

KEYSTONE

Extra

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Goals & Huddles Help Score One-Month Lending Milestone

Is your lending strategy working in today's economy and competitive landscape?

Loan demand is slowly inching back up, but it continues to be weak. Data from credit unions across the country showed loans increased for the seventh straight month, growing by 0.3 percent in October. The growth was led by adjustable-rate mortgages, which increased by 1.3 percent. Used auto loans increased by 0.6 percent, unsecured personal loans went up by 0.5 percent, and credit card loans increased by 0.4 percent.

However, new auto loans, fixed-rate mortgages, and home equity loans all decreased, falling by 0.1 percent, 0.2 percent, and 0.3 percent, respectively.

While the overall economic environment going into 2012 looks slightly better than 2011, lack of employment certainty, wealth erosion, and historically low interest rates cast a shadow on loan portfolio expansion.

Credit unions must be proactive in developing lending strategies, building member relationships, and engaging members.

Monthly loan goals for staff and branches and weekly "loan huddles" helped the lending team at the Scranton branch of Tobyhanna FCU achieve a milestone of booking more than \$1 million in October – officially \$1,107,013.73. "This is the first time we've hit \$1 million in one month in years," said Nina Waskevich, Vice President, Marketing & Sales.

The 77 loans closed in October included a mix of auto, home equity,

unsecured, and others. Some of the loans are attributed to a one-day special in conjunction with the Grand Opening of the credit union's new administrative branch. A special rate of 3.15% was offered for all title-secured (auto, motorcycle, RV) loans up to 60 months for one day.

Branch managers are qualified lenders and MSR IIIs are the loan officers. Each branch and staff member has select loan goals.

"Reaching this milestone is truly a remarkable event, especially with the news of stagnant or negative loan volume from others in the financial marketplace," said Waskevich. "At TobyFCU, we hold weekly loan huddles to discuss what loans are in progress to determine where everyone stands in regard to their individual and overall branch goals. This helps keep everyone in line with our totals."

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On November 2, 2011, Tobyhanna FCU management held a celebration to recognize its lending staff at the Scranton branch on their \$1 million milestone. The lending team, from left: Christina Sheerer, MSR III; Karen Talarico, Branch Manager; Debbie Flynn, Sr. MSR II; and Nancy Crolley, Sr. MSR III.

CUNA CPDOnline: Updated Web Offers Professional, Risk-Free Training

CPDOnline is a web-based training service that includes everything you need to manage your credit union training program from start to finish. Its state-of-the-art online environment combines the ease of on-demand, self-study training with expertly-designed credit union courses, and personal assistance whenever it's needed.

Courses are designed specifically for credit unions and help the learner "experience training" through interactive learning and follow-up testing. A CPDOnline Membership gives you full access to online courses and/or exams including CU Advance, STAR, MERIT, VAP, and RegTraC. To see complete course list, [click here](#).



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To register for your free trial or for more information, visit www.cuna.org/training and select the CPDOnline link from the left side panel.

Register for the 2012 CEO Summit Today

Early-bird savings ends Friday, December 9, for the 2012 CEO Summit, January 15-18, in Key West, Florida.

Just added to the agenda is the education session: *Executive Succession Planning ... Critical Success Factors & Alternative Strategies*.

Many credit unions are coming to realize a potential lack of future leaders within their organizations. As the needs increase for new people at the helm who can either transform an organizational culture or deliver a stay the course path, financial institutions need to explore relevant methods for defining the profile of their next leader. This can include developing solutions for evaluating internal talent along with assessments and comparisons with the external marketplace. This presentation will review the execution and benchmarks for measuring the return on investment and successful outcomes.

[Click here](#) for all the details and to make your reservations today and save.

Hotel arrangements can be made at the Casa Marina, a Waldorf Astoria Resort, by calling 305-296-3535, reference group code ZZPCUA. Or register online here. Room rates are \$269/night, single/double occupancy. A \$25 resort fee will be added to your daily rate.



Lending Milestone *continued from page 1*

When there's a lull in walk-in traffic, staff are trained to make outbound calls to qualified lending members. They also keep a book of business that is used to follow-up with new members or members who did not qualify in the past (mostly due to credit) but may have improved their credit.

Tobyhanna FCU currently has \$155 million in assets and 21,100 members.

The CUNA 2011-2012 *Credit Union Environmental Scan (E-Scan)* includes these action items to build a successful lending strategy:

- Explore unique ways to differentiate your credit union from the competition. Ask "what aren't our competitors doing?" Develop a lending strategy that complements your core competencies.
- Cultivate member relationships. Explain why a good loan involves more than just the lowest

interest rate. Don't be shy about asking for members' business based on your service advantages.

- Streamline loan applications, processing, and approvals. Base preapprovals on solid underwriting standards and your credit union's superior knowledge of its members.
- Provide financial counseling and consumer information. Develop a reputation for trustworthy financial advice.
- Enhance communications between your lending and collection departments so you can adjust lending guidelines at the first sign of economic stress.
- Review your loan-modification program for what works and what doesn't. Consider member character and capacity to pay when modifying loans. Be alert and responsive to member needs and circumstances throughout the collections process.

Products & Services

Independent Financial Advisors Give Credit Unions A Double-Booster Shot to Capital

If your credit union's capital ratio has taken a hit from increasing deposits and slow loan growth, you're undoubtedly ramping up your pursuit of non-interest income. You may also be offsetting the cost of deposits through bonds and other investments. But if you don't offer members access to a financial advisor affiliated with your credit union, you're sacrificing a way to meet both objectives — generating income while moving deposits off your books — at the same time.

When credit union capital ratios routinely averaged above 11-to-12 percent and loan growth was steady, some credit unions considered financial advisors an unnecessary drain on deposits. Even with credit unions that saw the wisdom, this valuable member service couldn't always generate enough business to support an advisor, either as an employee or a contractor.

These barriers, however, aren't standing up to today's economic realities and tomorrow's growing wave of baby boomer retirements. More members will need qualified financial guidance every year. And even smaller credit unions now have options for providing this service.

How to create a strong advisor alliance

Credit unions and independent financial advisors face the same struggle for income. By now, advisors operating as sole proprietors who generate all of their own leads are either among the best in their business, or they're out of business. Conditions are perfect for an alliance that will benefit these proven survivors, a credit union, and its members.

While your credit union provides an advisor a stream of referrals, the advisor shares a portion of revenues from members with the credit union. Your credit union also enhances its profile as a primary financial institution, especially if the advisor is in a branch at least part-time.



Here are some keys to forming a thriving alliance:

- Work with a broker/dealer who has experience placing financial advisors in credit unions to thoroughly vet candidates. They must be screened not only for the basic qualifications, certifications, and background checks — the candidates must also fit your credit union's culture and mission.
- Establish regular training with your staff and the advisor, so they learn to cross-sell one another's products and services.
- Encourage your staff to personally use the advisor's services. Their recommendation will gain weight with members, and the staff learns first-hand how the products and services work.

If you don't offer this service, a competitor will

Beyond the leverage an allied financial advisor gives you over your capital ratio, this is simply a member-service issue. Providers of retirement and investment services are likely to be cross-selling loans, loan protection packages, credit cards, and other products your credit union offers. It's time to get a horse in this race.

For more information about partnering with an independent financial advisor, contact your [Association Account Executive](#).

CMG Strengthens its Lending Platform

CUNA Mutual Group has committed to helping credit unions address their top three challenges today — growing loans, growing non-interest income, and managing lending compliance risks — through an enhanced lending platform that enables credit unions to make the most of every lending opportunity.

CUNA Mutual Group has focused on a number of key drivers to help credit unions increase their income and reduce their credit losses, including:

- Lender Development
- Integrated Web Calculator
- Smartphone Loans
- Loan Generation Marketing
- Manage Lending Compliance Risks

Visit www.cunamutual.com for more information.

2012 Resource Guide Available

Additional copies of the 2012 Resource Guide are available to member credit unions at a cost of \$10.00 per copy. To request additional copies, please send an email to denise.maneval@pcua.org. One copy was recently sent to all CEOs and Board chairs of affiliated credit unions.

The booklet contains the 2012 planning calendar; Association directory and products and services section; and the credit union directory. The credit unions are listed in alphabetical order, rather than by district to coincide with the new governance change that sets director elections by credit union asset size rather than by geographical voting districts which are no longer in effect.

In addition, [holiday closing signs](#) for 2012 are online and may be downloaded for your convenience.



Bob Stewart (left), Attorney from the State Attorney General's Office and Randy Feathers (right), Regional Director of the AG's Office, visited ARC FCU in Altoona and discussed drugs and money laundering issues with staff, including Vic Gioiosa Jr. (center), CEO.



Left: Kate Huling, Administrative Assistant at Horizon FCU, reads *Pigs will be Pigs* as part of the credit union's four-week Piggy Bank Tales program at the James Brown Library.



Erie FCU's Kristi Bailey, Director of Business Development and Services, and Garret Tadda, Financial Marketing Manager (right), present a \$5,000 check to Leah Anderson (left), Erie Times-News in Education Coordinator. The program provides newspapers to students for classroom lessons.



Kim Deery and Deb Maskrey help celebrate Diamond Credit Union's record-breaking United Way Campaign. All 107 employees made donations to the United Way campaign totaling more than \$30,130 including Diamond's corporate pledge.



First Capital FCU's kissing booth at a Ladies Nite Out event in York, created attention and conversation. The promotion was based on the theme, KISS your bank goodbye and come to a credit union.



Lebanon FCU Mascot Koalaty Bear, and Rick Harpel, VP of Marketing and Business Development, present a \$645 check to United Way of Lebanon County Executive Director Mark Hoffman.



Eagle One FCU held its staff training day on November 11 at the Claymont Fire Company.



Heidi and her dog Winston, meet Santa during his visit with Mrs. Claus to WEST-AIRCOMM FCU's Moon branch.

Events Calendar

December

21
Hanukkah

25
Christmas

26
Federal Reserve Bank
Holiday for
Christmas

2012

January

1
New Year's Day

2
Federal Reserve Bank
Holiday for
New Year's Day

15-18
CEO Summit
Key West, Florida

16
Martin Luther King, Jr.
Birthday
Federal Reserve Bank
Holiday

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