



# ALERT

Issue 9  
October 2011

601 PENNSYLVANIA AVENUE, NW, SUITE 600, SOUTH BUILDING • WASHINGTON, D.C. 20004-2601 • (202) 638-3950 • WWW.DCUC.ORG

## Financial Education for Military Spouses

*Lisa Ware, MBA, Military Spouse Fellow*  
(Reprinted with permission, originally published in the AFCPE newsletter, *The Standard*.)

Given the dynamic nature of military life with its deployments and changes of station, it is important for military spouses to understand the financial realities that can impact a military family. In October 2010, the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation released the findings of its Financial Capability Survey and found some interesting results. Respondents included 100 military spouses, 700 military service members and 25,000 civilians. FINRA's survey defined financial capability in four segments:

- 1. Making Ends Meet:** 36 percent of military respondents reported difficulties in covering basic monthly expenses and paying regular bills.
- 2. Planning Ahead:** Approximately 50 percent of the military respondents have emergency funds and plan for the predictable life events such as changes in station.
- 3. Managing Financial Products:** Approximately 20 percent of military respondents reported engaging in non-bank alternative borrowing methods (payday loans, advances on tax refunds, pawn shops), and 27 percent of credit card holders reported owing more than \$10,000 in credit card debt.
- 4. Financial Knowledge and Decision Making:** Respondents "engaged in

*continued on page 6*

## CEO UPDATE

### We Asked...You Delivered!

*Roland A. "Arty" Arteaga, President/CEO, DCUC*

This past month the Consumer Financial Protection Bureau Office of Servicemember Affairs sought our assistance in disseminating their Federal Register notice regarding the level of financial support provided our troops and their families. The CFPB's notice specifically requested information from financial institutions regarding the consumer financial products and services offered to servicemembers...and from all indications, DCUC member credit unions were "well represented."

Thank you for taking the time to comment and respond to Mrs. Holly Petraeus, Assistant Director, Office of Servicemember Affairs (OSA), and for providing her a list of your traditional financial products and services and identifying those products and services specifically tailored to meet the financial needs of our troops and their families. As I expressed in my request of you last month, this was an opportunity for you, as on-base credit unions, to showcase your extraordinary daily support of our troops and their families, and frankly, to toot your horn some and make public what I and DOD already know...and what Mrs. Petraeus and her staff are aware of—when it comes to supporting the financial needs of our men and women in uniform, "no one comes close."

Whether offering special savings rates, low cost auto loans, alternative payday loans, warrior discounts, warrior enhancements or providing small business loans, mortgage loan modifications, no closing cost and low interest rate home loans...whether providing no cost financial education free counseling, participating in Military Saves Week, supporting the Command's financial readiness campaign or assisting Morale Welfare and Recreation and family readiness support groups...whether advancing the Military's payday one or two days prior, hiring military spouses, fully supporting SCRA, guaranteeing utility deposit programs or going beyond the norm during potential government shutdowns, such as in April (and then again in July), and guaranteeing our troops' paycheck will be credited to their direct deposit account and/or a no interest loan will be provided...whether you are matching the government's Savings Deposit Program and paying ten percent interest to our troops in combat who have a direct deposit or offering a five thousand dollar grant to offset first time purchase home closing costs, you can be assured, when it involves the financial quality of life of our troops and their families, "no one comes close!"

DCUC's member credit unions are "Serving Those Who Serve Our Country" year long, peace or war, stateside or overseas...and I, for one, am proud of that level of support and loyalty, and given the feedback offered to OSA, I suspect Mrs. Petraeus is equally proud!



*Roland A. Arteaga*

*continued on page 8*

## DEFENSE CREDIT UNION COUNCIL, INC.

is an association of credit unions serving Department of Defense personnel, military and civilian, worldwide.

### BOARD OF DIRECTORS

**Frank Padak**  
Chairman

**Patty Kimmel**  
1st Vice Chairman

**Jean Yokum**  
2nd Vice Chairman

**David Davis**  
Treasurer

**Denise Floyd**  
Secretary

**Robert Morgan**  
Member

**Gordon Simmons**  
Member

### COUNCIL STAFF

**Roland A. Arteaga**  
President/CEO

**Beth Merlo**  
Director for Administration

**Jen Kenney**  
Administrative Assistant

**Jennifer Hernandez**  
Information Technology Specialist

**Janet Sked**  
Conference Manager

**Megan Mundt**  
Comptroller



is the official publication of the Council. One copy of *ALERT* is mailed first-class to each defense credit union as a membership service. Defense credit unions may order additional copies (three or more) to be mailed in bulk to one address at \$10.00 per copy per year. Individual subscriptions mailed first class to defense credit union members are \$15.00 per year; to all others \$25.00 per year. *ALERT* is published monthly except for the month the annual conference and membership meeting are held. In accepting a limited amount of advertising (two advertisements per issue), the Council as a matter of strict policy does not in any way endorse either the product or the vendor. The right to refuse advertising for any reason whatsoever is reserved. DCUC dues are not deductible as a charitable contribution for federal tax purposes, but may be deductible as a business expense. Reproduction of *ALERT* material in whole or in part is authorized for Council members only. Address all correspondence to Defense Credit Union Council, Inc., 601 Pennsylvania Avenue, NW, South Building, Suite 600, Washington, D.C. 20004-2601. Telephone: 202/638-3950; FAX: 202/638-3410; e-mail: bmerlo@dcuc.org or admin@dcuc.org; www.dcuc.org.

## APGFCU Awards \$1,000 to Winners of its "Spotlight on a Soldier" Contest

*Janice Carey, Marketing Communications Director*

Aberdeen Proving Ground FCU [APGFCU] is proud to announce the local prize winners of its "Spotlight a Soldier" essay contest. The contest invited APG FCU members to nominate local military servicemen or women whom they feel have distinguished themselves with exceptional courage, kindness, compassion, unselfish character or acts of heroism.

The winners were selected by a panel of APGFCU judges and awarded a total of \$1,000. One \$500 Visa® gift card and five \$100 Visa gift cards were awarded to:

George Ashe of White Marsh, MD (\$500)

Eric Blake of Churchville, MD (\$100)

Brent Moore of Elkton, MD (\$100)

Randy Letschin of Forest Hill, MD (\$100)

Michael Kelly, Sr. of Aberdeen, MD (\$100)

Peter Rollins of Aberdeen, MD (\$100)

As part of Military Appreciation Month, the "Spotlight a Soldier" contest demonstrates APG FCU's dedication to serving the financial needs and improving the financial wellness of military families. The contest ran in May and was open to all APGFCU members.



APGFCU's "Spotlight a Soldier" Winner, Eric Blake, with mom, Diane Ammer. Photo courtesy of APG FCU

## Apple iPad™ Raffle to Benefit Cancer Research & Prevention

*Natasha Henry, Communications Writer*

Employees of Tower FCU recently raised \$1,160 to benefit the Susan G. Komen for the Cure Foundation® and the American Cancer Society. Tower's "Team for a Cure" collected the money during an ice cream social on August 25 at the credit union's Laurel, MD, headquarters. For \$3, employees enjoyed three scoops of flavored ice cream along with chocolate fudge, fruits, nuts, whipped cream and a variety of other tasty toppings. During the fundraiser, employees could enter to win an Apple iPad™.

The anticipated arrival of hurricane Irene did not deter the volunteers who helped at the fundraiser and provided service with a smile. "All of the volunteers who dished out ice cream and the employees who supported the fundraiser helped make the event a huge success, despite the stormy weather," says Bonnie Davis, Tower's Team for a Cure Coordinator. Davis said one of the volunteers even came in on her day off to help out.

Tower's Team for a Cure coordinates fundraising events year-round and participates in the annual Komen Global Race for a Cure® in Washington, D.C. Davis says Tower pays for transportation to and from the race and often matches the funds raised.

Davis says the next scheduled Team for a Cure fundraising event will be a 50/50 raffle later this month.

## Budgeting Gets a Technological Makeover

*Tower FCU Offers Free Online Personal Financial Management Resource for Members*

*Carla Burger, Advertising/Public Relations*

**T**ower FCU, the largest federal credit union in Maryland, is using technology to help its members create and follow a budget. Headquartered in Laurel, MD, the credit union partnered with Intuit Financial Services to provide FinanceWorks™, an online Personal Financial Management (PFM) solution powered by Quicken®. FinanceWorks gives users a customized picture of their finances so they can establish priorities, track cash flow, tweak spending levels and determine disposable income.

FinanceWorks is free to Tower members and accessible through Tower's secure online Home Banking. In the first week following the product launch in March 2010, more than 1,500 Tower members had signed up. By the end of the first month, that number rose to over 4,000. Today, more than 11,000 Tower members are using FinanceWorks to help track and manage their finances, according to Christine Bouma, eServices Product Planner at Tower.

Bouma says Tower members use FinanceWorks to create a budget, track spending, set up bill payment alerts and reminders, and even calculate their net worth. Members can view all of their financial transactions in one place with one login, even transactions from non-Tower accounts. They can select from a list of over 18,000 financial institutions and creditors—including checking, savings, loans and credit card accounts. Charts and graphs show the member's financial picture at a glance. The FinanceWorks solution can be customized to fit their personal financial goals and priorities.

"Our members are sophisticated individuals who know the level of planning they need to achieve their financial objectives," Bouma says. "FinanceWorks helps them do that, from major considerations such as college savings and retirement, to everyday transactions. Members can even allocate funds from one transaction to multiple expense categories such as the amount spent on food vs. fuel at a gas station."

Bouma says industry-wide, browser-based PFM solutions are fairly new and do not yet enjoy widespread use. "Tower's rate of member signups for FinanceWorks is more than twice the three percent national average for bank customers who use a PFM tool," she says. "It's good to know that we are providing a product that supports our members' financial goals and objectives, and will help them save for the future."

---

## Travis CU Employees Donates School Supplies

*Sherry Cordonnier, CUDE, Director, Corporate Relations*

**T**ravis CU employees had an opportunity to help those less fortunate than themselves by donating school supplies that would be used by children in need.

"In the last three years, Solano County schools identified more than 2,000 homeless students in the Solano County communities. Due to the loss of housing and family financial challenges, these young people might be living on the streets, in shelters, or staying temporarily with family or friends," stated Patsy Van Ouwwerkerk, president and CEO of Travis CU. "These children desperately needed school supplies and our employees were eager to help."

To assist the homeless youth, Travis CU partnered with the Solano County Office of Education, radio station KUIC-FM, and the Food Bank of Contra Costa and Solano in support of the regional Stuff the Bus Campaign. Travis CU employees and members from the 12 Solano County branches rallied school supplies since the campaign's kickoff in July.

Pencils, crayons, erasers, paper, tape, glue, notebooks—if a student needed it, it was spread out on the table, sitting in boxes or stuffed in one of the backpacks at Travis CU.

"The barrels were filled with all types of school supplies and backpacks, either filled or unfilled. Another \$1,800 in cash and checks was collected, as well," said Becky Cruz, educational liaison with the Office of Education. "The funds were used for bus passes, additional school supplies and more backpacks."

## Andrews FCU Sponsors 2011 Joint Base McGuire-Dix-Lakehurst Mud Run

*Melissa Gardner, Andrews FCU*

**A**ndrews FCU sponsored the 2011 Joint Base McGuire-Dix-Lakehurst 10K Mud Run, also called, the "Beast of the East." The run was on a 10K course that encompassed different types of terrain and military-style obstacles, including asphalt, dirt, hills, water hazards, and mud. Three teams of Andrews FCU employees also participated in the run.

"Andrews FCU was excited to sponsor this fun run and to have employee teams compete," says Catherine Duncker, Andrews Federal's McGuire-Dix-Lakehurst Branch Manager. "It was a great way to continue to strengthen the ties between Andrews FCU and the joint base community."

---

## Hanscom FCU Helps Support Ten Year 9/11 Commemoration

*Patricia Warden-Conty, Hanscom FCU*

**H**anscom FCU was honored to be among the sponsors of the Hanscom Air Force Base 10th Anniversary Memorial Remembrance of 9/11.

Held Sept. 9 at the base's POW/MIA Monument, the event featured a wreath laying ceremony, flag presentation and guest speaker Jonathan Elias. The WBZ-TV Boston news anchor is the Honorary Commander to the Installation Commander of Hanscom AFB, teaches annually at the U.S. Army War College in Carlisle, PA, and has formed the "Welcome Home Project" to recognize returning Afghanistan and Iraq war veterans.

"We are incredibly humbled to play a part in helping remember that day and those we lost," said Chairman of the Board Paul Marotta. "Here on the base, where it's easy to be regularly reminded of 9/11's impacts, taking special time to consider 9/11 and its meaning to us all is especially important."

## DEFENSE CREDIT UNION PEOPLE IN THE NEWS...

Suitland, MD—Andrews FCU has appointed **David E. Perkins** to the role of Senior Vice President/Chief Technology Officer (CTO). Mr. Perkins brings over 30 years of information technology experience to the position. Prior joining the Andrews Federal executive team, Mr. Perkins served as Senior Vice President/Chief Technology Officer at National Institutes of Health FCU in Rockville, MD. Mr. Perkins has also held executive-level positions at State Employees Credit Union of Maryland and Johns Hopkins University... Aberdeen, MD—In August, APG FCU honored **Peggy Steelman**, member loan specialist, with an award presentation for 30 years of dedicated service to the credit union. In 1981, Ms. Steelman was hired as a loan processor and was promoted to loan officer two years later. In 2003, her title was changed to member loan specialist with the implementation of APGFCU's Member Loan Center in Edgewood, MD. She has been underwriting loan applications for the past 28 years and is an integral part of the credit union's success. Ms. Steelman lives in Harford County, MD... Yorktown, VA—1st Advantage FCU is pleased to announce that its Board of Directors has named **Paul W. Muse** as the credit union's Chief Executive Officer and President. Muse will replace outgoing CEO **Casey Duplantier** effective January 1, 2012. Duplantier is retiring after nearly 25 years of service at the credit union. As CEO, Muse will be responsible for leading 1A in its future successful endeavors by working with the Board of Directors, Executive Team, and colleagues to ensure the credit union continues to meet the needs of the membership, maintains a sound financial condition, and supports the community. "As the next President and CEO, I have a great deal of respect for the past and look forward to what the future brings as it relates to leading 1st Advantage and working for our members and with our community," says Muse. Muse most recently served as Vice President of Retail at 1st Advantage. He has over 10 years of leadership experience working with financial institutions in the Hampton Roads area.

## Marine Corps Celebrates Birthday November 10

Formal commemoration of the birthday of the Marine Corps began on November 10, 1921, when General Lejuene, 13th Commandant of the Marine Corps, issued Marine Corps Order No. 47, Series 1921. The order summarized the history, mission and tradition of the Corps and directed that it be read to every command on November 10 each subsequent year in honor of the birthday of the Marine Corps. That particular date was chosen because on that day the Second Continental Congress resolved in 1775 to raise two battalions of Continental Marines, under Captain Samuel Nicholas. Though the Continental Marines were disbanded in 1783, General Lejuene's Order solidified November 10th as the official birthday of the United States Marines Corps.

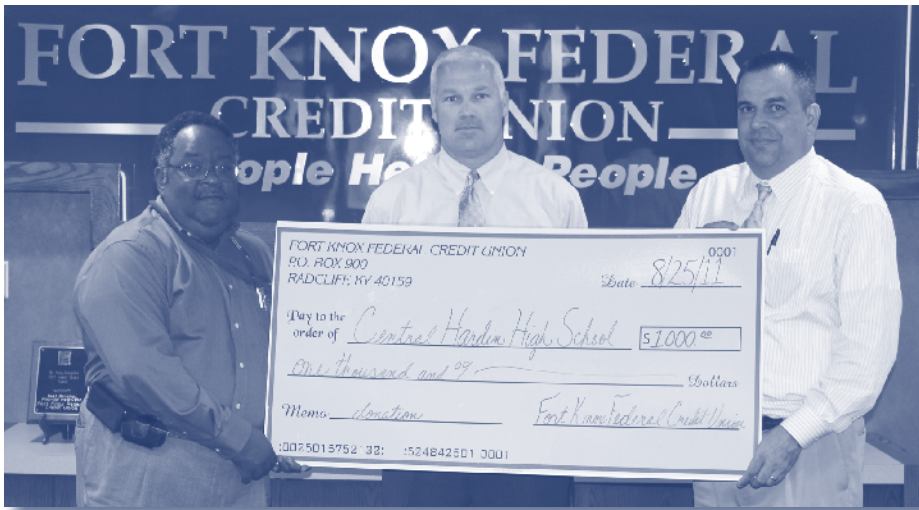
The Defense Credit Union Council congratulates the Marine Corps on 235+ years of faithful service.



## Rocky Mountain High—Denver, Colorado

Denver is one of the few cities in history that was not built on a road, railroad, lake, navigable river or body of water when it was founded. It just happened to be where the first few flakes of gold were found in 1858. While you may not "strike it rich" by prospecting for gold next year in Denver, DCUC can promise you a truly enriching conference experience filled with dynamic speakers, worthwhile educational sessions, fun-filled networking opportunities and our 9th Annual Showcase with a Purpose!

While this year's conference in New York City seems like it was just yesterday, it's already time to mark your calendars for the 49th Annual DCUC Conference in Denver, CO, August 19-22, 2012. More information about registration, tours, speakers and our conference hotel, The Westin Tabor Center, located right on the famous 16th Street Pedestrian Mall, will be available in the months to come. Watch the *Alert* and our website each month for more details!



Fort Knox FCU donated \$1,000 to the Central Hardin High School Athletic Department for renovations of sports facilities at the school. Left to right: Michael Bateman, Vice President of Marketing for Fort Knox Federal; Chris Bauer, Central Hardin Athletic Director; and, Ron Ortiz, Central Hardin Principal. Photo courtesy of Fort Knox FCU

## Scott CU Selects its First Youth Advisory

*Group of Teens to Share Perspective with Local Credit Union*

*Adam Koishor, Chief Marketing Officer*

Scott CU wants to know how teens think. That's why the local financial institution recently selected eight local teens to become members of its first Youth Advisory Council. The Council is designed to get direct feedback from teens about their needs and how Scott CU can best meet them.

"Building relationships with teens is very important to us," said SCU Marketing Promotions Coordinator Carrie Norrenberns. "What better way to learn about how teens think and what they want from financial institutions than to ask them."

Members of the Scott CU Youth Advisory Council include Anthony Connors from SLU High, Chris Sobrino who attends SIUE, Josh Rodenberg from Waterloo High School, Miranda Cleland from Collinsville High School, Janelle Nikola who attends O'Fallon Township High School, Hannah Wavering from O'Fallon Township High School, Amanda Smith from O'Fallon Township High School, and Danielle Bilbruck from Lewis & Clark Community College.

The Youth Advisory Council members will meet with representatives from Scott CU six times each year and will also be able to participate in online discussions to give their insight on how SCU can better meet the needs of teens.

"They will each serve a one-year term and have the option to stay on for a second term," Norrenberns said. "We're excited about having the opportunity to hear from the members of the council. They will help guide us and give us the insight that is very important as we design products and promotions for teens."

Additionally, Scott CU will donate \$250 in each Youth Advisory Council member's name to a charity of their choice. "At the end of their term, we will make the donations in their names," Norrenberns added. "We know that social responsibility is important to teens today so this is a perfect way for us to help them support something that may be near and dear to them."

Scott CU Youth Advisory Council members also will have the opportunity to be an ambassador for the credit union by joining SCU at community events. "We feel like this is a great opportunity for these students to gain some experience about our business. They had to go through an application and interview process before being selected," Norrenberns noted. "We want it to be a valuable experience for them so we will be inviting them to join our staff as we are out in the community volunteering at events."

## Two-Time Winner of the 2011 GMA's Presented by CUES

*Amy Shanks, MBA, eMarketing & Public Relations Specialist*

Belvoir FCU takes home two honorary awards from the 2011 Golden Mirror Awards (GMA), a national competition between hundreds of credit unions based on campaigns they implemented in the previous year. The Credit Union Executives Society (CUES), who presented the awards to Belvoir Federal's Marketing Department, represents an international association of credit union executives who have provided professional development over the past 50 years.

On September 16, 2011, the CUES' president/CEO Fred Johnson presented the Golden Shoestring Award, one of CUES' top three prestigious awards. CUES' GMA Golden Shoestring is noted as being awarded to a highly successful marketing piece with constraints of a shoestring budget. The award was earned from the eGreetings Campaign instituted in November and December of 2010, which allowed members and nonmembers to film a personalized greeting in any branch location and send it to whomever they wished. The campaign was a way for Belvoir Federal to connect individuals not near their family and loved ones during the holidays—free of charge.

The second award, which won 2nd place over every credit union that entered the category of Credit Union Brand Awareness, was acknowledged for the 2010 Web hunt Campaign. Belvoir Federal created an interactive game which led members throughout their Web site to illustrate their array of products that suit any life stage members may experience.

## Got News?

**Send the latest news about your credit union to Beth Merlo at [bmerlo@dcuc.org](mailto:bmerlo@dcuc.org).**

financial behaviors that generated expenses and fees (such as using credit cards for cash advances, paying late payment or over-the-limit fees or over-drawing their checking accounts) and some exhibited a marked inability to do basic interest calculations and other math-oriented tasks. In addition, many did not compare the terms of financial products or shop around before making financial decisions.”

## Learning Needs

The survey results indicate that existing educational programs are not fully addressing “financial readiness.” Although military service members receive mandatory education on certain financial topics, there is not a mandate for military spouses to be educated. Financial education services are offered through various programs, and spouses are encouraged to use these resources to the fullest extent. However, even with this construct, gaps still exist in financial readiness as indicated in the FINRA survey and in command referrals for programs such as Army Emergency Relief. A more refined and targeted financial education program for military spouses is a potential solution that could reduce the education gap. Also these measures can improve overall financial readiness and family resilience, or the ability to bounce back from frequent moves, transitions, and family separations. Specific learning objectives are outlined below that address how the common intricacies of military life can impact a military household’s finances.

### 1. Making Ends Meet

**Objective 1: Keep accurate track of net income by understanding military pay and entitlements.** One benefit of being an active-duty military spouse is the predictable nature of the service member’s income, since military jobs have a set payment schedule by grade. The service member’s Leave and Earnings Statement (LES) is the best source for specific net income information. In addition, military salary and benefits information can be obtained through various sources. Basic salary, salary increases, and entitlements such as housing allowances, are published annually by location and pay grade. The cost of medical, dental and life insurance through the military is also available.

Combat pay, other special pay rates, and raises based on “time in service” are published each year in military-related publications such as the *Military Times*.

**Objective 2: Adjust the budget as income varies.** A significant difference in the lives of military spouses from that of civilian spouses is that a permanent change of station (PCS) can occur every 2-4 years. This contributes to unpredictability in family income, particularly if a military spouse is working in a job that is not transferable to the next duty location.

**Objective 3: Apply military entitlements for a specific PCS to both plan and save for additional expenses incurred as a result of the move.** Frequent moves can increase household expenses. Certain military entitlements can help ease the financial burden of a PCS, but making personal arrangements outside of the prescribed military travel can increase costs. Here are some common expenses:

1. Selecting an indirect route to your new station to visit family or to vacation can increase costs and expenses (airfare charges to change flights, etc.). It could also add extra mileage costs, hotel costs and increase overall expense for food and sundries.
2. Exceeding the weight limit on household goods and having to pay the difference.
3. Paying upfront for moving expenses on credit and awaiting reimbursement could mean dealing with credit card interest charges until the travel settlement is received.
4. Purchasing household cleaners and other items that movers will not transport, or purchasing items required by new accommodations—new blinds, curtains, rugs, etc.

**Objective 4: Adapt to an elevated cost of living.** A family stationed at Fort Hood, Texas, making \$50,000 per year may find that in order to maintain the same standard of living at Fort Belvoir, Virginia, they would need to increase their salary by approximately 56 percent. A serious debt spiral can result if certain financial changes do not occur to address the elevated cost of living.

The military provides a cost of living adjustment (COLA) for designated “high cost” areas. “COLA is designed to

compensate for a portion of excess costs for non-housing expenses incurred in areas that exceed the average cost of living by more than eight percent.” There are 6000 locations overseas (including Alaska and Hawaii) that provide COLA, but less than 30 locations in the continental United States. Transition budgets are a way to address cost of living increases, and allow for a step-by-step reallocation of income towards increased expenses at a new duty location.

## 2. Planning Ahead

**Objective 1: Build and properly utilize an emergency fund.** Due to the predictable nature of military health care entitlements, military spouses are often protected from two of the top five causes of bankruptcy in the U.S.—job loss and medical expenses. The last of the top five causes for bankruptcy include “poor/excess use of credit,” and “unexpected expenses.” Having cash on hand in an emergency fund can help prevent excessive use of credit as well as cover unexpected expenses.

**Objective 2: Plan for deployments, extended absences and other family separations.** This includes plans for bill paying, access to funds and account balances, filing taxes, Power of Attorney, etc. This can help the spouse handle day-to-day finances as well as emergencies even when they may not be able to communicate with the service member about financial issues.

**Objective 3: Plan for the impact of critical life stages (deployment, college, retirement, etc.) on personal finances.** This includes being aware of the requirements and benefits of military programs such as:

- Deployment—Savings Deposit Program
- College—military scholarships and the GI Bills
- Retirement—Thrift Savings Plan, military retirement pay options, the Uniformed Services Survivor’s Benefit Plan (SBP), and Tricare retirement health care
- Life Insurance—Service Member’s Group Life Insurance (SGLI) and Veterans Group Life Insurance (VGLI)
- Death Benefits—Record of Emergency Data (Form DD93). This form documents the service member’s, “desires as to beneficiaries to receive certain death payments and [shows] changes in your family or other personnel listed, for

example, as a result of marriage, civil court action, death, or address change.”

**Objective 4: Plan for the transition from active duty military.** Most service members leaving the military will seek some form of employment. This may require estimating the additional salary required to replace military benefits. For example, the 2010 Government Accountability Office (GAO) report comparing military pay and entitlements to civilian pay quoted a 2008 CNA report stating, “CNA compared military and civilian compensation including three military benefits—healthcare, retirement, and the additional tax advantage for military members. Specifically, it found... values for these benefits were... an average of \$8,660 annually for enlisted and an average of \$13,370 annually for officers...” This is an average estimate, does not include all applicable benefits, and is based on 2006 data. (It is offered for illustrative purposes only).

### 3. Managing Financial Products

“Military personnel who experience serious financial problems can lose their security clearance or even face discharge from the military.” It is imperative that a military spouse understand their overall financial readiness posture to ensure no financial matters affect the ability of a service member to obtain or maintain a security clearance. Note that the finances investigated in regards to security clearance include financial accounts on which the military service member is a co-signer or guarantor. Also, financial disclosure details gathered can include information with respect to the spouse and dependent children.

**Objective 1: Resolve unpaid debts promptly.** If a soldier is not trying to resolve unpaid debts promptly or complaints of repeated failure to pay debts are received, the following actions can be considered:

1. Making the failure a matter of permanent record
2. Denial of reenlistment
3. Administrative separation from the Service.
4. Punishment under the Uniform Code of Military Justice (UCMJ)

**Objective 2: Maintain a correct credit report.** Ultimately it is the consumer’s

responsibility to ensure that their credit reports contain correct information. Information on a credit report can reveal financial problems. Also, credit reports can be monitored in regards to gaining and sustaining a security clearance.

**Objective 3: Understand the potential impact of financial mismanagement.** Financial mismanagement can preclude a person from obtaining a security clearance, or lead to the revocation of a security clearance. This can limit a service member’s ability to perform their job in certain military occupational specialties or as a commissioned officer where a security clearance is required. Conditions that may disqualify a military member from, “initial or continued eligibility for access to classified information,” include:

- (a) Inability or unwillingness to satisfy debts
- (b) Indebtedness caused by frivolous or irresponsible spending
- (c) A history of not meeting financial obligations
- (d) Deceptive or illegal financial practices
- (e) Consistent spending beyond one’s means
- (f) Financial problems linked to drugs, alcohol, gambling, or other issues
- (g) Failure to file annual income tax returns as required, or fraudulent filing
- (h) Unexplained affluence
- (i) Compulsive or addictive gambling

### 4. Financial Knowledge and Decision Making

**Objective 1: Contact legal assistance for questions on how military legal protections regarding finances apply.** Military spouses should read and understand the Servicemembers Civil Relief Act. “The Servicemembers Civil Relief Act (SCRA), formerly known as the Soldiers’ and Sailors’ Civil Relief Act (SSCRA), is a federal law that provides protections for military members as they enter active duty. It covers issues such as rental agreements, security deposits, prepaid rent, eviction,

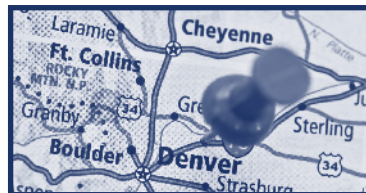
installment contracts, credit card interest rates, mortgage interest rates, mortgage foreclosures, civil judicial proceedings, automobile leases, life insurance, health insurance and income tax payments.” Military members and their dependents can contact their nearest Armed Forces Legal Assistance Program office to see if the SCRA applies.

**Objective 2: Be aware of military affinity fraud.** Military families should take caution with respect to fraud. Not all contacts, programs or businesses claiming affiliation with the military are legitimate. The Better Business Bureau (BBB) Military Line can provide the military spouse with preventative education. “BBB Military Line (is) a partnership between the BBB and the Department of Defense Financial Readiness Campaign that provides consumer education and advocacy for service members and their families.” Also check through local command channels and installation services to see if any businesses have been placed “off limits” due to fraudulent activities.

**Objective 3: If shopping for life insurance for a service member, check the policy for exclusions for losses due to war or acts of war, or for losses sustained during military service.**

### Conclusion

Military spouses’ understanding of financial readiness is important to the readiness of service members as it affects their ability to focus on their military missions at hand. The learning objectives outlined above highlight some of the major changes and challenges impacting military families. Applying the lessons learned can help the military family, and specifically military spouses, to navigate these changes and challenges, and take positive steps on the road to financial success and family resilience. Future related topics to build on would include evaluation of current and potential delivery methods for military spouse financial education, and learning objectives that address bouncing back from adverse financial situations.



**Mark your calendars now for the DCUC 49th Annual Conference!**

Denver, CO • Aug. 19–22, 2012

## Tower FCU Helps Raise Over \$130,000 for Maryland Therapeutic Riding

Carla Burger, Advertising/Public Relations

**T**ower FCU, headquartered in Laurel, MD, helped raise over \$130,000 for Maryland Therapeutic Riding (MTR) at a benefit concert on September 10. MTR is a nonprofit organization that uses horses to help special needs children and adults, and retired and active-duty wounded soldiers returning from Iraq and Afghanistan.

The Live on the Farm! concert featured two-time Grammy winner and environmental activist Kathy Mattea and local favorite, The Hard Travelers. The event, held on MTR's 26-acre farm in Crownsville, MD, featured rider demonstrations, refreshments, and live and silent auctions.

According to MTR's Development Director Anne Joyner, the charity serves over 500 clients. The annual concert is MTR's primary fundraiser, and money raised benefits programs like Horses for Heroes, a therapeutic riding program specially-designed for retired and wounded soldiers.

"The success of this fundraiser shows how much the community cares about our soldiers returning from the battlefield," says Martin Breland, Tower's President and CEO. "Therapeutic riding is a unique program that provides support and rehabilitative services for our wounded warriors and we are proud to sponsor this event." Breland says that since 1997, Tower has donated over half a million dollars to local and national charities.

---

## Local Credit Union Nickel-and-Diming Members

Natalie Tate, Randolph-Brooks FCU

**G**iven the current financial climate, it's fairly common to see prices, costs and fees increasing. That's why a new program at Randolph-Brooks FCU is both unique and expected to be highly appreciated by members.

Between Oct. 1, 2011 and Dec. 31, 2011, RBFCU will reward members with fifteen cents cash back on every debit card purchase. The credit union currently pays members ten cents for each transaction but chose to increase its reward offerings as a member appreciation program for the end of the year.

"We've watched other financial institutions put new fees in place and we know that's not what members need during a time when the economy is struggling," said Sonya McDonald, senior vice president of market development. "Instead of upping our fees, we chose to increase rewards. Since we've experienced record growth this year, we decided to use the extra funds as a thank you to the members who have made this growth possible."

RBFCU also plans to reward members who use its MasterCard credit cards by offering the opportunity to earn up to 5 percent cash back on each fuel purchase.

---

**CEO UPDATE** continued from page 1

Thank you again for your excellent response to the OSA's request for information on consumer financial products and services offered to servicemembers...and thanks also for taking note of our request late last month to review and disseminate Mrs. Petraeus' written statement to the Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, regarding *Improving Educational Outcomes for Our Military and Veterans*.

Got News? Send the latest news about your credit union to Beth Merlo at [bmerlo@dcuc.org](mailto:bmerlo@dcuc.org).

## Alaska USA Wins 2010 Visa Global Service Quality Performance Award

Dan McCue, Senior Vice President, Corporate Administration

**A**laska USA has been honored with a 2010 Visa® Global Service Quality Performance Award. At the awards presentation last month, Visa highlighted Alaska USA's excellence in chargeback effectiveness with the global award for Highest Chargeback Effectiveness Rate.

Visa instituted the Service Quality Performance Awards nearly 20 years ago to recognize companies that demonstrate exceptional card operations processing in the U.S. The program expanded globally in 2009. The Global Service Quality Performance Awards acknowledge consistent, superior performance, as well as continued service quality improvement in areas that directly affect cardholders, such as chargebacks.

Chargebacks include identifying and addressing transaction processing improvements, training merchant sales staff on proper card acceptance procedures and educating back-office staff on operating regulations related to exception processing.

Visa selected Alaska USA for the Highest Chargeback Effectiveness Rate award based on the efficiency in processing exception items and lowest percentage of chargebacks returned as representations, as well as their successful evaluation of potential chargebacks, processing them only once and using the correct chargeback reason codes.

The Alaska USA Visa Platinum Credit Card combines a low, fixed rate with reward points redeemable for travel and merchandise through the ScoreCard® rewards program. The Visa Platinum credit card also features security benefits, fraud prevention programs, and member authorization controls.

For the latest credit union news, visit:

[www.dcuc.org](http://www.dcuc.org)

## Scott CU Helps Students Learn About Handling Finances at Reality Fair

*Adam Koishor, Chief Marketing Officer*

More than 300 students from O'Fallon Township High School had the opportunity to face their financial future recently during a CU 4 Reality Financial Education Fair aimed at helping them learn financial skills they will use the rest of their lives. Scott CU sponsored the CU 4 Reality Financial Education program that teaches students the skills to handle money responsibly, set and adhere to budgets, and avoid the pitfalls of debt.

During the fair, the students from nine Personal Finance classes had to make life-like decisions about handling the expenses of housing, utilities, transportation, clothing, food, and other necessities, according to Scott CU Community Relations Rep. Lauren Hayes.

"Each of the students received a salary based on a career assigned to them. Then they had to complete a budget worksheet to determine how to best use their monthly earnings to cover the cost of necessities," she said. "Putting these budgeting lessons into a realistic exercise like this really teaches them the life lessons that they will face at some point and that their parents face each day in handling a household budget." The students also had a choice to purchase pets and various electronics, Hayes noted.

"Some of the students were surprised when they made choices to buy things but didn't have enough money to cover everything when they totaled their budget," she said. "We also stressed to the students that paying yourself first by putting money in savings at the credit union is very important. The program even has a 'Wheel of Reality' that the students spin for either unexpected expenses or a bonus to their earnings. This really emphasizes how important having some money in savings really can be."

The CU 4 Reality Financial Education Fair is a day-long event that gave the O'Fallon Township High School students a chance to see how career selection impacts their financial well-being and their life choices. Participants were challenged with creating a spending plan based on a salary and juggle needs versus wants to make sure they are living within their means. Participants ended the fair by meeting with a credit union volunteer that helped them total their budget and make decisions about how to better handle their money.

"The students really did a great job of making good decisions," Hayes said. "When they came up short on money to cover the expenses for the month, they had to make adjustments to make their budget work. This is a great way for students to get a dose of reality before they are put into these situations in real life. I'm sure many of them have a greater appreciation for what their parents face each day and each month."

The fair gave the students the opportunity to apply their in-class studies in a real world setting at the CU 4 Reality Financial Education Fair. "Spending money has never been easier than it is today, especially for America's young people," Hayes noted. "Too many students are learning to live beyond their means, because only a fraction of them are learning to manage their personal finances in school."

According to the Jump\$tart Coalition for Personal Financial Literacy, nearly a third of all high school seniors use at least one credit card, nearly half use ATM cards and more than three-quarters have a savings or checking account. However, just 20 percent of high school seniors throughout the country graduate with any formal instruction in personal finance.

"We are really proud that O'Fallon High School is taking the lead on getting this CU 4 Reality program in their school," Hayes said. "They understand how important it is for students to learn these skills. The CU 4 Reality curriculum creates a fun and interactive learning environment where students can practice specific financial management skills and learn early on the consequences of getting in over their head when it comes to financial matters."

The CU 4 Reality program was developed by the Financial Literacy Education Committee of America's Credit Union Museum, in conjunction with the New Hampshire Credit Union League. "We are proud to be the first financial institution in our area bringing this type of experience to the students in our area," Hayes said. "We encourage other area high schools to call on us to present the program at their schools. It really is an extremely valuable experience for students. One of our missions at Scott CU is to provide financial education to our youth. This is a perfect program to help us further the financial education students are receiving in the normal classroom setting."

## Langley Federal Helps Collect 25,000 School Supply Items

*Sue Thrash, Director of Research & Communications*

Collecting everything from scissors, crayons, and pens, to notebooks, pencils and glue, Langley FCU and WAVY TV-10 Partners On Your Side have gathered over 25,000 school supply items for 24 local school districts in Hampton Roads. Helping thousands of children in the area, Operation School Supplies has once again successfully made a difference in our community.

Donations were accepted at Langley FCU branches and area Office Depot stores. All of the collected items were used to help thousands of students go back to school fully prepared and ready to learn.

"It's so important for children to have the proper tools to start the school year right," stated LFCU President/CEO Jean Yokum. "We appreciate the opportunity to partner with WAVY TV-10 and Priority Automotive for this very important community project."

---

## APGFCU Donates School Supplies to Benefit Local Schoolchildren

*Janice Carey, Marketing Communications Director*

Aberdeen Proving Ground FCU hosted a successful community donation drive in August and September, collecting new school supplies for partner schools in Harford and Cecil counties.

During its annual "Back-to-School Supply Drive," August 1 – September 6, 2011, APGFCU members and employees donated over 1,000 new school supplies, including backpacks, lunch bags, notebooks, crayons, glue sticks and more to help students at APGFCU's partner schools in Harford and Cecil counties. Collected items will be distributed to the schoolchildren in September.

APGFCU is a nationally recognized leader in financial literacy support and education programs designed to help youth and young adults develop successful money management and life skills.



Service CU President/CEO Gordon Simmons, left, presents a \$125,000 contribution to the New Hampshire Disaster Relief Fund to New Hampshire Governor John Lynch Monday, September 12th. Photo courtesy of Service CU

## Service CU Donates to Help Those Recover from Tropical Storm Irene Damage

Lori Holmes, Marketing Manager

Service CU President/CEO Gordon Simmons presented a \$125,000 check to New Hampshire Governor John Lynch Monday, September 12th to assist with the devastation caused by Tropical Storm Irene.

“Tropical Storm Irene caused significant damage to homes, business and roads in northern New Hampshire. The devastation to one neighborhood in Conway was among the worst I have seen from flooding in my time as Governor,” Gov. John Lynch said. “This extraordinarily generous donation by Service CU will go a long way in helping the people impacted by this storm. Once again, Service CU has proven to be a leader in helping the people of New Hampshire, and I want to thank Gordon Simmons and everyone at Service CU for their support.”

Irene started as a powerful Atlantic hurricane that left extensive flood and wind destruction. Irene was downgraded to a tropical storm before making its way to New Hampshire. Considerable damage occurred in the central and western part of the state. The Red Cross estimated that Irene caused \$15 million in damages across the nation.

“Service CU is proud to help the people and communities of our great state to ensure they can obtain the necessities required so that they may recover from this natural disaster as quickly as possible,” says Simmons. “We are concerned about the citizens of New Hampshire who have suffered and we are there to help them during this time.”

According to Lynch, Service CU has continually stepped up to help those who have been victims of natural disasters including giving significantly to the New Hampshire Food Bank. Service CU donated to Salvation Army to help with New Hampshire’s flood relief in the past.

Service CU’s contribution on Monday kicked off the relief fund efforts. At the press conference, Simmons encouraged other business leaders to come forward and assist their fellow citizens in this effort.

Anyone wishing to make a donation can make checks payable to: Treasurer State of N.H. –N.H. Disaster Relief Fund 2011. Donations can be sent to: NH Disaster Relief Fund 2011, State of NH Treasury, 25 Capitol Street, Room 121 Concord, NH 03301

## Keesler FCU Awards Winners of the 2011 Lisa J. Stubbs Memorial Scholarship Essay Contest

Nell Schmidt, Director Business Development

Keesler FCU’s Board of Directors is pleased to announce the 2011 winners of the Lisa J. Stubbs Memorial Scholarship Essay Contest.

The following members were each awarded a \$1000 scholarship: Raine Davis from Bay St. Louis is attending Mississippi State University as a sophomore studying Biological Sciences. Jason Lewis from Long Beach is a two time recipient and is a sophomore attending the Georgia Institute of Technology studying Computer Science. Marian Rebecca Bryant also of Long Beach will be a freshman at the University of Mississippi, she plans to pursue a major in Accounting and Marketing.

The 2011 adult student \$1000 scholarship recipients are Tracy Stoughton from Beavercreek, OH, a senior at the University of Management and Technology in Ohio and Deborah Young from Gulfport who is a senior in Business Administration at the University of Southern Mississippi.

In 2010, an additional essay contest was made available to students of Keesler Federal employees. The 2011 scholarships were awarded to Jerson Ambion who will attend the University of Southern Mississippi as a freshman and plans to major in Radio, TV and Film. Jonathan Allen will attend MGCCC-Perkinston as a sophomore majoring in Business.

This year’s essay topic was: “The Job Hunt: Challenges to Overcome and Strategies to Succeed.” The entries were judged on originality, clarity and meaningful content. Judges were Tommy Adkins, Keesler Chairman Emeritus. Cindy Broome has over twenty years of teaching experience as a former Instructor of English for MS Gulf Coast Community College and the University of Southern Mississippi. Alauna Fizer has a Master of Science in Community Development from Delta State University. She is currently a Human Resource Specialist with the Department of the Air Force and an Adjunct Instructor at Mississippi Gulf Coast Community College.

---

## DEFENSE CREDIT UNIONS IN THE NEWS...

---

Laurel, MD—**Tower FCU** now offers Mobile Web Banking, a free service to help Tower members manage their finances anytime, anywhere using their cell phone. Members can connect to their accounts through Tower's secure online Home Banking via any Internet-enabled mobile device. "Mobile Web Banking allows our members the convenience of banking on the go," says Martin Breland, Tower's President and CEO. "For example, they can login to their accounts while waiting in line to see if the funds are available before making a purchase, use the ATM/Branch locator to find a nearby ATM, pay their electric bill and more...all using their mobile phone." Through Mobile Web Banking, Tower members can quickly and securely access account information, view transactions, transfer money between accounts, pay bills online, view current loan and savings rates, locate ATMs and branches, and make Tower loan payments. "It's like having a Tower branch in the palm of your hand," Breland says... Joint Base Lewis-McChord, WA—For the second consecutive year, **America's CU (ACU)** received a Crystal Performance Award from Raddon Financial Group (RFG), a research provider for financial institutions. RFG recently presented its annual awards to high-performing credit unions. The award recognizes 10 credit unions in each asset category (above \$500 million and below \$500 million) that achieve a top ten ranking on a balanced scorecard measuring growth, income, efficiency and margin management. More than 500 credit unions were evaluated in this year's ranking. Each Crystal Performance Award recipient ranked among the top two or three percent of all credit unions analyzed by RFG for two consecutive reporting periods. "It is an honor to be recognized by RFG for our performance once again this year. We are committed to sound financial management and providing exceptional member service," said Kenneth S. Leonard, President/CEO of ACU... Anchorage, AK—**Alaska USA FCU** has released a free mobile access app for iPhone® and Android® devices. The Alaska USA app combines the most frequently requested information about the credit union with the most popular features of its online account access site, UltraBranch®. With the Alaska USA app, members can check balances, transfer money, pay bills, view rates, or find the nearest branch or ATM. They can also see images of recently cleared checks or request stop payments. When members need the full suite of online services, they can still log in to UltraBranch through their device's web browser. Currently, logins from mobile devices account for 20 percent of total UltraBranch logins. The Alaska USA app offers the same features on both iOS (iPhone, iPad®, and iPod touch®) and Android devices, and can be downloaded through the App Store and the Android Market.

---

## 1st Advantage Honoring Longtime Members with Member Milestone Reception

*Charlotte Dean, Communication Specialist*

**1**st Advantage FCU is celebrating 60 years of service to members and the community. To commemorate this event, 1st Advantage is hosting a Member Milestone Reception to honor longtime members. The event is being held from 5:30 p.m. – 7:00 p.m. on September 20th at the Kiln Creek branch. September 20th also marks 1A's 60th Anniversary.

The Member Milestone Reception is honoring members who are celebrating a milestone anniversary between 20 to 60 years of membership (in increments of five years). Hors d'oeuvres and refreshments will be served along with one-of-a-kind gifts for everyone in attendance.

"1st Advantage appreciates all of our members, especially those that have been with us for a long period of time. The Member Milestone Reception is our way of thanking our longtime members for the loyalty they've shown us through the years," says Jim Craig, Vice President of Marketing.

Among those in attendance, members celebrating their 60th year with the credit union will undoubtedly share stories of the credit union's beginnings on Ft. Eustis and the many changes the member-owned financial cooperative has undergone over time.

## Scott CU Sponsors Downtown Collinsville Fall Festival

*Adam Koishor, Chief Marketing Officer*

**S**cott CU recently presented a \$1,650 check to representatives from Downtown Collinsville, Inc. to sponsor its 2011 Fall Festival that will be held on Oct. 29 on Main Street. The event will feature a children's costume contest, a canine contest, a chili cook off, a Halloween trick-or-treat walk for children, haunted strolls of downtown, a cemetery tour and a zombie crawl for adults.

Scott CU Community Relations Representative Jennifer Riebold presented the check recently to Fall Festival Chairman Sandy Grafe and Downtown Collinsville Inc. President Katie Heaton. Downtown Collinsville Inc's mission is to improve the quality of life by strengthening the downtown as a center of the community through concentrated efforts of volunteerism in organization, promotion, design and economic restructuring.

"This is another great opportunity for us to support our community and the people who live here," Riebold said. "It is our way of showing our support to downtown Collinsville." "Credit unions are really about helping people and this is a perfect way for us to take that even a step further," she added.

The Fall Festival will kick off with a costume contest from 8:30 to 10 a.m. on the Blum House lawn at 414 West Main. The chili cookout and vendors will be set up on Main Street from 9 a.m. to 4 p.m. Trick or treating will happen on Main Street from 10 a.m. to 2 p.m. For more information about Downtown Collinsville Inc., visit its web site at [www.downtowncollinsville.com](http://www.downtowncollinsville.com).

Scott CU has made giving back to its communities a major priority. The local credit union contributed about \$160,000 and its employees volunteered over 1,800 hours to a variety of local civic efforts throughout the region in 2010.

"We realize that without our members and the communities in which we serve, we would not exist as a financial alternative," Riebold noted. "Supporting our communities is very important to us."

**Defense Credit Union Council**  
601 Pennsylvania Avenue, N.W.  
Suite 600  
Washington, D.C. 20004-2601

First Class Mail  
US Postage  
PAID  
Annapolis, MD  
Permit 163

## White House Christmas Ornaments Available Now

The Defense Credit Union Council is selling the 2011 White House Christmas Ornament again this year as a fundraiser for the George E. Myers Scholarship Fund. The price remains at \$20 per ornament.

The 2011 White House Christmas ornament honors the twenty-sixth president of the United States, Theodore Roosevelt, and reflects the excitement that President Roosevelt, his wife Edith, and their lively young family brought to life at the White House. There had been no children living in the White House in the years since the departure of President Grover Cleveland and his family in March 1897. But with the arrival of the Roosevelts, six children would call the White House “home.” The front face of the ornament is a color illustration derived from a political cartoon drawn by William A. Rogers in 1901. Capturing the anticipation associated with the family’s first White House Christmas, a jolly Santa Claus crosses the snow covered North Lawn carrying a large bag of toys over his shoulder and announces, “I hear that there are some kids in the White House this year.”



Place your orders by phone (202/638-3950), email [jkenney@dcuc.org](mailto:jkenney@dcuc.org) or mail: Defense Credit Union Council, 601 Pennsylvania Ave, NW, South Bldg, Suite 600, Washington, D.C. 20004. Please make checks payable to the “National CU Foundation – GEM fund.” To order by credit card (VISA and MC only), include the number and full name on the card, expiration date, and account address if different from delivery address. No PO Box addresses for delivery. *Photo © White House Historical Association.*



For the latest  
credit union  
news, visit  
**[www.dcuc.org](http://www.dcuc.org)**  
or scan the  
QR code  
below:

