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Remembering the Future

By Keane Kulak

Looking back at a successful 2005 Las Vegas User Conference, looking ahead to the challenges in the credit union industry

It seems like just yesterday we were surrounded by bright lights that had no end and a desire to stay up so late, it was like we are all still teenagers! Ahhh...Vegas, this year's location of the Bradford-Scott Data Corporation 2005 User Conference.

On the final day of the conference, we spent some time together talking about where the Bradford-Scott organization has come from and where it is headed and how that can make a difference at your credit union. **It is without a doubt one of the most exciting times in our company's history as we consider what lies ahead.**

Clearly this is a challenging time in the credit union industry:

- Credit Unions Wanting to Become Banks
- 300+ Credit Unions Merging or Being Dissolved Annually
- Rapidly Changing Technologies and Related Compliance Issues

As your core data processing partner, we need to work closely with each of you as you respond to these issues. At the conference we discussed some of the ways we are coming along side your credit union and thought it might be helpful review for those that were able to attend and a nice summary for those of you that could not make the trip (We hope to see you next year!).

The first area is of course the **Technology** we



provide. To quote from a recent speech by Debbie Matz, a previous Board Member of the NCUA:

"With an ever-increasing rate of technological innovation, credit unions will have to be on the cutting edge to sustain and increase membership."

Without technology today, the demands of members would be impossible to meet. Life moves quickly and the ability to support your members where they are is critical to keeping them as a member. Certainly the "knowing your member" factor has not gone away and is still a key reason members maintain a relationship with the credit union but is there more relationship to be had? In other words with the right services, could more of your members financial needs be met at your credit union?

CONTINUED ON PAGE 2



Cover Story Continued

("Remembering the Future")



The answer is a resounding "Yes" but it means having the services available to offer and a way to make your members aware.

Having the ability to offer the services and knowing what to offer them is where Sharetec comes in, and with the release of Sharetec 7.0, it is only getting better. Now Cross Selling can be better targeted and tracked, lending decisions can be made quicker with more information, Signatures

can be captured digitally when a loan is offered to a member and of course the recent announcement of Sharetec Home Banking.

Technology will continue to change but our commitment is to continue to provide the best solutions for your credit union so you can stay ahead of the services your members will need. If you have any doubt, in the last 18 months over 30 credit unions selected Sharetec as their new core data processing solution. Additionally, over 98% of credit unions that have selected Bradford-Scott in the past are still using the system today.

The second area is equally important as technology. It is a critical component for new credit unions to join the Bradford-Scott family and for our existing customers to stay: **Service and Support.**

As many more credit unions have started and continue to use Sharetec, Bradford-Scott has made significant investments in this area of the company. Those have included additional staff, new tools, and increased internal training. This has resulted in weekly *Unresolved Calls* dropping from an average of 45 calls to fewer than 10. Additionally, our *Customer Satisfaction* rating has continued to rise over the past 3 years, increasing from an 8.48 to an 8.9 (on a 10 point scale). We are committed to helping you better help your members and appreciate your feedback to make this constantly improve.

Some of the suggestions we have received have already been implemented in the last 12 months and the impact has been exciting. The new support tools now include:

- Email Support – A new way to reach the support team
- Power Users – Reach out to other Sharetec credit unions
- New User Manuals – More detailed, easier to use
- Webinars – Tailored training with a small class size from your own location.

There are lots of new frontiers that we will be crossing together in the next 10 to 20 years. Not everything will be expected but know when the unexpected comes, we will be standing with you providing great support, an excellent core solution, and a mind towards the future with great partner relationships to help you each serve your membership.



Bradford-Scott Disaster Recovery

Recent hurricane devastation reminds businesses of the importance of a high-quality electronic backup

As you probably know, with the devastation from recent hurricanes, examiners and auditors are requiring proof that you can actually restore from a backup. To this extent, we offer a disaster recovery service that allows you to send a tape to us annually to verify that your tape can be read and your data can be extracted.

Included with the service, we mail you a "Completion Letter" certifying the procedure, your tape, and a CD that includes several reports that were printed from the extracted data.

If you do not currently subscribe to our Disaster Recovery Program and have interest, please let us know.





Webinar Training...Get Educated Without Ever Leaving the Office

Improve your efficiency with the Sharetec System with webinars, a new and free service from Bradford-Scott



WHAT IS A WEBINAR?

Have you heard about the new training tool offered by Bradford Scott ... Webinars? This tool will allow you to get training on several different topics, via the internet, within the comfort of your own office.

REGISTRATION

The registration process could not be any simpler. From the list below, pick the Webi-

nar that you would like to attend and e-mail our Training Coordinator, Carrie Heck, at check@bradfordscott.com to sign up. After registration, you will receive a confirmation e-mail and procedures on how to join the Webinar session. Webinar sizes are small and on a first come / first serve basis. All times listed are Fort Wayne/Indianapolis, Indiana time.

FREE OF CHARGE

At this time, there are no fees for Webinars, however, we ask that you make sure that you can attend before signing up. We are currently working on the Webinar schedule for 2006 and welcome any questions or suggestions or that you might have. Listed below is the schedule for the remainder of 2005 and early 2006.

What are Clients Saying About Webinars?

Mary was pretty sure that they wanted **Courtesy Pay**, but after sitting in on a Webinar and seeing the product, the decision was made. Mary says that Webinars are "Easy to follow along and seeing the screens live is awesome."

"Easy to follow along.

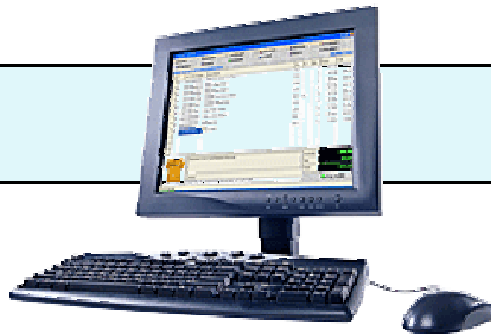
Enjoyed being able to see the Sharetec screens during training."

"I enjoyed being able to see the training materials during training."

"I enjoyed receiving the training without the expense.

Thank you for offering these Webinars, they give us a chance to learn more about what we can do with the system."

Webinar Schedule



Standard Financials

November 16th and 17th

Custom Financials

November 16th and 17th

Back-up Procedures

November 22nd

Transfer Posting

December 5th, 7th, and 8th

Mortgage & Escrow Analysis

December 12th, 13th, 14th, and 15th

Fixed Assets

January 10th, 11th, 12th, and 13th

Accounting Tips

January 17th, 18th, 19th, and 20th

Tips of the Week

February 7th, 8th, 9th, and 10th

The Importance of FinCEN... The Financial Crimes Enforcement Network

By Sherri Bishop



What is FinCEN? FinCEN is the acronym for **Financial Crimes Enforcement Network**. It is a bureau that was established in 1990 within the Treasury Department's Office of Terrorism and Financial Intelligence. Its main objective is to fight money laundering nationally and globally, by sharing information between law enforcement agencies and other organizations in the regulatory and financial industry. It is one of the primary agencies of the Treasury Department for establishing, overseeing and implementing policies for discovery and deterrence of money laundering and terrorist financing.

They achieve this by using counter-money laundering laws such as the Bank Secrecy Act (BSA) and by providing analytical and intelligence support to law enforcement. Their mission is to preserve the financial industry from money laundering, terrorist financing, and other illicit activity. Administering the BSA helps them to attain this mission.

Every two weeks FinCEN sends 314(a) queries to designated financial institutions within the country via either facsimile or a secure Internet web site. The queries contain names of terrorists, suspected terrorists, and money launderers. These queries are confidential. The financial institution must query their records for data matches within a specific timeframe and according to FinCEN's parameters. Any matches must be reported to FinCEN within 14 calendar days.

So how are FinCEN's 314(a) queries different than the Patriot Act Comparison report administered by the Office of Foreign Assets Control (OFAC)? Well, the Patriot Act Comparison is a credit union generated list of names and addresses that is matched against OFAC's **Specially Designated Nationals (SDN)** list. This watch list contains individuals that pose a threat of violence or financial disruption of any kind. It's formed from databases all over the globe.

Here is a chart listing some of the differences between the OFAC List and 314(a) queries.

OFAC SDN List	314 (a) Queries
Public list of names. Available via the Internet.	Highly confidential and sensitive. Distributed only to a small, select group.
Individuals named on the OFAC list are not on the 314a queries.	Individuals named on the 314a queries are not on the OFAC list.
These individuals and entities may be subject to OFAC's sanctions programs.	Consists of entities and individuals identified by federal or other law enforcement authorities and provided to the banking regulations, which distribute to banks.
The institution can reveal to the member they are on the OFAC list.	An individual cannot be notified by the institution that they are on the 314 a queries.
If you have an account on the list, you must block the account and place the assets in a separate interest bearing account. All transactions on the account must be rejected.	You cannot block or terminate an account if it appears on the list.
A full and accurate record of OFAC-affected property or transactions must be kept for five years and must be made available to the OFAC upon request.	A subpoena may be issued if law enforcements want to obtain documents.

In the News - Important Topics Affecting the Credit Union Industry

A Milestone: Automatic Payment Tops Check Writing

Washington (10/31/05)

Consumers are choosing electronic payments over cash and checks with 55% of their monthly payments being made by some type of electronic transaction.

Cash and checks account for 45% of consumers' monthly payments—a decrease from 49% in 2003 and 57% in 2001, according to a new study from Dove Consulting and the American Bankers Association. Electronic transactions include debit cards, gift cards, automatic bill payments and online bill payment.

Nearly 60% of credit unions include a bill-paying service in conjunction with their Internet banking products, according to the 2004-2005 Credit Union Fees Survey from Credit Union National Association's (CUNA) Center for Research and Advice.

The Dove survey reported that 52% of consumers use automatic payment for at least one bill per month, and 39% use online bill payment, including paying multiple bills. Consumers write checks only 49% of the time for monthly bill payments, down from 60% in 2003 and 72% in 2001.

"The bottom line for credit unions is that they absolutely have to offer Internet banking and other automatic payment options, or primary financial institution members will look elsewhere to find convenient payment services linked to their transaction account," said Vicki Joyal, CUNA Vice President of Research Services.

Attention Customers Using Equifax



In a memo dated 07/29/2005, Equifax informed Bradford-Scott that they would be retiring DAT/TTY access for all of their products effective January 31, 2006.

For clarification, DAT/TTY refers to the request and retrieval of credit reports via a modem. Since this method of requesting and retrieving credit reports is now considered antiquated (over 20 years old), this process does not allow for incorporation of the latest innovations and services.

If your credit union currently uses a modem to request credit reports from Equifax, you will want to know that Sharetec is busy at work developing software that will allow you to request and retrieve credit reports directly through a secure Internet connection provided by Equifax.

When Sharetec has the software development completed and tested, Bradford-Scott will notify our customers and you will have the option of having your system updated at that time.

If you have any questions regarding this change, please contact Kevin Lowder at 260-625-5107.

FOURTH DEU

By ERIC GIBSON

THROUGH MARCH 9 the Whitney Museum is showing "Listening Post," a single-artwork exhibition in its small first-floor gallery. "Listening Post" (2001-02) by Mark and Ben Rubin, consists of a gently curving curtain of over 200 computer screens (the kind at supermarket checkout lines) arranged in a rectangular grid and sus-

"Nearly 60% of credit unions include a bill-paying service...."

e of "Listening Post" is to give us a window into the thicket of mass communication via the Internet, its real value as a work of art stems from something larger—the way it shows how cyberspace has redefined the idea of "landscape" in art.

For individuals, we experience landscape as the expanse of terrain stretching between us and the nearest horizon. The sense of the world and our place in it is defined by such physical limits but also by temporal ones—the cycle of days and other factors such as time zones. (If you're in Manhattan, don't bother asking someone in Moscow to discuss this.) For centuries, painters have used this worldview by creating the landscape on canvas of a vista falling away to a distant meeting point of earth (or sky). Even the abstract grids of modern art can have their roots in this understanding of the world. For some artists, such as John Constable and, later, the Situationists, time was as important as

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"...Equifax informed Bradford-Scott that they would be retiring DAT/TTY access..."

be plotted, measured or delimited in any way; it is a virtual landscape of information. You can reach into a library halfway across the world to download a file and it is readily available; the virtual world is always open for business in a way that has no bricks-and-mortar counterpart. Somewhere in the cyber world, at any hour of our day or night, some-

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Tips for Troubleshooting Transfers

By Amanda Beckner & Tania Lowder

To add or maintain a transfer for a member in GUI, go to Central Information and right click in the box that contains the address information. Select the Transfers option and the screen pictured below will appear.

When troubleshooting transfers, an understanding of what is required of each field in the Member Transfer Program is important. Listed below is a description of each field, the information that is required in each field, and some helpful hints.

Sponsor ID – For Transfers, the Sponsor ID should always be TRANSFER.

Transfer Full – Mark this box if the transfer should only **take** the full transfer amount from the share account. If this box is unmarked, it will take all available funds if a full transfer cannot be performed. This program will run until the full transfer has been met and the due date (see due date description below) in the transfer record advances. This field should be marked in conjunction with the Full/Partial field below.

Due Date – This is the date that the next transfer will be taken and not the due date in the loan record. The Member Transfer Program does not consider other loan payments. This program will run until the full transfer (see Transfer Full description above) has been met and the due date in the transfer record advances.

Day – The program will refer to this field when assigning the next due date. This field should always match the day in the due date field (see due date description above) unless it is a transfer frequency other than monthly. If your frequency is Weekly, Bi-weekly, or something other than monthly, this day should match the day in the Beg. Date field.

Loan Not Due – This field is the only field that will make the Member Transfer Program reference the loan record. If this box is UNMARKED, then the program will only perform the transfer if the loan is currently due for a payment. If this box is MARKED, the program will perform the transfer regardless of the due date in the loan record. Leaving this box unmarked will prevent the loan record from being paid in advance.

Full/Partial – This field decides if the transfer should **apply** full or partial amounts to the designated account. If Full is marked, then the program will only apply a full transfer amount. If the Partial is marked, it will apply all available funds if a full transfer cannot be performed. This field should be marked in conjunction with the Transfer Full field above.

Partial Amount – This field should not be changed as the program calculates the partial payment based on any previous partial payment. This amount will be deducted from the next transfer.

Seq Num	From Acct	Type	To Member #	To Acct	To Loan #	Amount	Sponsor ID

From Account

Member #: 2024080 Type: Loan Due Date: 09/12/2005 Freq: Monthly

Acct #: A Sponsor ID: TRANSFER Beg Date: 09/12/2005 Day: 12

Cert #: Amount: 100.00 End Date: Status: Active

Seq #: 5 Transfer Full ACH ID: Description:

To Loan

Member #: 2024080

Member Name: TANIA J LOWDER

Loan #: 1

Loan Not Due

Full Partial

Partial Amount: 0.00

Last Update Information

GL Voucher: 0 Create Date: Last Upuser/Station:

Session Number: Create Time: Last Update/Time:

WANT TO
LEARN MORE

Contact Software Support

260-625-5107



Employee Spotlight...Rhonda McCoy

Bradford-Scott celebrates Rhonda McCoy, a valued member of our Software Support Team for four years in our Fort Wayne Office.



Rhonda has been a Software Support Representative for 4 years. She loves her job and her favorite part is having the ability to do mini training sessions with customers on the phone. She is also very involved in training our new employees and this is a key strength for Rhonda. She adds a personal touch to her support calls and is strong in troubleshooting. Rhonda came to BSDC with much credit union experience...a total of 13 years in various positions.

Rhonda is a native to the Fort Wayne, Indiana area and celebrated her 15th wedding anniversary with husband Michael this year. Michael is a Merchandise Manager at Do It Best Corporation. Rhonda and Michael are proud parents of two kids: Raleigh is 8 and Nathaniel is 19 months.

In her free time, Rhonda enjoys scrapbooking, reading, and spending time with family. She is also a Kansas City Chiefs fan, which stems from living in Kansas City for 11 years.

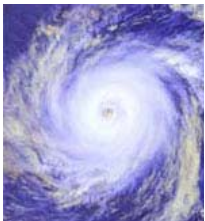
Here is what our customers have to say about Rhonda: Vicky from Kankakee reports that Rhonda is great at handling tough situations; Brenda from Electric Energy says that Rhonda works really hard to help credit unions out of tough situations; Stephany at Sweetwater mentioned that Rhonda is awesome with tough issues and that she is confident and knowledgeable in her support position.

BSDC is happy to have Rhonda on our software support staff and appreciates all that she does for not only our customers but for BSDC as well. Thank You Rhonda!

“...her favorite part is having the ability to do mini-training sessions with customers on the phone.”



Bradford-Scott Donates to Katrina Victims



The total devastation and tragedy in which Hurricane Katrina left on Louisiana, Mississippi, and Alabama in September left a strong impact on the hearts and minds of employees at Bradford-Scott Data Corporation. In an effort to relieve the displacement and loss that hurricane victims experienced, Bradford-Scott organized a donation effort through the American Red Cross to contribute towards the ongoing relief effort.

Through employee donations and a 50% match given by Bradford-Scott, donations totaled: **\$1,628.00**. This effort benefited a worthy cause and we are hopeful that our contribution made a difference to the many victims and their communities.

If you wish to make a donation to help the victims of Hurricane Katrina, you can do so online through the American Red Cross.

<https://give.redcross.org/donation-form.asp>



Bradford-Scott Donations:
\$1,628.00



PowerUsers

PowerUsers@bradfordscott.com

Enhancing the Sharetec user

Last May, BSDC rolled out PowerUsers@bradfordscott.com, an e-mail distribution list to enable Sharetec users like you to have e-mail discussions. Since its inception in May 2005, 47 users (from 32 credit unions) have signed up and have the ability to communicate with each other. By signing up to be included in this e-mail list, you will have the ability to e-mail other users for idea sharing, networking, credit union industry talk, or for many other reasons.

PowerUsers@bradfordscott.com Registration

If you have not already signed up for PowerUsers@bradfordscott.com, please contact Bonnie Doolittle at bdoolittle@bradfordscott.com or call 260-625-5107 and request the sign-up forms.

If you have already signed up, please feel free to send e-mail to PowerUsers@bradfordscott.com.

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Bradford-Scott Data Corporation

Serving the Credit Union Industry