

Commonwealth

Bankruptcy Debate

Call it a tale of two households. Jill and Phil (a composite) eagerly participated in the culture of consumerism, spending lavishly on expensive clothes, furnishings and vacations. Two middle-class salaries couldn't pay for their spending; ultimately, they filed for bankruptcy and wiped out their debts, with the exception of a student loan and a monthly car payment.

Sheila Jones (another composite) also filed for bankruptcy, but her circumstances were very different. A single mother with two children, she lost her job when a corporate merger led to lay-offs for everyone in her customer-service unit. Unable to make COBRA payments to maintain medical coverage and struggling to meet her mortgage payments, she finally moved into a bankruptcy proceeding.



Those two examples are at the heart of an ongoing debate on federal bankruptcy laws. Groups as divergent as the American Bankers Association and CUNA (Credit Union National Association) have advocated for tightening bankruptcy regulations; one purposed change would

make it more difficult to wipe out consumer debt. The House of Representatives has passed a bill that would make bankruptcy petitioners responsible for paying back \$10,000 or 25 per cent of the overall debt. Whether the legislation will make it through the U.S. Senate this fall is uncertain. Bankruptcy reform, in one form or another, has been kicked around in Congress during the past five years.

The legislation, in turn, has energized discussion about the very concept of bankruptcy. Lenders, including those issuing credit cards, have focused on a drastic increase in bankruptcy filings and shined a spotlight on filings by celebrities such as Burt Reynolds and M.C. Hammer. Consumer advocates, meanwhile, have pointed out that almost half of those filing for bankruptcy do so because of major illness and medical bills. The advocates have also discussed financial companies' penchant for high-risk lending. There are lenders who specifically market credit cards to folks who just completed bankruptcy!

In talking about bankruptcy, there's a need for both statistics and structural analysis, and Robert Manning's book, *Credit Card Nation* offers a valuable resource. He supplies a variety of down-and-dirty numbers, documenting the increase

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Autumn 2002 #52

Community Investment Certificate

3.12%

APY*



Six Month Term

This rate offered as of 10/1/02

**Community Empowerment
through Community Investment**

723 Westcott St. Syracuse, NY 13210 - (315)471-1116

\$4,000 Minimum Balance insured buy NCUA *Annual Percentage Yield
Penalty may be imposed for early withdrawals. Fees could reduce earnings on the account.

Members Double Their Money!

Three Members have doubled their money in SCFCU's Women and Minority Owned Microenterprise IDA (Individual Development Account) program. After saving \$1,000 in their IDA account and completing training courses to fine-tune their small biz savvy, these participants in the IDA program now have \$2,000 invested in inventory and/or capital development in their small business. Six more continue to save toward their goal, taking training with our partner organizations, UBOC and Appleseed, attending SCFCU's financial literacy course, "Your Path to Financial Freedom" (see p.3), and attending workshops developed to enhance business success.



There is funding to double the savings of six more individuals who want to either start or grow a small business. For more information about this excellent opportunity, call Gail at 425-8802 or the Credit Union at 471-1116, extension 850.

PhoneBlues:

We started off sharing a phone line with the food coop. Then we got our own phone. Members who wanted to talk about loans would call Ron at his home. After a while, we got a credit union phone at Ron's, shared with the fax machine. When we moved our office to Westcott Street, we installed a two line phone system, with a separate line for the fax and data. After a few more years of rapid growth, we moved to a four-line system with separate fax and data lines. In 2002, we outgrew the phone system again. With a dozen staff and preparing for a new second office, we had to move to a "real" phone system. After much research and testing, we now have a new phone system with voice mail and the unavoidable "automated attendant." Using a live receptionist simply would be too costly. The new phone system will take some getting used to but we are working to make it easier to use - your suggestions are welcome. Our phone numbers remain the same and you will be able to reach both offices with our current numbers. (See the box: phone directory.) Thanks for your suggestions and patience. And special thanks to Nancy Lorraine Hoffmann and Empire State Development Corp. who are providing funds for our new phone system.



for simple, routine transactions, members will free our staff to provide the high level of service that members want and often need at critical times. This enables the credit union to:

- get members through a financial bind,
- put first time homebuyers into homes,
- teach teens about finances,
- assist micro businesses with skills, plans and financing
- help new immigrants to establish credit
- coach first checking account users,
- link members with other financial resources,
- develop our community
- and much more.

Southwest Office Grand Opening

The Grand Opening of the credit union's new Southwest Office will be held on Tuesday, October 22, from 10:00 a.m. to 11:30 a.m. All members, friends and supporters are invited. The SW office opened for transactions on Monday, Sept. 23. The new office is inside of the Southwest Community Center, 401 South Ave., a few blocks south of West Onondaga Street. Our office is in the front corner of the building, on the ground floor. As you enter the main entrance on South Ave., our office is on the right. A deposit box is located outside, next to the front door. Members can use both our Westcott and Southwest offices for credit union services. Hours are the same as the Westcott Office. Many people and organizations collaborated to make this happen. We will express our appreciation at the Grand Opening.



Phone Access to Accounts 24/7



Express Service is a new automated system that gives members fast, easy, service by touch-tone phone any time or day of the week. It allows each member to access their own account information, do transfers, check account balances, find out if a check has cleared and more. A guide to *Express Service*, which shows all the options, was sent to all members in September. You can pick one up at either office. While the guide looks complicated,

Express Service is simple and easy to use. Try it and judge for yourself. To protect your accounts, the credit union requests that you change your *Express Service* account access code. Change it to a number that you will remember. Avoid numbers that are easy for others to guess, like your birth date or phone number.

Automation and Personal Service

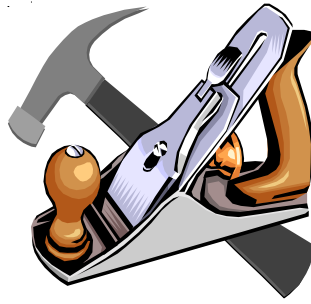
Our staff provides "old fashioned" personal service to meet the needs of our members and our community. Over the next year, the credit union is introducing new automated services: Express Service, home banking over the Internet and ATMs. Although it may seem contradictory, this automation will enable us to provide more hands-on service. By using our automated services

FIELD OF MEMBERSHIP

Syracuse Real Food Co-op.....	472-1385
Syracuse Peace Council.....	472-5478
Jowonio School.....	479-7744
Women's INFO Center.....	478-4636
Wellspring (Syr Center for Self Healing).....	475-7230
Eastside Neighbors in Partnership (ENIP).....	428-2480
East Side Soccer.....	445-2165
Westcott CDC.....	426-0243
SAGE/Upstate.....	478-1923
Syracuse Cultural Workers.....	474-1132
Peace Action of CNY.....	478-7442
Open Hand Theater.....	476-0466
Syracuse Community Choir.....	472-9386
Syracuse Community Radio.....	234-2000
Westcott Community Center.....	478-8634
Appleseed Trust.....	424-9485
WENA.....	479-7301
Jubilee Homes/ Time of Jubilee.....	428-0070
Syracuse United Neighbors (SUN).....	476-7475
Boom Babies.....	472-1949
Pupil Transportation Safety Institute.....	476-7475
CNY Chapter of the NY Civil Liberties Union.....	471-2821
Anyone who lives, works or worships in the SW Neighborhood	
Employees of Harmony, Common Works, Maziuk & Company	

Urban Homestead Project

In the spirit of an old-fashioned barn raising, members are helping make 320 Westcott Street into an attractive home for a member family. The credit union part is to provide “sweat equity” by landscaping. Volunteers from our credit union started landscaping on September 28 (we will thank everyone in the next newsletter).



The landscaping will be finished on Credit Union Day, October 17, from 9:00 a.m. to 11:00 a.m. by volunteers from our credit union and other credit unions. Please stop by and help if you can. Urban Homestead is a collaboration between our credit union, several other local credit unions, Home Headquarters, Community Preservation Corporation (CPC), University Neighborhood Preservation Association (UNPA), Syracuse Neighborhood Initiative and other community nonprofits. We take a dilapidated house, and fix it up, then help a member to purchase it. This house was an eyesore. Soon it will be all fixed up, as good as new, and turned into a home for a credit union family.

Bankruptcy - from page 1

in average cardholder debt during the 1980s (from \$395.00 in 1980 to \$2,350 in 1990) and intense marketing of credit cards to college and high school students. Eighty per cent of college students have credit cards, and 25 per cent of the cardholders owe more than \$3,000.

Manning also describes the great wall of credit, the division between people who pay off the entire card balance every month and those who don't pay off balances and are gouged by high interest rates for years and years. Most of the folks at the bottom of the wall aren't high-end spenders; they're ordinary citizens beset by economic changes: a decline in good-paying blue-collar jobs and a shift to the service sector, increases in basic living expenses like housing, transportation and health care. Turning to hot industries like telecommunications for employment didn't guarantee stability. A variety of telecommunications companies have closed their doors during the past two or three years.

The economic turmoil has been accompanied by consolidation of banks and financial firms, by creation of large companies well equipped to take advantage of people's financial vulnerability. Conglomerates have made credit cards and lines of credit available to almost anyone, accumulating many millions of dollars in interest and other charges. Manning notes that more and more everyday people use credit cards to pay for rent, clothing and food. For some working poor, plastic is a financial reserve, a substitute for savings accounts.

In assessing that situation, the author makes it clear that individual responsibility plays a role in any discussion of credit issues. It's important that consumers learn about the ins and

outs of credit, about ways to avoid interest rates of 20 percent and higher, about services available to help people avoid financial melt-down. At the same time, he says that looking at every family with debts purely as an individual case is absurd. Access to credit and basic financial services, Manning emphasizes, is a pivotal issue.

That's where credit unions come in. Our credit union has counseled members caught between a rock and a hard place, between punishing credit rates and the specter of bankruptcy. We haven't advised people to immediately push the bankruptcy button; we've discussed alternatives for dealing with debt. Even more importantly, we've provided loans, debit cards and other services to meet basic needs, to help members avoid financial crisis.

So, when we discuss bankruptcy, we need to acknowledge the existence of irresponsible consumers like Phil and Jill but also move on from that topic. It's essential that we discuss companies whose agendas are based on profit and greed. We live in a time when ATM's are readily available in casinos but millions of Americans have no financial institutions in their neighborhoods, when consumers receive almost 60 credit card offers a year, when financial companies charge interest rates that would make a loan shark blush. Let's talk about the notion of credit at a reasonable cost. That's where the discussion should begin. - CM

20 Years Since 1st Loan

October 1 marks the 20th anniversary of the credit union's first loan approval. The inexperienced credit committee conducted a one and a half hour interview with the applicant. The member was requesting a share secured loan to put storm windows on her home on Westcott Street. She was patient and graceful as the committee stumbled on.

Your Path to Financial Freedom



Create a map to guide you on your journey to financial well-being. This 3-session course is a terrific first step!

**Thursdays
from 7-9 PM
November 7, 14 & 21
Westcott Community
Center
To register call Betsy**

**McCabe at 492-1038 or email
EMcCabe@att.net**



Around the Office

We are pleased to welcome **Beatriz Burbank** to our staff. Beatriz, a native of Peru, is bilingual (Spanish/English) and comes to us with over 5 years of banking experience. **Marianna Baum** has rejoined the credit Union staff. Mar served as bookkeeper, office manager and teller when the credit union was located in the food coop.

Welcome back. **Michael Burton** has left the Credit Union to join The Syracuse Cultural Workers. While we are certainly sad to see him leave, we know he'll be happy at SCW and wish him good fortune. Since he has moved to another Socially Responsible Institution (yeah I guess we're institutions now), we were at a loss for a reason to insist that he stay.

It has been an extremely hectic summer. We installed a Novell based Server, Windows based workstations and enhanced Credit Union software. We retired our ancient DOS based system that we purchased in September of 1991. Our new system operates at the speed of light compared to our old system and is allowing us to be much more effective and productive. Among other features, it includes express service, which is just a way for you to access your account via the keys on your telephone — just

in case you really don't want to talk to one of the staff. Our new telephone system gives us many conveniences including Voice Mail and an Automated Attendant to efficiently (we hope) distribute incoming telephone calls.

We've gone even further into the Hi-Tech World (you might say that your Credit Union has officially entered the 21st century) and have connected the Westcott Street and South Avenue Offices with a T-1 line. The T-1 is a high speed data highway that enables us to transmit our data, inter-office telephone, internet access and other information in a very efficient manner.


The credit union will no longer send receipts automatically. Receipts are now sent when requested. Please use our Express Service to check your deposits and other transactions—you will help us conserve resources and save postage. -BH

Telephone Directory	
Lisa Bailey	803
Maritza Barrientos	203
Marianna Baum	807
Gail Bering-Porter	850
Beatriz Burbank	806
Ron Ehrenreich	201
Margaret Gelfuso	802
Karen Hall	801
Bill Hamler	202
Greg Knipe	230
Jack Michaels	804
Gerry Russo	210
Tom Smith	211
Southwest Office	301

Board of Directors	Committees & Volunteers
David Andrews	Carol Baum
Cheri Capparelli	David Bering-Porter
Cynthia Carrington	Stephen Bittner
Liz Crockett	Ken Bobis
Ron Ehrenreich	Joe Branagan
Susan Hamilton.	Dan Bowers
Mary Hanick	Jim Creveling
Earl Johnston	Mark Feldman
Ruth Pierce	Susan Finkelstein
Peter Scheibe	Joel Gelburd
Larry Young.	Jennifer Glancy
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Liz Crockett	Duane Hardy
Frank Mt. Pleasant	Jeanne Hammer
Bob Pandori	Ann Herman
Marilyn Willits	Chris Hickey
Valerie Woods	Don Hughes
Credit Committee	Tim Judson
Ron Ehrenreich	Sekgoma Kgama
Karen Hall	Barb Kobritz
Aggie Lane	Artis Lee
Simon Morrin	Jean Lynch
Osupa T-Davis	Frank Machnaigh
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Lisa Bailey	Stan Maziuk
Joe Branagan	Carl Mellor
Bill Hamler	Mike Musler
Gerry Russo	Frederick Noyes
Tom Smith	Dan Reeder
Cindy Squillace	Chris Riley
	Sondra Roth
	Larry Rutledge
	Jane Slabowski
	Hilary Weeks

"Money & Stuff"
Financial Smarts
for Teens

For more information
call the Credit Union
at 471 1116



Holiday Closings
Federal Holiday, Oct. 14th
Veteran's Day, Nov. 11
Thanksgiving, Nov. 28
Christmas, Dec. 25
New Year's Day, Jan 1
Martin Luther King Day, Jan



Syracuse Cooperative Federal Credit Union
723 Westcott Street
Syracuse, NY 13210

Credit Union Hours: Monday, Wednesday, Friday, Noon-6pm, Tuesday & Thursday Noon-4pm.