

State of Iowa

Credit Union Division

NEWSLETTER

Issue 5

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HOMELAND SECURITY ADVISORY SYSTEM

With the heightened awareness and importance of homeland security and emergency management to Iowa, there is a directive to provide a comprehensive and effective means to disseminate information regarding the risk of terrorist acts to Federal, State, and local authorities and the American people.

The system to disseminate information is in the form of a set of graduated "Threat Conditions" that would increase as the risk of the threat increases. There are five Threat Conditions, each identified by a description and corresponding color. From lowest to highest, the levels and colors are:

Low = Green
Guarded = Blue
Elevated = Yellow
High = Orange
Severe = Red

Continue to page 2 for in-depth descriptions of the Threat Conditions...



HELPFUL HINTS

The Division has assigned a voice mail number to each of the examiners. This number will not reach the examiner, only their voice mail.

The examiners check their voice mail regularly and will return calls as soon as possible.

When you need to reach an examiner by phone, you simply need to dial (515) 242-4907 and the extension number for that examiner. This will take you directly to that examiner's voice mail, where you can leave a message.

The extension numbers are found on the Iowa Credit Union Division website under Contact/Email Us.

Be sure to read page 4 for information on the USA Patriot Act!!!

HOMELAND SECURITY ADVISORY SYSTEM CON'T

Low conditions (Green) is declared when there is low risk of terrorist attacks.

Guarded Condition (Blue) is declared when there is a general risk of terrorist attacks.

Elevated Condition (Yellow) is declared when there is a significant risk of terrorist attacks.

High Condition (Orange) is declared when there is a high risk of terrorist attacks.

Severe Condition (Red) reflects a severe risk of terrorist attacks.

The higher the Threat Condition, the greater the risk of terrorist attack. Threat Conditions are assigned by the Attorney General in consultation with the Assistant to the President for Homeland Security.

The Credit Union Division will notify all State of Iowa Credit Unions whenever there is a Threat Condition change.

If you have any questions, please feel free to contact the office at (515) 281-6514.



NEED A FORM OR APPLICATION???

The Division has provided various forms for your use on the Iowa Credit Union Division's website. Some of the forms available to you are:

- Forms needed to organize a credit union.
- Interpretive Bulletins
- Forms to amend articles of incorporation
- Branch Applications
- Forms for mergers
- Suspicious Activity Reports
- Oath of Directors and Appointees
- Lender Credit Card Act Application
- Application to serve an Employee Group
- Informational Statement For the Establishment of an Electronic Satellite Terminal
- Request for waiver or variance
- Complaint form

These forms are located under Forms Download of the Division's homepage.

**** In Employee News **** Examiner Jenn Meyer has left employment with the Iowa Credit Union Division. We will miss her and wish her well in her new endeavors!

ATM Approvals

Twenty-seven (27) ATM applications were approved for installation between July 1, 2002 and September 30, 2002.

BRANCH OFFICES ESTABLISHED

There were three (3) branch offices approved this quarter:

- Deere Community branch at 410 N. Ankeny Blvd., Ankeny, Iowa 50021
- ISU Community branch at 110 Airport Road, Ames, Iowa 50010
- ISU Community branch at 2504 S. 2nd Street, Marshalltown, Iowa 50158

There was one foreign branch established this quarter:

- Deere Harvester at 5354 Elmore Circle, Davenport, Iowa 52807

SMALL EMPLOYEE GROUP APPROVALS

Six (6) Small Employee Group applications were approved this past quarter with a total of 503 potential members

MERGERS

- The Alliance Credit Union, Davenport, merged with The Family Credit Union, Davenport, with an effective date of September 1, 2002.
- The Morman Trail Credit Union, Kellogg, merged with Deere Community Federal Credit Union, Ottumwa, with an effective date of September 15, 2002.

PENDING MERGERS

- ISEA Credit Union, West Des Moines, merging with ISU Community Credit Union, Ames, with ISU Community as the continuing credit union.
- Ottumwa Railroad Employees Credit Union, Ottumwa, merging with River Community Credit Union, Ottumwa, with River Community as the continuing credit union.
- Dunham Employees Credit Union, Marshalltown, merging with ISU Community, Ames, with ISU Community as the continuing credit union.
- Armstrong Employees, Des Moines, merging with ISU Community, Ames, with ISU Community as the continuing credit union.

USA PATRIOT ACT

Uniting and **S**trengthening **A**merican by
Providing **A**ppropriate **T**ools **R**equired to
Intercept and **O**bstruct **T**errorism

What it is?

- International Money Laundering Legislation
- Signed into law October 26, 2001
- Our previous money laundering legislation focused on domestic and illegal drug-related activities (Bank Secrecy Act)

Purpose: To increase the strength of U.S. measures to prevent, detect and prosecute international money laundering and the financing of terrorism.

Goals:

- Facilitation of information sharing among governmental entities and financial institutions for the purpose of combating terrorism and money laundering
- Sharing between financial institutions themselves

Treasury is responsible for developing regulations to implement these information-sharing provisions.

USA Patriot Act con't.

USA Patriot Act amends:

Bank Secrecy Act, as amended requires financial institutions to establish anti-money laundering program that includes at a minimum:

- Development of internal policies, procedures and controls;
- Designation of compliance officer;
- On-going employee training program; and
- Independent audit functions to test programs.

Per NCUA 02-RA-04

Credit Unions must continue to meet NCUA Rules and Regulations 748 – Security Program, Report of Crime and Catastrophic Act and Bank Secrecy Compliance.

Part 326 of the Act requires Customer Identification Program:

- Financial institutions to verify the identity of account holders;
- Store the documents used to verify for 5 years;
- Ensure they are not included on the terrorist lists compiled by the Federal Gov't.

The Customer Identifications Program must be in writing and be approved by the Board of Directors.

The Treasury Department has issued an interim final rule October 25, 2002 deferring the compliance date regulators begin enforcing the PATRIOT ACT until final rules are published, expected within 6 months.



