committee, I would strongly encourage you to cease and desist that practice," said Senator Christopher Dodd (D-Conn.), Chairman of the Senate Banking Housing and Urban Affairs Committee in hearing regarding credit card company practices.

ing the panel's oversight activities to include data security breaches that occur at government agencies.

Moreover, the Senate introduced S. 495, the Personal Data Privacy and Security Act of 2007, in early February. The purpose of the bill is to prevent and mitigate identity theft, to ensure privacy and to provide notice of security breaches. The bill also enhances criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access and misuse of personally identifiable information.

Currency Transaction Report (CTR) Filings

Rep. Bachus introduced the Seasoned Customer CTR Exemption Act of 2007 with

the purpose of reducing filing requirements for cash transactions above \$10,000 for seasoned customers. The bill allows financial institutions to stop filing currency transaction reports for business customers that have held deposits with them for at least a year. The House passed the bill on January 23. The bill has been referred to the Senate Banking, Housing and Urban Affairs Committee.

Credit Cards

Credit cards remain another important topic to the House Financial Services Committee. Rep. Carolyn Maloney (D-N.Y.), chairwoman of the Financial Institutions and Consumer Credit Subcommittee, and Rep. Frank, chairman of the House Financial Services Committee, issued a statement before the Committee that stated their concerns about credit cards and their intention to hold hearings on the issue.

In addition, the Senate Banking, Housing and Urban Affairs Committee held its first hearing on billing, marketing and disclosure practices of the credit card industry and its impact on consumers. Chairman Christopher Dodd (D-Conn.) said the purpose of the first hearing was to better understand the many complex issues regarding credit card practices. In his opening comments he said, "If you currently engage in any business practice that you would be ashamed to discuss before this Committee, I would strongly encourage you to cease and desist that practice."

Housing, insurance and follow up discussion about hurricane relief are also expected to be priority issues.



NASCUS Vice President of Corporate Affairs Barbara Pogue joined Incol Credit Union staff and volunteers for the charity event including left to right: Amy Sanguedolce, Dorothy Loftus, Barbara Pogue (NASCUS), Miriam Cappos, Nicole Hines, Virginia Szumski and Kristine Lenceski.

NASCUS Bowls Them Over in Charity Tournament

NASCUS joins Pennsylvania area members for local charity event

NASCUS, at the invitation of Incol Credit Union in Old Forge, Pennsylvania, participated along with credit union employees and their families from the Scranton and Wilkes-Barre areas in a Presidents' Day Weekend Benefit Bowling Tournament. The tournament is an annual event sponsored by Pennsylvania's Wyoming Valley Chapter of Credit Unions.

Each year, the Chapter designates a local charity to which it donates the proceeds from the event. The event, chaired by Incol Credit Union President Debbie Peters, NASCUS Credit Union Advisory Council member and Pennsylvania State Liaison, raised \$3,000 for the local Society for the Prevention of Cruelty to Animals (SPCA.)

In addition to the Incol and NASCUS teams, 20 teams and more than 100 bowlers participated in the tournament. NASCUS Vice President of Corporate Affairs and Accreditation Barbara Pogue led the NASCUS team to a less than remarkable showing in the competition, but the team had a great time interacting with the local credit union community and was pleased to be part of this benefit event.

April 18 in Hartford, Connecticut. NASCUS will announce future workshops on its Web site at www.nascus.org.

The TAMs and other resources can be downloaded from the UBIT Resources page on the NASCUS Web site at www.nascus.org.

Five TAMs

continued from page 1

- Sale of credit disability insurance; and
- Sale of MEMBERS financial management services.

Other adverse decisions are expected to be made by the IRS, including income and investment products; income from non-member ATM fees; and income from auto buying referral services.

The UBIT Steering Committee intends to challenge the IRS' decisions through litigation. "NASCUS strongly disagrees with the IRS' determinations that these financial products are not related to a credit union's purpose," said NASCUS President and CEO Mary Martha Fortney. "It's important that we provide the IRS with education about the modernization of credit unions and the complexity of a credit union member's financial service needs."

NASCUS and the UBIT Steering Committee encourage state-chartered credit unions to

consult with their tax and legal experts about UBIT filing considerations for 2006 and 2007. State-chartered credit unions are also urged to utilize sound accounting principles to assess potential tax liability. The UBIT Steering Committee developed an accounting tool to aid state credit unions in this process. The tool and other resources can be found on the NASCUS Web site at www.nascus.org.

The UBIT Steering Committee, made up of NASCUS, the Credit Union National Association (CUNA), CUNA Mutual Group and the American Association of Credit Union Leagues (AACUL), has kept the credit union community up-to-date on UBIT developments through memos and education. The Committee held a national webinar on February 7 for more than 1,200 attendees.

NASCUS and the UBIT Steering Committee also held the first in a series of UBIT workshops on January 25 in Dallas, Texas. Additional workshops are scheduled for April 4 in Charlotte, North Carolina and

National Association of State Credit Union Supervisors

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URL: <http://www.nascus.org>

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