



# ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT & COMPTROLLER)



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## Army Banking Flash Report BANK AND CREDIT UNION LIAISON OFFICERS (BLO/CULO) DoDFMR Volume 5, Chapter 34

**Commander's Note:** The new command team thanks you all for the financial support you provide. This support is critical as our military families continue to balance the demands of home and deployments. We are committed to partnering with our banking liaisons and financial institutions to ensure quality financial services and relevant products. This includes financial education, training and consumer protection. Additionally, continue to cultivate the great partnership with all our stakeholders IMCOM, Defense Credit Union Council, Association of Military Banks of America, on-base financial counselors, and sponsorship personnel at FMWRC. We look forward to seeing you at the various training opportunities scheduled in 2011. These events provide the resources to fulfill your critical role as the BLO/CULO. We encourage each of you to continue reviewing the provisions in the DoDFMR, DoDIs 1000.11, 1342.27, 1344.07 and the Liaison Officer Desk Guide. **Colonel Stan Brown, Commander United States Army Financial Management Command and Command Sergeant Major Jeffrey Green**

### BASE ISSUES

Based on site visits, reported issues and the outcomes of the annual conferences/training events, here are the most common issues or challenges on Army installations that require your attention to monitor and report or address:

**Liaison Officer Appointment:** Your position should be an appointment from the Garrison Commander. Your picture and contact information should be posted in the on base FIs. The regulations and instructions you must review and enforce are listed above under the commander's note. There are annual training opportunities and resources that will assist you in executing these duties. If you are about to change jobs, please assist with getting a replacement and their training.

**Violations/Waiver requests to DoDI 1000.11:** There are Financial Institutions (FI) and other entities requesting meetings with the Garrison Commander to discuss options allowing them to establish a presence on the installation with an existing bank or credit union. All requests for financial services must go through you first; no matter where the request generates from. Although there is a waiver process, the Army has not and does not plan to approve any waivers to the "one bank one credit union" policy.

**BRAC Guidance:** The policy from OSD (C) will be out soon. It will detail the general procedures regarding on-base FI if your base is affected by BRAC in any way. Please contact me if you have additional questions.

**Operating Agreements (OA):** There are FIs operating without a current OA. Please obtain a copy and ensure the OA is current (within 5 years) and has a documented annual review. FIs without a valid OA risk losing their on-base presence.

**Unauthorized ATMs:** There are entities on the base that have ATMs not provided by the on-base bank or credit union. This

and any other financial service would require a waiver from the Army to continue.

**Advertising Violations:** Only the on-base FI can advertise financial services on the base. If you see advertisements or materials, and are unsure if they are in violation: get a copy of the ad, send it to me, and I will get a ruling and put a stop to it, if necessary.

**Base Access:** We are working with OSD on all base access issues. Currently, we work issues case-by-case. If employees of FIs are being negatively impacted by the base policy, please let me know.

**Financial Education/Training:** The ACS financial counselors and the on base FIs are the only ones who should provide this type of training. Ensure they are working together to provide the training needed at your base. The materials they provide or display should not promote or come from an off base entity.

### FINANCIAL COUNSELORS

The most recent conference for the FMWRC/ACS on base financial counselors was a huge success. These counselors are well trained and certified. They understand your role as a BLO/CULO and the function of the on base FIs. Please continue to work with them in the future for the educational and financial assistance needs of the Soldiers, civilians, and family members on your base.

### TRAINING 2011

Attend one of these events to obtain training, hear industry updates and learn how to resolve banking issues:

ASMC PDI, 30 May—3 June, Minnesota (Training on Wed or Thur)

Defense Credit Union Council, August 21-24, New York (Registration fee Waived)

Association of Military Banks of America, September 8-11, West Virginia (Registration fee Waived)

### INDUSTRY/CONSUMER CHANGES

Steps have been taken to stop Unfair and Deceptive Acts, Abuses or Practices (UDAAP). The Financial Reform Law created the Consumer Financial Protection Bureau and the Office of Service Member Affairs (OSMA). The bureau will provide additional oversight on financial institutions and service companies and the OSMA will further protect consumer rights and provide a place for consumer reports of UDAAP. The changes to Overdraft Program rules mandate better disclosure of features and fees and make mandatory "opt-in" requirements. Moreover, there are other effective overdraft protection alternatives offered by the on-base FIs. Additionally, they can provide short term/small dollar loan options as opposed to using payday lenders. The Mortgage Reform rules create better disclosure requirements, easier to read mortgage documents, standardized analysis and documentation that proves a home loan is affordable for a consumer and more accountability for lenders. As for Credit Cards, they have to give advance notice of interest rate increases, opt-out features for changes you don't agree with, earlier statements, limits on penalties and opt-in for purchases to exceed your credit limits. These are just a few of the major changes; more research is necessary to determine which rules apply to a specific situation and only time will tell if these changes will have the desired effect. More information can be obtained from the on-base FIs, financial counselors, and legal assistance.

### SPONSORSHIPS

FMWRC Corporate Sponsorship HQ put out their rules of engagement for their on-base sponsorship coordinators. If you have not met with the POC on your installation please make sure you do. This should cut down on the sponsorship issues in the future if we partner and share information.

**Remember Military Saves Week, February 20-27, 2011: Work with the Command, FI, and financial counselor to host an event at your base.**