



Association of Military Banks of America

NEWSLETTER

ISSUE 74

SEPTEMBER 2004

Changing of the Guard

AMBA'S New President/CEO Is Forging Ahead

While summer is traditionally “vacation time,” AMBA’s new President/CEO, Major General Andrew (Andy) M. Egeland, Jr.



COL Henry (Hank) Neill, recently retired Executive Vice President of AMBA, and General Andrew (Andy) Egeland, Jr., AMBA, President/CEO, attending a meeting at AFFN Headquarters in Tampa, Florida earlier this summer.

(USAF, Ret.), has been busy traveling the country on behalf of the association – its member banks and their customers, the men and women of our armed forces.

Together with Colonel Henry (Hank) W. Neill, Jr. (USA, Ret.), who recently retired as Executive Vice President of AMBA, General Egeland attended an orientation meeting at Armed Forces Financial Network (AFFN) headquarters in Tampa, Florida, in June. He has already participated in his first AFFN Board of Directors meeting in Monterey, California, where he was elected to serve as Secretary of AFFN.

In addition, General Egeland also traveled to Boulder, Colorado, earlier this summer to conduct a site visit at the St. Julien, Boulder’s new



AMBA leadership signs contract with the St. Julien – host of AMBA’s 2005 Fall Workshop. From left to right: General Andrew (Andy) Egeland, COL Henry (Hank) Neill, Jr. and Bruce Porcelli, Project Manager for the new property, scheduled for completion in early 2005.

hotel & spa, currently under construction and host of AMBA’s 2005 Fall Workshop. A contract was signed and meeting plans are underway.

DoD Gains New Partner in Financial Literacy Campaign



The Institute of Consumer Financial Education (ICFE) signed a Memorandum of Understanding (MOU) on June 25, 2004, with the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy) to help improve the financial readiness of military servicemembers and their families.

The MOU allows personnel at military installations throughout the Department of Defense (DoD) to use the many financial education programs and Web-based services provided by the ICFE, including personal finance curriculums, PowerPoint presentations, financial counseling, spending education, credit education and credit report reviews among numerous other resources and services. The MOU is part of a DoD financial education initiative aimed at assisting servicemembers and their families

Continued on page 2



Servicemembers Civil Relief Act

Updates and Replaces Soldiers' and Sailors' Civil Relief Act of 1940

The Servicemembers Civil Relief Act (SCRA), signed into law on December 19, 2003, amended and replaced the Soldiers' and Sailors' Civil Relief Act of 1940. The SCRA is intended to strengthen national defense by enhancing protections available to servicemembers during their military service. It applies to any case that was not final before the date of enactment. Some changes are of particular interest to depository institutions, including the following highlights:

- Creditors must forgive interest in excess of six (6) percent per year on debts (including credit card and other open-end debts) incurred by a servicemember before the servicemember entered military service. This limitation also applies to debts incurred jointly by the servicemember and the servicemember's spouse. Creditors must forgive, rather than merely defer, interest above the 6 percent threshold during the time of service. In addition, the creditor must reduce any periodic payments due under the debt to reflect the reduced interest rate.
- Servicemembers must give creditors written notice along with a copy of his/her military orders, to receive

the interest rate reduction. The notice must be provided to the creditor no later than 180 days after the servicemember's termination or release from military service and the creditor must then apply the interest rate reduction effective as of the date the servicemember was called to military service.

- The Act extends eviction protections to cover units renting for \$2,400 or less (double the current limit) and the cap is now being adjusted for inflation.
- Servicemembers may terminate residential leases (now including those executed after entering military service) and, for the first time, motor vehicle leases.

Many of the benefits accorded to servicemembers by the Act relating to financial obligations may be extended to dependents of servicemembers if the dependents apply to a court for such protection. There are additional provisions of the SCRA that may be relevant to other servicemembers' circumstances.

For a copy of the OCC Advisory Letter addressing the Servicemembers Civil Relief Act (SCRA), AL 2004-8, log onto: www.occ.treas.gov/ftp/advisory/2004-8.doc

IT'S NOT TOO LATE SIGN UP TODAY!

AMBA is hosting its
2004 AMBA Fall Workshop in
Rancho Mirage, California,
September 26-28, 2004.

The Workshop will be held at
Marriott's Rancho Las Palmas.
Contact Centennial Conferences
at **303-499-2299** or
amba04@centennialconferences.com
for more information
or to sign up today!

DoD Gains New Partner in Financial literacy Campaign

Continued from page 1

in their efforts to build personal wealth through improved spending techniques and practices, reducing debt and establishing savings goals.

The ICFE is an independent, national nonprofit organization dedicated to helping consumers of all ages do a better job of spending, increase savings accumulations and use credit more wisely. By increasing personal wealth, servicemembers will be better able to achieve financial goals such as maintaining an emergency cash reserve, sending their children to college, purchasing a house after leaving the service and investing for retirement.

As part of its MOU, the ICFE is making its Web-based personal finance curriculum, credit report reviews, credit file correction and other materials available to military Personnel Financial Management Specialists. The ICFE also has speakers and other presenters who visit installations and speak to servicemembers about their personal finances.

For more information, log onto: www.financial-education-icfe.org/



President's Message

I am honored to serve as President of the Association of Military Banks of America. AMBA has a long and proud history of 45 years of service to its membership and to the men and women of our armed forces. I am excited about the challenge, not only of discharging this new responsibility, but to do so during a period when “transformation”

and major world events will undoubtedly have a significant impact on military banking operations, both at home and abroad.

This is also a period of transition and transformation for AMBA. Hank Neill, who for many years served AMBA so ably as Executive Vice President, has retired. There will soon be additional leadership changes among the AMBA officers and members of its Board of Directors. I asked Hank to reflect on all that AMBA accomplished during his tenure and it is an impressive list. AMBA enjoys excellent relationships with government officials, national bank associations and key not-for-profit associations and has the enviable reputation of being an effective voice of substance on issues facing its membership and the military customers of its member banks. This is the legacy that we must build upon to achieve an even greater voice for AMBA. The transformation challenge for AMBA is to answer the question, “What can AMBA do to be more effective in the years ahead?”

In my short time on the job, I have met with service bank liaison officers, key Defense Finance and Accounting Service officials in Columbus, Ohio, the Defense Commissary Agency leadership at Ft. Lee, Virginia, senior Department of the Treasury officials, important staff members within the Consumer Federation of America, and long time supporters of AMBA within the American

Bankers Association. I visited the military bank at Ft. Lee, Virginia, and viewed its satellite banking operation in the post commissary. I spent the good portion of a day at the Eisenhower National Bank at Fort Sam Houston in San Antonio, Texas, taking a close look inside its banking operation. I visited the Bank of America Military Bank in San Antonio and was given an in depth look at its “back room” operation. I also received a detailed orientation into the Bank of America Overseas Division, which administers the DoD overseas Community Bank contract.

As diverse as the roles and responsibilities have been, I saw a common thread that ran throughout my visits. Everyone I met or talked with had one overarching goal – to improve the financial services to our men and women in uniform. Clearly my mission, and AMBA’s mission, must be to help make that happen.

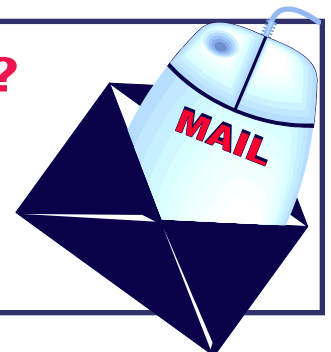
With Hank Neill’s able and invaluable assistance, the transition process, though not complete, has been efficient and very effective. We touched nearly every base and I have acquired a good “sight picture” for what AMBA represents and what its membership is doing to benefit the men and women of our armed forces. There is a good story here and it needs to be told to a wider audience.

The change in AMBA’s newsletter is a first step. The newsletter can be a vehicle for educating those outside the association on what AMBA’s membership is doing to improve the financial quality of life of its military customers. Share your “good news” with me and I will help tell the story. Working together, we can build on AMBA’s remarkable record of 45 years of service and achieve even more for the benefit of our men and women in uniform and their families. I am very proud to serve as AMBA’s President and I look forward to working with each of you.

Andy Egeland, President/CEO

MOVING? NEW STAFF? SUGGESTIONS?

Have a change of address? New person on staff? Name change? Is there someone else on your staff that would like to receive our quarterly newsletter? Please send all changes and requests to ambahq@aol.com or via the U.S. Mail to: **AMBA, PO Box 3335, Warrenton, Virginia 20188.**





Reminiscing

A Look Back at Challenges and Accomplishments

Henry W. Neill, Jr., Colonel (USA, Ret.)

Upon retiring from my positions as Executive Vice President of the Association of Military Banks of America (AMBA) and as a member of the Board of Directors and Secretary of the Armed Forces Financial Network (AFFN), I was asked to reflect on my service in these organizations.

When I think of the many tough issues AMBA has faced in recent years, I realize how active your association has been in resolving these issues. Working with others, often in a team approach, we have assured that the interests of military banks and their customers were well represented in our nation's capital.

There was the Y2K issue facing all of us during the early days of my association with AMBA. While all worked out well, your association played an important role in bringing various banking and government organizations together to find a solution to a potentially devastating situation.

Then there was the effort AMBA made to assure the proposal to ban ATM surcharges and impose price controls over banking services on military installations never came to fruition. AMBA led the effort to educate those making these proposals to rethink them and finally to drop them.

The personal financial readiness of our armed forces has been a serious concern to AMBA. It has been a high priority as we worked with the Department of Defense, other government organizations and certain not-for-profit associa-

tions to improve personal financial readiness. This effort continues as service personnel continually fall victim to slick sales pitches targeted specifically at them. AMBA realizes military personnel, often young and trusting, can be easy prey for zealous sales professionals who do not always have their clients' best interests at heart.

Your association has taken strong action to assure DoD policies protecting service personnel from those who would victimize them are enforced and we have been active in efforts to educate military personnel in basic personal financial management. AMBA has endorsed the FDIC's MoneySmart adult education program that is now used by many of our member banks. Our association has been a recognized leader in this area as it was the first organization in the National Capital Region to endorse the popular MoneySmart program.

AMBA is proud of the relationships it has built with other national bank associations such as the American Bankers Association and the Independent Community Bankers of America. By working in concert with these organizations, AMBA is able to stay abreast of the most current issues facing the banking industry while offering them our expertise in military banking and financial matters.

Another source of pride has been the fine relationship your association has with AFFN, an electronic funds transfer network in the forefront of its industry. The quality of AFFN's service is demonstrated in the steady growth it has experienced in both automated teller machine and point-of-sale transactions. AMBA has gained financial stability and built effective programs without increasing its membership dues largely because of its ownership interest in AFFN, a network dedicated to serving the armed forces, which AMBA co-founded in 1985 with the Defense Credit Union Council.

I have been succeeded in AMBA by Major General Andrew M. Egeland, Jr., USAF, Retired, who recently joined our association as its President and CEO. I am fully confident his leadership will enable both AMBA and AFFN to prosper and achieve even higher levels of excellence. I ask that you give him the same support you gave me.

Working with both AMBA and AFFN has been a wonderful experience. It has allowed me to stay in touch with our nation's fine Soldiers, Sailors, Airmen, Marines and Coast Guardsmen and that is something I value greatly. I entered military service in 1962 as an enlisted Soldier and later received a commission in the U. S. Army

Continued on page 7



Celebrating Hank Neill's retirement at the Army and Navy Club in Washington, D.C. From left to right: Mr. & Mrs. Rudy Banker, First Citizens Bank; Mr. John Broda, AFFN; Mr. & Mrs. Roland Arteaga, DCUC; COL and Mrs. Henry Neill, AMBA; and Mr. & Mrs. Wayne Andrews, Columbus Bank and Trust.

MEMBER PROFILES

Community Bank

Online Banking Service for Overseas Military Banking Customers

Recognizing the highly mobile lifestyle of its customers and their banking needs, Community Bank, operated by Bank of America (Community Bank), recently launched its new Online Banking Service. Community Bank customers are now able to access account information and perform many financial transactions over the Internet. Even servicemembers in the field can take care of their various banking needs. With Community Bank Online, customers can now access to their finances 24 hours-a-day from anywhere in the world.

From a personal computer connected to the Internet, Community Bank customers can now:

- Check Community Bank account balances, track expenses and transfer funds
- Make Stateside bill payments, at no charge
- Access non-Community Bank account information
- Keep a check register online
- Download transactions to Microsoft Money or Quicken

- View balance information on CDs and loans
- Send and receive secure online e-mail

The Department of Defense Overseas Military Banking Program (OMBP) has over 100 Community Bank banking centers at Department of Defense (DoD) installations overseas, servicing DoD military and civilian personnel stationed in those locations. Overseas banking centers provide a complete range of banking services to DoD military members, civilian employees, other authorized individuals, organizations and military disbursing officers. Bank of America manages the OMBP under a contract with the Defense Finance and Accounting Service.

Banking centers are located in the following countries: Japan, including Okinawa; Guantanamo Bay, Cuba; Korea; Iceland; The United Kingdom; Diego Garcia; Germany; The Netherlands; and ATM only service in Honduras. The OMBP also operates a network of over 290 multicurrency ATMs.

For more information, log onto: www.DoDCommunityBank.com

Naval Amphibious Base Little Creek

Bank of America's New Facility

After 30 years in temporary housing in a trailer, Bank of America opened the doors of its new state-of-the-art facility this past July on the Naval Amphibious Base Little Creek in Norfolk, Virginia. The new banking center is conveniently located within the main shopping area of the base giving military personnel and their families living and shopping in the surrounding area access to financial services and products specifically tailored to them and their lifestyles.

For more information, log onto: www.bankofamerica.com/military

Celebrating the official opening of the new on-base facility, from left to right: Jennifer Flom, Bank of America Military Sales Manager; Scott Mullen, Bank of America Military Bank President; Command Master Chief David Rudd, Senior Enlisted for the Amphibious Base; Captain Gary Cooper, Amphibious Base Commander, and Tom Shaw, Bank of America Military Bank Banking Center and Customer Support Executive.





PROFILE

AMBA'S New President/CEO

Major General Andrew M. Egeland, Jr. (USAF, RET.)

As reported in the last newsletter, upon the retirement of Colonel Henry W. Neill, Jr. (USA, Ret.), as Executive Vice President of AMBA, Major General Andrew M. Egeland, Jr. (USAF, Ret.) assumed the duties of President/Chief Executive Officer of the association. By way of introduction, the following is a brief biography.

Andy Egeland comes to AMBA after a distinguished career as an Air Force judge advocate. In his last assignment, Andy served from 1993 until his retirement in March 2000 as the Deputy Judge Advocate General, Headquarters United States Air Force. As a major general he was one of two senior partners in the Air Force military law firm comprising more than 1,500 military and civilian lawyers. Throughout his nearly 32 years of active military service, Andy held top leadership and management positions as a military attorney and served as legal counsel to senior military and civilian leaders of the Department of the Air Force. He served overseas tours in Germany and Korea and traveled frequently to Europe and Latin America.

Prior to being appointed to the position of Deputy Judge Advocate General of the Air Force, Andy was the Director of Civil Law and Litigation and responsible for all civil litigation affecting the Air Force. He has extensive experience at the major command, intermediate command and base level. He also served on the faculty of the Air Force Judge Advocate School and was responsible for all civil law instruction given

to judge advocates and commanders attending professional military education courses at the Air University.

Andy is a graduate of The National War College and a Distinguished Graduate of the Air Command and Staff College. He received his Bachelor of Arts degree (Chemistry) from the University of Virginia and his Juris Doctorate degree from the University of Virginia School of Law. Andy is a member of the Virginia State Bar and is admitted to practice before the United States Supreme Court and other jurisdictions.

After his retirement, Andy successfully led a community service project for the City of Manassas and Prince William County, Virginia, that established and currently operates a state licensed adult day care center for frail and cognitively impaired older adults. The *Hearth & Home* Senior Adult Day Health Care Center began operating in June 2003 as a not-for-profit center and is addressing the growing need of family caregivers in the community. Community leaders have acclaimed *Hearth & Home* as a model for long-term geriatric care.

Andy continues his community service as a member of the Fauquier County, Virginia, Human Rights Committee. He is also a member of the Executive Committee of the Board of Directors of the Air Force Retired Officers Community that owns and operates Falcons Landing, a continuing care retirement community located in Loudoun County, Virginia. Andy and his wife, Marie, reside in Fauquier County, Virginia.

DFAS Unveils New Guard/Reserve Pay Center



The Defense Finance and Accounting Service (DFAS) has officially opened the Reserve/Guard Pay Center of Excellence within its Cleveland-based DFAS Military and Civilian Pay Services Operation, thus establishing one DFAS location to furnish pay account support for Army, Air Force and Naval Reserve and Guard Component customers.

Centralizing all Reserve and Guard pay expertise in one location greatly enhances the sharing of "best practices" while being responsive to the needs of the Guard and Reserve.

A key feature of the Center is "surge capability." The cross flow of expertise residing there will allow pay technicians to support more than one service when necessary without adversely affecting other customers.

For example, technicians supporting Air Force Guard and Reserve can assist with Army Guard and Reserve activities when required for major deployments of units. To make certain the needs of the end customer are being met, this initiative has been closely coordinated with leadership in the Reserve and Guard communities.

For more information, log onto: www.dfas.mil



Military Seeks to Prevent Identity Theft

President Bush Signs Bill Into Law

As stricter Federal penalties go into effect for identity theft, the Defense Department is taking steps to protect servicemembers, their families and DoD civilians from being victimized. Identity theft is a growing crime nationwide, and the military is not immune. Social Security numbers – used so commonly throughout the military to identify its members – once made servicemembers easy prey to identity thieves. While committing identity theft can take just minutes, victims often find themselves spending months, even years, unraveling the consequences.

President Bush signed a bill into law July 15, 2004, stiffening penalties for identity thieves. In addition, the military has taken a wide range of steps to protect its members and their families from identity thieves.

- Earlier this year, the Defense Finance and Accounting Service (DFAS) dropped the first five digits of each person's Social Security number from all hard-copy leave and earnings statements and checks
- The department also put into place measures in the E-Government Act of 2001 that controls what personal information gets posted on government Web sites. The law requires privacy impact assessments to ensure government agencies take steps to protect their people against identity theft.
- In addition, the Defense Department teamed up with the Federal Trade Commission to launch *Military Sentinel*, www.consumer.gov/military/, an online

complaint network that enables military members and DoD civilian employees to report identity theft and other consumer frauds.

The individual military services have also launched far-reaching education campaigns. The Army introduced a new distance learning training course in February to teach Web administrators what is and isn't permitted on publicly accessible Army Web sites and issued a "Hot Topics" brochure about identity theft. The Navy and Marine Corps have issued several alerts on the topic, all posted on their Web sites. The new Air Force public Internet site includes identity theft and consumer fraud updates and preventive materials.

The bottom line, however, is that servicemembers, DoD civilians, and military families must use caution in giving out personal identifying information. If they do become victimized, officials advise reporting it as quickly as possible to their chain of command, their legal assistance office and *Military Sentinel*.

Publicity about some military-related identity theft cases has sparked a debate about whether the military should provide servicemembers with a service number that is not their Social Security number. No action has been taken on this issue in Congress, although some Members have expressed an interest in pursuing such a change.

For more information, log onto:

www.defenselink.mil/news/Jul2004/n07232004_2004072305.html

Reminiscing

Continued from page 4

Finance Corps. Much of my time since then has been working in finance or banking. Now, as I leave AMBA and AFFN, my thoughts turn to the fine people, some in uniform and some civilian clothing, with whom I have worked to assure our armed forces and their families receive the best finance and banking service available no matter where they serve worldwide. They are very special people and I am proud to have been associated with them. I leave with many fond memories and many valued friendships.

We Want to Hear From You

The AMBA staff is committed to publishing a quality newsletter with articles about its member banks and their customers – the men and women of our armed forces.

Please add us to your press mailing list so we can receive your press releases and publications. In addition, we will be developing an editorial calendar in the months ahead and welcome story ideas and article submissions.



E-Mail:

ambahq@aol.com

U.S. Mail:

AMBA

PO Box 3335

Warrenton, Virginia 20188





Online Resources of Interest

Military Sentinel

Military Sentinel is a joint initiative of the Federal Trade Commission and the Department of Defense, established to identify and target consumer protection issues affecting military servicemembers and their families.

Military Sentinel allows servicemembers to file a complaint on-line and access consumer education materials covering a wide range of consumer protection issues, from auto leasing, to identity theft, to work-at-home scams.

Consumer issues impact quality of life, and quality of life affects military readiness. *Military Sentinel*, www.consumer.gov/military, is the first centralized collection of consumer complaints from servicemembers and military civilian employees and their families. *Military Sentinel* allows complaints to be recorded, in a database that is immediately accessible by over 500 law enforcement organizations throughout the U.S. and abroad, by branch of service and installation, giving DoD law enforcers and policy makers vital information to better protect servicemembers and DoD civilians in the marketplace.



the Department of Defense's "Financial Readiness Campaign," created and distributed with support of the Office of the Under Secretary of Defense (Military Community and Family Policy). *Military Money* explores the dynamic lifestyle of military families and serves as an authoritative financial resource for military members and their families. The magazine is distributed quarterly at military bases around the world.

Armed Forces Financial Network

AMBA/AFFN participants are encouraged to visit and "test drive" AFFN's updated Web site, www.affn.org. If your bank has not yet received a User Id/Password to enter the secured section of the Web site, please send an e-mail to affn@affn.org requesting this information. In addition, contact John Broda, AFFN's Executive Vice President, (John.Broda@AFFN.org or 973-257-1216), with changes to current content, suggestions, or ideas on how AFFN can continue enhancing communication with its participants.



Military Money

The Department of Defense's "Financial Readiness Campaign" Partner Web site, *Military Money*, was created to highlight specific financial issues and challenges affecting servicemembers and their families. The site features *Military Money* magazine, published by In Charge Institute of America, Inc., in partnership with the National Military



Family Association, www.nmfa.org. It is part of

ARMED FORCES FINANCIAL NETWORK ANNOUNCES CHARITABLE FUNDS MATCHING GRANT PROGRAM

The Armed Forces Financial Network (AFFN) is currently accepting applications on behalf of its 2004 charitable matching funds grant program. The grant program, allows a maximum matching grant up to \$1,500 per participant and benefits military oriented charitable foundations. Recipients to date include the Armed Forces Bank/USO International and the Bank of America Military Bank/Fisher House Wilford Hall, BAMC Texas.

Download a 1-page application (.pdf format) from the AFFN Web site – www.affn.org – or contact John Broda, Executive Vice President, AFFN, at john.broda@affn.org or 973-257-1216.

Mark Your Calendar

- What:** AMBA 2005 Fall Workshop
- When:** September 11-13, 2005
- Where:** St. Julien, Boulder's Hotel & Spa
Boulder, Colorado
www.stjulien.com

Details to Come!

