



Changing of the Guard

AFFN Announces New Board of Directors

At the 2011 Armed Forces Financial Network (AFFN) Annual Meeting, held January 28th, Chairman Greg Oveland, President & CEO, **Eisenhower Bank**, and Vice Chairman John Mitchell, Senior Vice President, **Columbus Bank & Trust Company** (both representing AMBA), turned the gavel over to incoming **Chairman Gordon Simmons** and **Vice Chairman Frank Padak** (both representing DCUC).

In accordance with our by-laws, every two years, the Chairman and Vice Chairman leadership positions of the AFFN Board of Directors are rotated between the Defense Credit Union Council (DCUC) and the Association of Military Banks of America (AMBA). The AMBA and DCUC organizations nominate their candidates from their Boards of Directors to serve on the AFFN Board of Directors, and the leadership positions are then voted on and appointed for a two-year term.

Incoming Chairman Simmons has served on the AFFN Board since 1997. During his tenure on the AFFN Board, he has also served as AFFN Chairman, AFFN Vice Chairman, an AFFN Audit Committee Member, and has been an active volunteer member. Mr. Simmons is President & CEO of **Service Credit Union** (New Hampshire). Mr. Simmons represents the true spirit of volunteerism, serving numerous other leadership roles within the state and national credit union movement as well as his local communities both stateside in New Hampshire and in Europe (Germany).

Incoming Vice Chairman Padak has served on the AFFN Board since 2010. Mr. Padak is President & CEO of **Scott Credit Union** (Illinois). Mr. Padak is the current Chairman of the Board of the Defense Credit Union Council, and is serving or has served in various leadership roles on the Illinois Credit Union League Service Corporation Board of Directors, CUPAC Board of Directors, Southern Illinois Chapter of Credit Unions, and the Illinois Electronic Recording Commission.

"I look forward to the continued success of AFFN on the behalf of all AFFN Participants. The spirit of cooperation between military banks and defense credit unions is ever present at the Board level and within our Participant base. We are focused on our mission and will continue to manage the strategic plan developed by the Board of Directors and the management team," said Chairman Gordon Simmons.

He added, "I would like to thank both Mr. Greg Oveland, Immediate Past Chairman, and Mr. John Mitchell, Immediate Past Vice Chairman for their years of voluntary service to the AFFN organization." [AFFN](#)



Gordon Simmons
Chairman



Frank Padak
Vice Chairman

New Product Rollout *page 4*



FIS Inks Deal with U.S. Army *page 5*



AFFN Participants Give Back *page 6*



Letter from the President



No doubt about it, 2010 was an exciting and very challenging year! Even though we were celebratory about a quarter of a century of service to AMBA Banks and DCUC Credit Unions, we experienced a tremendous amount of loss within our AFFN/AMBA/DCUC families and our larger military families, we were hyper-focused on the significant and historic losses in the financial services industry, the economy, and the ramifications of revenue and service delivery challenges related to the pending government industry regulation.

This past year, AFFN, in partnership with our AMBA banks and DCUC credit unions, celebrated our twenty-fifth year of service to those who serve our great Nation. The success of AFFN speaks directly to the success of DCUC and AMBA, two fellow organizations that also have a special interest in helping military orientated financial institutions serve the U.S. military and defense communities worldwide.

AFFN's mission is to provide quality products and services for participating financial institutions serving the U.S. military community worldwide. AFFN has supported our Participants with the processing of electronic funds transfer (EFT) transactions fast approaching the two billion transaction milestone. A special thank you to our dedicated staff,

management, and volunteer Board of Directors who have remained loyal to our Participants and true to our mission. A mission taken very seriously because of the constituencies we serve – the U.S. military and defense communities worldwide.

Over the past twenty-five years, along with AMBA banks and DCUC credit unions, AFFN has seen tremendous change with the advancement of technology in the financial services industry. AFFN has a track record of providing competitive alternatives to our Participants in the EFT marketplace, such as Participant directed gateway and processor alternatives for connectivity and processing, ATM reciprocal arrangements, and the latest, AFFN SELECT.

I am extremely proud of the contributions to our U.S. military community by AFFN and our AMBA banks and DCUC credit unions, through our unique 'giving partnership' created eight short years ago. The AFFN Military Community Support Program was created to support our U.S. Service Members and their families at a local level and on a global scale. The AFFN Military Community Support Program achieved a \$1,000,000.00 giving milestone this past year. This is a monumental achievement and having done so during our twenty-fifth service anniversary is symbolic and representative of the fabric of the AFFN, AMBA, and DCUC organizations and it speaks to the loyalty, dedication, and commitment we share for the U.S. military community worldwide.

While we have made great inroads to serve military and civilian consumers over the past twenty-five years, we are faced with industry turmoil. We are committed and remain focused on the expansion of acceptance worldwide; launching a pilot for a new AFFN international travel Chip & PIN debit card, and compliance with pending government regulation. While AFFN continues to monitor the pending government industry regulation, we have conducted internal strategic planning sessions with our strategic switch processing partner, outlined options and alternatives, and we are in the process of scheduling meetings with Processors and Partners to ensure what will be required is in place for AFFN Participants.

I would like to thank you and your organization for the critical role each has played in AFFN's success. Thank you for your loyalty to AFFN and our business partners, AMBA and DCUC, and most importantly, thank you for the service provided to our U.S. Service Members, their families, and overall U.S. military and defense communities worldwide.



Respectfully,

David Weber, *President & CEO*

“ The AFFN Military Community Support Program achieved a \$1,000,000.00 giving milestone in 2010. ”

“ Thank you for your loyalty to AFFN and our business partners, AMBA and DCUC. ”

AFFN Celebrates 25 Years of Service in Support of its Participants & U.S. Military, Defense, and Civilian Communities Worldwide

Dear AFFN Participants,

AFFN has been able to flourish over the past quarter century thanks to our values, prudent practices, and the loyalty of our Participants.

In looking back at our history, the one thing we are most proud of is our unrelenting dedication to our AFFN Participants. From the very beginning AFFN has been focused on supporting our AMBA Bank and DCUC Credit Union Participants, in your mission, to serve those who so proudly serve our great Nation.

At the centerpiece of AFFN's success, and fundamental to our present and future successes, are the dedicated AFFN management and staff who are amongst the best in class in our industry.

We have had a great time serving you over the past 25 years, and we hope to serve you for years to come. We look forward to continuing to fulfill our commitment to your organization.

The AFFN Board of Directors



AFFN Participants

May, 1985

CHARTER MEMBERS: [4]

First Navy Bank

Warrington Bank

Vanguard Bank

Fort Knox National Bank

FOLLOWED BY: [+11]

Seymour-Johnson FCU

Navy Orlando FCU

Cherry Point FCU

Pentagon FCU

Barbers Point FCU

1st National/Belleville

JAX Navy FCU

Tyndall Air Force Base FCU

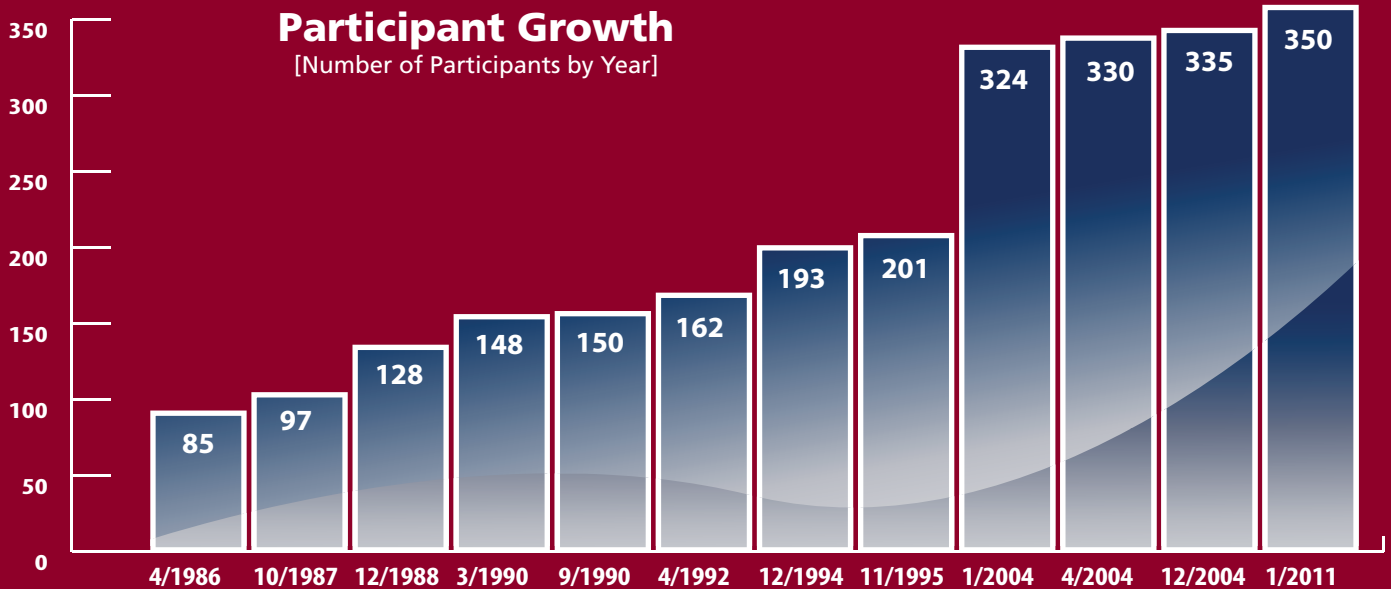
Atlantic Bank

Cedar Point FCU

Fort Belvoir FCU

Participant Growth

[Number of Participants by Year]



Admiral LeRoy Collins, Jr. (USN, Ret.) [1934 – 2010]

AFFN Salutes Former President & CEO



Admiral LeRoy “Roy” Collins, Jr., former AFFN President & CEO, was tragically killed in an accident on July 29th, 2010, in Tampa, Florida. He was 75.

“While Roy’s civilian career spanned nearly 40 years, he never lost focus on our U.S. Service Members and their families,” said David Weber, AFFN President and CEO. “Roy’s stellar example and vision

of service to those who so proudly serve our great Nation, is engrained in our culture at AFFN. He was well respected and cherished by so many of his colleagues within the DCUC, AMBA, and AFFN community. On behalf of the AFFN Board of Directors, Management, and Staff, we offer our deepest condolences to Roy’s wife, Jane, and family,” added Weber.

Admiral Collins was instrumental in the establishment of AFFN in 1985, serving as AFFN’s President & CEO from 1989-2002, and the Board of Directors from 2002 –2007. In January 2007, Governor Charlie Crist, appointed Admiral Collins to the Executive Director of Florida’s Department of Veterans Affairs.

Collins was a fifth-generation Floridian from a family dedicated to public service. He was a U.S. Naval Academy graduate (1956), and served in the Navy and Navy Reserve (submarines) for 34 years, retiring as a two-star Admiral.

His naval career began with a tour aboard amphibious

transport USS Calvert (APA-32), followed by Submarine Officer’s Basic Course in Groton, CT, and duty aboard submarine USS Chivo (SS-341). In 1961, he served as an analyst for Naval Intelligence in Washington, D.C. and served as a ballistic missile weapons officer from 1963-1965 aboard the newly commissioned nuclear powered fleet ballistic missile submarine USS James Madison (SSBN-627). After a brief stint working missile test operations at Naval Ordnance Training Unit, Cape Canaveral, FL, he transferred to the Navy Reserve in 1966.

While a naval reservist, Admiral Collins served in 1968-1969 as commanding officer of the coastal minesweeper USS Thrush (MSC-204), and later served as commanding officer of various Navy Reserve submarine units. He was the Navy’s liaison to the Florida National Guard in 1978-1979, and later commanding officer of the Navy liaison unit at U.S. Readiness Command, headquartered at MacDill Air Force Base, FL.

The admiral served as commander, Naval Reserve Readiness Command, Region 8 in 1985-1987, and later served as deputy chief of Naval Operations (Reserve) for Logistics, Pentagon, until his retirement from the Navy Reserve as a two-star Rear Admiral in October 1990.

Roy is survived by his wife, Jane Sisson Collins of Tampa, two daughters, two sons, and eight grandchildren.

To read more about Admiral Roy Collins’ legacy, please visit www.leroycollins.org **AFFN**

The Power of 2

AFFN Is Pleased to Announce its Innovative AFFN SELECT Program

With AFFN SELECT, your bank or credit union gains “The Power of 2” networks – AFFN and NYCE. AFFN SELECT is powered by FIS’NYCE® Payments Network and provides Armed Forces Financial Network (AFFN) Participants with card access to all NYCE PIN POS locations worldwide. Your credit union gets “The Power of 2” through your current relationship with AFFN.

AFFN Is Pleased to
Announce the Innovative
AFFN SELECT Program
The “Power of 2”



- **Increase Your Bank or Credit Union’s Revenue Stream**
- **Enhanced Cardholder Service**
- **Discover “The Power of 2”**

AFFN is proud to offer this simple yet very effective solution to increase your bank or credit union’s POS revenue through a powerful partnership with AFFN and NYCE.

To learn more about the AFFN SELECT program, contact Richard Finn at 201.553.6817 or John Broda at 973.257.1216. **AFFN**

FIS & AFFN

A Partnership Proudly Serving the Military and Civilian Communities Worldwide

As the Armed Forces Financial Network's (AFFN) Strategic Partner, FIS has clearly demonstrated the highest level of support to AFFN and our mission to serve our AMBA Banks and DCUC Credit Unions, as your organizations serve our U.S. Service Members, their families, and civilians around the world.

FIS' commitment to AFFN's mission is delivered each and every day, in superior Network Switch up-time, in measurable

improvements in switch performance, with the introduction of new products and services for AFFN bank and credit union partners, and with the unparalleled support of the AFFN Thank You Card Program (For the past 4 consecutive years, FIS has donated 100% of the program management, technical processing services, and card plastic and collateral materials for the AFFN Thank You Card Program), to mention just a few examples.

At AFFN, we have the good fortune to work with the global FIS organization across all lines of business such as payment processing and banking solutions, software services, and outsourcing technologies, in support of AFFN Participating AMBA Banks and DCUC Credit Unions. What we have witnessed is that FIS' commitment extends beyond the support of the AFFN organization. With over 30,000 FIS employees worldwide, FIS is committed to supporting those employees who are called up to serve to our Country.

In fact, FIS has received numerous recognition awards from the Department of Defense through the Employer Support of the Guard and Reserve (ESGR), for their dedication and support of FIS employees.

Just recently, FIS has taken their commitment to a new level. FIS has entered in to an agreement with the Army Spouse Employment Partner Program (ASEP). FIS joins the ranks with other distinguished corporate partners, such as **AMBA, Armed Forces Bank, N.A., DeCA** and **AAFES**,

participating in this self-sustaining partnership that is mutually beneficial to the U.S. Army and to corporate America.



FIS inks Army Spouse Employment Partner Program agreement with the U.S. Army, in Washington, D.C. (November 2010). Pictured l-to-r: Neil P. Marcous, FIS, Senior Vice President, Payment Network Solutions and the Honorable Thomas R. Lamont, Assistant Secretary of the Army, Manpower and Reserve Affairs.

This partnership provides Army spouses with an opportunity to attain financial security and to achieve employment goals through career mobility and enhanced employment options. Corporate partners can now tap into a pool of readily available, diverse, and talented candidates.

The Army recognizes the importance of spouse satisfaction in family decisions. Many Soldiers make retention decisions based on their family's financial stability. Approximately 61 percent of Army spouses are in the labor force and contribute between 20 to 47 percent of their family's income. The perception of a spouse's quality of life—including financial well-being and the ability to realize personal and professional goals—is a major factor in the retention of our All Volunteer Force. Frequent soldier reassignments/relocations make it difficult for spouses to sustain steady employment and develop long-term careers. ASEP helps spouses overcome these obstacles.

AFFN is proud to partner with the FIS organization and we extend our appreciation and gratitude for their focus on their customers and employees, especially when that focus positively influences the lives of our U.S. Service Members and their families.

To learn more about FIS, visit www.fisglobal.com **AFFN**

AFFN Military Community Support Program Achieves \$1,000,000.00 Milestone in Giving

The AFFN Military Community Support Program was launched in 2003 with the support of the Association of Military Banks of America (AMBA) Bank Partner, **Columbus Bank & Trust**. The first grant honored the dependents of U.S. Service Members at the Wilson Elementary (DoD) School in Fort Benning, Georgia.

The AFFN Military Community Support Program has evolved over the past seven years into a program comprised of three main components – AFFN Corporate Giving, the AFFN Matching Grant Program, and the AFFN Thank You Card Program.

Continued on next page

“The credit union philosophy of “People Helping People” is as strong as ever in these current economic times and the AFFN Matching Grant contribution to our credit union’s scholarship program is proof of your continued dedication to the military and civilian communities.”

Marsha Borland
President

Northern Piedmont Federal Credit Union

“Once again, thanks to Fort Bragg FCU, First Citizens Bank, and AFFN for your continued support to the Fort Bragg Fisher House. God Bless!”

Paula Gallero
Fisher House Manager
Fort Bragg, NC

“Thank you for all that AFFN does for our U.S. Service Members and their families!”

Tina Wildhaber
Regional Manager
AmeriCU CU



Pacific Marine Credit Union
Camp Pendleton, California

Utilizing AFFN’s Matching Grant Program, Pacific Marine Credit Union (PMCU) donated \$3,000 to the Injured Marine Semper Fidelis Fund. Pictured I-to-r: Wendy Rodriguez, PMCU Director of Branch Operations; Jennifer Stevenson, PMCU Mobile Branch Manager; Wendy Lethin, IMSFF Director of West Coast Community Outreach; and Kelly Anderson, PMCU Financial Services Representative.

AFFN Military Community Support Program

“ On behalf of the Board of Directors of Hanscom Federal Credit Union, I am writing to express our gratitude for the continued support AFFN provides to our men and women in uniform through the AFFN Matching Grant Program. ”

David P. Sprague
President & CEO
Hanscom Federal Credit Union

AFFN Corporate Giving

The AFFN Corporate Giving component is awarded on behalf of all AFFN Participants to military focused organizations contributing to programs over the past seven years such as the Fisher House Foundation, Pentagon FCU Foundation, and The Warrior & Family Support Center (Fort Sam Houston, TX).

Continued on next page

“ We at the Landstuhl Fisher House would like to take this opportunity to express our sincere gratitude for the continued and unwavering support we received from the Armed Forces Financial Network and Service Credit Union. Please know the positive impact your organization has on our program. ”

Vivian L. Wilson
Fisher House Manager
Landstuhl, Germany

“ Thank you to AFFN for your continued support of Fort Lee FCU. I would like to thank AFFN for awarding my credit union the 2010 Matching Grant. We have a new USO Branch opening on Fort Lee this year and with your generous grant, Fort Lee FCU and AFFN will be supporting the newest organization on Fort Lee to serve our U.S. Service Members and their families. ”

Patsy Stuard
President & CEO
Fort Lee Federal Credit Union



Columbus Bank & Trust Fort Benning, Georgia

Columbus Bank & Trust awards annual \$3,000 grant to Fort Benning school to help purchase an exterior electronic sign.
Pictured l-to-r: [Front Row] Adam Espy, 1st Grade; McKenzie Blocker, 4th Grade; Domonique Jackson, 2nd Grade; and Nathan Brown, 2nd Grade; [Middle Row] Margaret Koger, Teacher; Phyllis Parker, Principal; Amber Espy, Vice-President-PTO; Dr. Dell McMullen, Fort Benning School's Superintendent; and Jenny L. Smith, Branch Manager-Military Banking, CB&T; [Back Row] Kelly Blocker, President-PTO and Jolene Wirth, Regional Manager, CB&T.



Keesler Federal Credit Union Keesler Air Force Base Biloxi, Mississippi

Keesler Federal Credit Union (KFCU) and AFFN presented \$2,000 in AFFN Thank You cards to the Keesler AFB Fisher House.
Pictured l-to-r: Gary Fulton, Manager, Larcher Branch, Keesler AFB; Jerry Caldwell, KFCU Vice Chairman of the Board; David Weber, AFFN President & CEO; Brigadier General Andrew Mueller, Commander, 81st Training Wing, Keesler Air Force Base; John Broda, AFFN Executive Vice President; and Pat Morri, Assistant to the Director of Fisher House.

AFFN Military Community Support Program



Broadway Bank Fort Sam Houston, Texas

Broadway Bank (formerly Eisenhower Bank) through AFFN's Matching Grant Program, presented a \$3,000 check to Operation Comfort at Ft. Sam Houston. Pictured l-to-r: Greg Oveland, Eisenhower Bank President; Janis Roznowski, Operation Comfort Founder and Director; and Melissa Guerrero, Eisenhower Banking Center Manager.

“ Thank you for your very generous donation of the AFFN Thank You Cards for the military families staying at the Travis AFB Fisher House! They will be greatly appreciated! ”

Charlene Hall
Fisher House Manager
Travis AFB, CA



Fort Lee Federal Credit Union Fort Lee, Virginia

Fort Lee Federal Credit Union, in partnership with AFFN, was proud to donate \$3,000 to the newly established Fort Lee USO facility on Fort Lee. Pictured l-to-r: Fort Lee Federal Credit Union's CEO, Patsy Stuard with Hampton Roads and Central Virginia USO's President and CEO, Bruce LaLonde.

“ Thank you for your continued support of the Pentagon Federal Credit Union Foundation's Military Heroes Program. Thank you for your continued support to the foundation and especially this important program which assists our country's wounded warriors. ”

Frank Pollack
President & CEO
Pentagon Federal Credit Union

AFFN Matching Grant Program

The AFFN Matching Grant Program, in partnership with DCUC Credit Union Participants and AMBA Bank Participants, is designed to allow AMBA Bank and DCUC Credit Union Participants to request matching funds from AFFN in support of U.S. Service Members and their families, at a local level and on a global scale.

Since the creation of the AFFN Military Community Support Program, AFFN has partnered with AMBA Banks and DCUC Credit unions to provide funding to 'military focused' organizations serving our U.S. Military Communities worldwide.

Over the past seven years, 224 grants were awarded to AMBA Bank and DCUC Credit Union Participants for programs directly benefiting U.S. Service Members and their families, such as financial literacy educational programs, the Department of Defense (DoD) Military Saves Initiatives, care, comfort, entertainment, emergency assistance, care packages, holiday gifts, and DoD School Projects, to mention just a few worthwhile projects.

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“ It is times like this in which soldiers need all the help they can get. Your contributions to the Fort Hood Fisher House were much needed in providing the necessary items to provide a 'home away from home' for the soldiers and their loved ones in a medical crisis. Your kindness is much needed and appreciated! ”

Isaac R. Howard
Fisher House Manager
Fort Hood, TX

AFFN Military Community Support Program

AFFN Thank You Card Program

Lastly, the AFFN Thank You Card Program supports our U.S. Service Members and their families staying at a Fisher House during each of the last six Holiday Seasons. The AFFN 'Thank You' Card was designed to give 'thanks' to our military families for their service and sacrifice. The AFFN 'Thank You' Card is a pre-paid pinned debit card, similar to a gift certificate or gift card and allows the families to purchase food, clothing, personal care items, petroleum, and other items necessary during their stay at a Fisher House.

“**Hanscom FCU proudly delivered the AFFN Thank You Cards to the Boston Fisher House today. In attendance at our presentation was Mr. Paul Marotta, Chairman of the Board, Hanscom FCU, myself, and Col. Stacy L. Yike, 66th Air Base Group Commander, Hanscom AFB. Thanks for the opportunity to share in this great program!**”

David P. Sprague, President & CEO
Hanscom Federal Credit Union

Each year, the AFFN 'Thank You' Cards are distributed by AFFN Bank and Credit Union Participants to military families worldwide from Landstuhl, Germany, across the U.S. from coast-to-coast and off-shore over to Honolulu, Hawaii. Over \$250,000.00 in AFFN 'Thank You' Cards have been distributed to over 5,100 military families, staying at one of the over 38 Fisher House Locations, in the U.S. and Germany. [AFFN](#)



Scott Credit Union

Scott Air Force Base
Belleville, Illinois [Greater St. Louis Metropolitan Area]

Employees of Scott Credit Union in partnership with AFFN recently presented \$1,000 in AFFN Thank You cards to military families staying at the Fisher House in St. Louis. Pictured l-to-r: Kenneth Schieler, SCU Director; Adam Koishor, SCU Chief Marketing Officer; Rachel Fernandez, Fisher House Manager; Frank Padak, SCU President & CEO; and Jim Donahoe, Board President of Fisher House in St. Louis.

“**On behalf of the residents of the Armed Forces Retirement Home, please accept our thanks for the generous donation from Pentagon Federal Credit Union and the Armed Forces Financial Network. Your contribution will certainly bring holiday cheer and make our residents' holiday more enjoyable.**”

Timothy C. Cox, Chief Operating Officer
Armed Forces Retirement Home



Broadway Bank

Fort Sam Houston, Texas

Broadway Bank (formerly Eisenhower Bank) presents AFFN Thank You cards at Ft. Sam Houston Fisher House. Pictured l-to-r: Ann Bressan, volunteer; Greg Oveland, President of Eisenhower Bank – Military Banking; Inge Godfrey, Fisher House Manager; and Grace Blanchett, Fisher House Volunteer Coordinator.



Bank of Hawaii

Honolulu, Hawaii

Bank of Hawaii (BoH) presents \$2,000 in AFFN Thank You cards to Fisher House at Tripler Army Medical Center (TAMC) in Honolulu, Hawaii. Pictured l-to-r: BoH Senior Executive Vice President and Military Liaison Vince Barfield; LTC Chad Bowers, TAMC Deputy Chief of Logistics; TAMC Fisher House Manager Theresa Johnson; COL Richard Looney, TAMC Chief of Logistics; BoH Senior Vice President David Oyadomari, and BoH Senior Vice President Bob Makahilahila.

AFFN Military Community Support Program



Pacific Marine Credit Union *Camp Pendelton, California*

Two AFFN Participants, One Common Cause - Taking care of U.S. Service Members and their families at San Diego Naval Center Fisher Houses. Pictured l-to-r: Aynn McGuire, Armed Forces Bank of California, NA; Robert "CAMO" Gleisberg, Pacific Marine Credit Union; Belle Esposito, San Diego Fisher House, Manager; and Brad Smith, Pacific Marine Credit Union.

“ Once again I salute you and the members of the AFFN Organization on behalf of all of the Fisher House guests, for extending the blessings of health, happiness, and success to our military families throughout the year. ”

Harry E. Hicks, Jr, Fisher House Manager
El Paso, TX Fisher House



AmeriCU Credit Union *Albany, New York*

AmeriCU's management team presents check to local Fisher House. Pictured l-to-r: Lori Losowski, AmeriCU's Relationship Manager and Business Community Development; Jerry Jensen, The Fisher House Program Director; and Tina Wildhaber, Regional Manager for AmeriCU Credit Union.

“ A special thank you to your organization for supporting AFFN Participants such as the Armed Forces Bank of California and Pacific Marine CU as we reach out to the Fisher House, Balboa Hospital, San Diego, CA this Holiday Season. The hospital is almost full and with the prices of hotels in San Diego, our military families are so thankful not to worry about housing and expenses while they tend to the task of care, comfort, and healing of their loved ones. ”

Aynn McGuire
Senior Vice President & Regional Manager
Armed Forces Bank of California, N.A.

“ Thank you for all of your support. The AFFN Thank You Card program has made a difference for a military family like ours. The AFFN Thank You Card has helped with our expenses while at the hospital for treatment. ”

The Woodson Family

1985 - 2010

AFFN's Legacy: A History of Service



While individual banks have been serving our nation's armed forces and military personnel almost since the founding of our country, it wasn't until 1942 that Congress passed legislation allowing banks to operate on military installations. In 1959, the "military" banks realized that they had much in common and formed an association – the **Association of Military Banks of America (AMBA)**.

When the armed services changed from paying their personnel in cash to mandating direct payroll deposits to financial institutions, those deposits went to bank and credit union accounts. The Department of the Army/Finance and Accounting, realizing there was a need to facilitate access to these accounts by service personnel as they traveled around the world, turned to the banking industry for assistance. AMBA, working with Clyde E. Jeffcoat, Deputy Assistant Secretary of the Army for Finance and Accounting, and his team, decided a worldwide automated teller machine (ATM) network dedicated to the armed services would provide worldwide access for the troops while strengthening the **Army's SURE-PAY program**. This included all bases where an AMBA member bank was resident, including overseas, where no U.S. ATM Network was then operating.

When informed of the plan, the then President of the **Defense Credit Union Council (DCUC)**, Col. George Myers, appealed to his AMBA counterpart, Grafton F. "Nick" Nichols, to include the DCUC constituency. DCUC, organized in 1963, is an organization of credit unions whose membership consists wholly or in part of personnel of the U.S. Department of Defense, both military and civilian.

Despite the competition between the banking and credit union industries on military installations then (and now), AMBA and DCUC leadership had the foresight to cooperate and share in the extensive expenses associated with developing the necessary worldwide switching infrastructure to better serve those who so proudly serve our great nation.

Working in close cooperation, AMBA and DCUC network capabilities expanded. Thus, the Armed Forces Financial Network – AFFN, was established in 1985. The benefits the network brought to our nation's armed forces became apparent as the new network grew. From its beginning, the network has provided a complete range of **ATM services** to U.S. military personnel (active duty, reserve, National Guard, and retired) and their families.

AFFN soon became a leader in the financial services arena. Aware of the needs of military banks and defense credit unions, the network voluntarily developed a **point-of-sale (POS) system** to aid the U.S. Treasury and the DoD process appropriate funds through military commissaries worldwide. From this early beginning, numerous commercial firms learned the benefits of joining AFFN and the number of POS transactions processed by AFFN jumped to several million monthly. This has been another AFFN service well received by the troops and their families.

AFFN was among the first networks to develop uses for the **Stored Value Card (SVC)**. In 1997, AFFN began testing a Stored Value Card application with the DoD's encouragement. Hickam Air Force Base in Hawaii saw **AFFN's "@ ease Card"** allowing funds to be transferred from an ATM/checking account to an SVC, which could then be scanned through a reader at the merchant's POS. While the "@ ease Card" is no longer used, many applications have been developed for similar stored value products that are common in today's military, government, and private sectors.

AFFN focused on the military, military banks, and defense credit unions and soon piloted a **"ATMs at Sea"** program for the U.S. Navy. In 1997, utilizing satellite communications, this program placed ATMs on-line, real-time, and on two deployed aircraft carriers, the USS Theodore Roosevelt (CV-71) and the USS Constellation (CV-64). This gave sailors/marines global access to their

Continued on next page

AFFN's Legacy: A History of Service

hometown bank/credit union accounts while underway or in port.

With AFFN's continued growth and the expansion of its services, many financial institutions not located on military installations realized the network's value. Many were already customers of these non-military financial institutions. Because AFFN is open only to active dues-paying members of the two founding associations, AMBA and DCUC, banks and credit unions worked with these two associations to join as either regular members or associate/affiliate members.

Since AFFN's incorporation in 1985, the network has benefited by the leadership and dedication of staff, management, and volunteers. AFFN participant committees such as the Rules & Standards and Pricing Committees, as well as the Board of Directors, are all staffed by volunteer leadership from AMBA Banks and DCUC Credit Unions on a volunteer basis.

The founding members of the Board of Directors included: Lyle L. Adcock (**Boatmen's Bank**), Don R. Athearn (**JAX Navy FCU**), Mildred Hodgkin (**Seymour-Johnson FCU**), Angel Lopez (**Credit Union One**), W. Ray Luttrull, Jr. (**Planters Bank and Trust**, Ft. Campbell, KY), and Clarence W. Pratt (**Ft. Knox National Bank**).

Over the past twenty five years, AFFN has benefited from the knowledge and experience of over 125 dedicated professionals serving AFFN as either a volunteer committee member and/or member of the Board of Directors.

AFFN reorganized its corporate structure in 2002. While the new structure is transparent to the network's participating financial institutions, it allows both AMBA and DCUC to expand the services they provide to their members and, more importantly, to the military personnel they ultimately serve.

From 1985-1989, the AFFN Chairman also served as President. However, in 1989 the Board appointed then AFFN Executive Director, LeRoy Collins, Jr., to the office of President and CEO. Mr. Collins proudly served as AFFN President & CEO from 1989-2002, and on the AFFN Board of Directors from 2002-2007. Mr. David Weber was promoted to the office of AFFN President & CEO in 2002. Mr. Weber continues the tradition of the leaders who came before him and is dedicated to the success of the AMBA/DCUC/AFFN partnership.

AMBA Banks and DCUC Credit Unions have been an integral part of AFFN since its founding in 1985. This unique spirit of cooperation continues today as it has for over twenty five years, benefiting military banks, defense credit unions, their customers/members, and the Armed Services. It is truly a history of service.

[A special note of thanks to Col Henry (Hank) W. Neill, Jr, (USA, Ret.), former Executive Vice President of AMBA, for his historical contribution to this edition of AFFN NEWS.] **AFFN**

Please consider the environment before printing.

AFFN NEWS is a publication of the
ARMED FORCES FINANCIAL NETWORK.

Financial institutions who wish to serve the military community have found the Armed Forces Financial Network (AFFN) to be a valuable corollary to their other financial services.

AFFN was formed in 1985 at the request of the U.S. Army in support of the Sure-pay direct deposit system, to provide U.S. Military personnel (active, reserve, dependents, and retired) with access to their funds through ATM and POS terminals at or near U.S. Military bases worldwide.

AFFN'S MISSION

To provide quality products and services for participating financial institutions serving the U.S. Military Community worldwide.

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