

KEYSTONE

Extra

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In This Issue:

Page 2

CUNA GAC Makes An Impact

**Winning Strategies for
Attracting SEGs & Building
Member Relationships**

Page 3

**As Regulators Fine-Tune
Consumer Protection Rules,
Compliant Overdraft Program
is Essential**

**Credit Unions Becoming More
Reliant on Fee Income**

Page 4

Credit Unions in the News

Events Calendar

November 5 Is Bank Transfer Day A Good Time to be a Credit Union

Every day is a good day to join a credit union, but there's a new wave sweeping the nation called Bank Transfer Day on November 5. The idea to switch to a credit union started on Facebook earlier this month and has gained momentum through traditional and social media. More than 62,000 Facebook users have indicated that they plan to participate in the November 5 event, and the number continues to grow.

Since Bank of America and other banks have announced new or increased fees as a result of losing interchange income, there has been a public outcry from consumers to move their accounts to a credit union. As a result, credit unions have been garnering a great deal of publicity on the benefits of membership, their no- and low-fees, and community involvement.

To help credit unions prepare for Bank Transfer Day, the Association and CUNA have prepared various resources that credit unions may use, including a Ready Sheet; Talking Points; Q&As; and Model Press Release. [Click here](#) to access resources.

Credit unions should take this opportunity to promote membership and services in person and through traditional advertising, website, and social media. Adequate supplies should be available for staff to accommodate membership inquiries and new accounts. Also remind members and inform potential members of the safety and soundness of credit unions and the National Credit Union Share Insurance Fund.

Be prepared to get calls from local media asking about the level activity

resulting from the Bank Transfer Day. Have statistics ready regarding new account openings, web hits, and reasons given by new members switching their accounts from a bank.

The Consumers Union, a non-profit publisher of consumer reports, offered an [online checklist](#) for consumers switching financial accounts. These tips may be helpful in assisting new members who are moving their accounts from a bank or other financial institution:

- Open a new account with a small deposit, enough to satisfy minimum opening requirements. The safest and quickest way to move money is to transfer the funds from the old bank to the new bank electronically. To do this, both accounts must be open at the same time.
- Make a list of all automatic payments and deposits that are scheduled to go in and out of the old account each month. Make sure there is enough money in the old account for payments to clear during the transfer process.
- Ask employer to reroute paychecks to new account. Make sure that



continued on page 2

CUNA GAC Makes An Impact

CUNA's Governmental Affairs Conference is the credit union movement's premier political event and its largest national conference, each year providing more than 4,000 credit union executives and board members an opportunity to hear influential leaders from Congress, the Administration, and the federal regulatory agencies.

The 2012 conference will be held March 18-22 at the Washington, D.C., Convention Center.

Former Secretary of State Condoleezza Rice, *Washington Post* Associate Editor Bob Woodward, and CNN Political Analyst Carl Bernstein, are keynote speakers for opening day of the GAC on Monday, March 19.

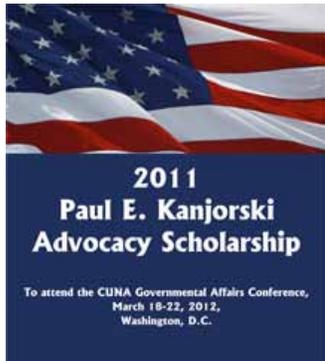
Recognized as the key conference to attend for political impact, credit union networking, and industry updates, the GAC also offers a wide array of educational breakout sessions, the largest exhibitor showcase, guest/family programs to tour Washington's sights, and special entertainment including the opening concert and the closing gala reception and dance.

American Idol star Taylor Hicks will perform at the 2012 GAC opening concert. Hicks and his band will take the stage on Sunday night, March 18, at 8:30 p.m., after the grand opening of the Exhibit Hall.

The Pennsylvania Credit Union Association is offering the Paul E. Kanjorski Advocacy Scholarship for an individual to attend the CUNA GAC in March 2012. The scholarship will be awarded to a credit union professional or volunteer who supports legislative efforts on behalf of credit unions. The scholarship will cover the conference registration fee, lodging, meals, transportation, and reasonable incidentals.

Deadline for applications is November 15, 2011. [Click here for the Application Form.](#)

For information on the 2012 CUNA GAC, [click here.](#)



Education & Professional Development

Winning Strategies for Attracting SEGs & Building Member Relationships

Discover winning strategies for sustainable member growth at the Association's Marketing Council Meetings, November 16 in Harrisburg, and November 17 in Pittsburgh. Nationally-known speaker Julie Ferguson will be targeting two marketing priorities:

Business Development — A Team Sport

Business Development is not a department. In a financial cooperative it has to be everyone's job. Learn what credit unions are doing around the country to generate buzz and build relationships in the community that drive membership.



- Maximizing existing SEG relationships
- Effective prospecting techniques
- Networking skills that lead to growth
- Taking community outreach to a new level without increasing the budget
- Building successful relationships with business account prospects
- Social Media and Business Development

Show 'em the Love! Maximizing Member Relationships

How do you get more out of what you already have? You KNOW you can help your members because you have competitive products and services, and the service you provide is at superstar status.

In this session, attendees will learn how to enhance each and every member relationship, resulting in increased business and potentially creating new ambassadors for the credit union.

[Click here](#) for more information and to register, or [email](#) the Education Department today.

November 5 is Bank Transfer Day

continued from page 1

- automatic payments are not transferred to the new account until all direct deposits are transferred.
- Leave a small balance in old checking account for at least one more month after transfers are completed to ensure that all automatic payments were properly transferred to the new account. Be sure to check if the financial institution charges a fee for a low balance.

- Once all automatic payments and all direct deposits are coming and going from new account, electronically transfer remaining funds from the old account into the new account.
- Once the transfer clears in new account, follow proper procedures to officially close the old account. Obtain written confirmation that the account is closed. The account does not automatically close when all of the money is withdrawn.

As Regulators Fine-Tune Consumer Protection Rules, Compliant Overdraft Program is Essential

As final decisions regarding regulations on consumer financial products are being made, efforts by regulatory agencies to protect consumers from undisclosed practices could lead to inconsistent supervision of different kinds of financial institutions, according to an adviser to the Consumer Financial Protection Bureau (CFPB). And while the credit union industry has always been carefully regulated, there is little doubt that the renewed focus on compliance related to overdraft programs could lead to confusion for institutions without compliance expertise.

In today's regulatory environment, it is pretty safe to expect that your overdraft program will be reviewed at each examination. Undisclosed programs that are found to pose unacceptable safety and soundness, or compliance risk by regulators will be factored into examination ratings and could result in corrective actions.

Since 2010, dozens of large banks from coast to coast have faced litigation over undisclosed overdraft policies that pose a hardship for consumers. As a result, fines and penalties – reaching as high as \$410 million in one class action suit – have been imposed. The key to avoiding this level of regulatory scrutiny is to provide your members with a clearly defined program that guarantees full regulatory compliance.

Maintaining compliance can be time consuming

If you currently have an overdraft program, make sure it's completely disclosed and meets all regulatory expectations. To be compliant your program should include:

- an on-going review of materials to minimize member confusion and promote responsible use;
- staff training to ensure employees understand program details enough to confidently explain the benefits and costs to members;
- opt-in requirements for all electronic transactions;
- appropriate daily limits on the number of transactions subject to a fee, or a dollar limit on the total fees that will be imposed per day; and
- member information that provides details about overdraft program alternatives that may be lower-cost and more appropriate.

Not all overdraft programs are created equal

JMFA OVERDRAFT PRIVILEGE® is guaranteed 100 percent compliant with all state and federal regulations, and provides the best results for your credit union and your members.

If you currently have an overdraft privilege program, but you're not sure it meets all new regulatory require-

ments or is providing optimal revenue for your credit union, a JMFA ODP Compliance and Performance ReviewSM provides all the recommendations necessary to bring your program into compliance and help you take full advantage of all performance opportunities.

JMFA is a leading provider of profitability and performance-improvement consulting. For more than 30 years, JMFA has been recognized as one of the most trusted names in the industry, helping financial institutions enhance their bottom line.

To learn more about JMFA, please contact Ken Kuzma, JMFA Regional Director, at Ken.Kuzma@JMFA.com or by phone at 877-389-7327.



Credit Unions Becoming More Reliant on Fee Income

With the long-term trend of pressure on spread income and the expectation it will continue, fee income has become increasingly important to credit unions. It is one of the most efficient and controllable ways to achieve bottom-line results.

John Lass, Senior Vice President, Strategy and Business Development for CUNA Mutual Group, addressed credit unions reliance on fee income, along with the challenges from regulatory and market forces at the recent Online Discovery Conference. Lass urged attendees to seriously review the threats to their fee income strategies while asking how changes in those strategies will affect member behaviors. He suggested that credit unions create a fee strategy that is consistent with and supports the credit union's value proposition and creates member value.

"Member value equals benefits, minus price," Lass said. "A benefit is something that is both qualitative and quantitative. It's important to remember two members may have completely different perceptions of the value a product brings."

Download the whitepaper, *Let Member Value Drive Your Fee Strategy*, which explores the importance of fee income, regulatory risks, and potential actions credit unions can take when evaluating their fee structures at www.cunamutual.com/discoveryonline/news. Follow the prompts to register. Find the whitepaper in the Resources area.

If you missed the Online Discovery Conference, you can log in to view the sessions for free.

Credit Unions in the News



Employees of Diamond Credit Union were on hand to support more than 2,000 runners at the annual Reading Hospital Road Run. This is the third consecutive year that Diamond has been the lead sponsor of the Road Run.



Clearview FCU President/CEO Mark Brennan (right) and Golf Outing Chairman Ron Gottschalk present a \$5,500 check, representing the proceeds of its Annual Charity Golf Outing, to Celia Hinds, Executive Director of Variety the Children's Charity of Pittsburgh.



Left: UFCW FCU held a Halloween photo booth as part of its 3rd Annual Community Fundraiser to benefit local volunteer fire departments and the SPCA.



Timberland FCU kicked off Credit Union Week with a Build a Better Vacation day and vacation club promotion. Staff dressed up in vacation clothing and served virgin margaritas to members from a Tiki Bar set up in the lobby.



Members check out the benefits of membership during First Capital FCU's Member Benefit Day, held in conjunction with International Credit Union Day.



CTCE FCU employees enjoy participating in a Credit Union Day auction to raise money for the United Way. The event raised more than \$675.

Events Calendar

November

11
Veterans Day
Federal Reserve Bank
Holiday

16
Marketing Council Meeting,
Harrisburg

17
Marketing Council Meeting,
Pittsburgh

24
Thanksgiving Day

January, 2012

15-18
CEO Summit,
Key West, Florida

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