

## First Capital Federal Credit Union

First Capital Federal Credit Union is located in York, PA. With three locations, the \$130 million institution serves more than 400 select employee groups (SEGs) located throughout York County.

### Sluggish economy creates challenges and opportunity

In 2010 as the economic downturn continued, First Capital personnel learned that some credit union members who were struggling to make ends meet were finding themselves at the mercy of pay day lenders. At the same time, the credit union was experiencing a decrease in interest revenue. Given these challenges, credit union leadership began to research solutions that would provide an additional valuable service to members and increase the institution's non-interest income opportunities.

At the suggestion of the Pennsylvania Credit Union Association, First Capital investigated JMFA OVERDRAFT PRIVILEGE®. As a result of discussions with Association personnel and JMFA's in-depth presentation, First Capital CEO Dennis Flickinger and his team discovered, "this was a program that could help our members maintain financial security and give our credit union the opportunity to improve its bottom line."

Flickinger went on to explain that another important issue to the credit union in 2010 was maintaining compliance with new regulations related to consumer financial products. "JMFA's 100 percent compliance guarantee also was an important consideration in our selecting them as our overdraft provider," he said.

### Simplifying the implementation process

As with any new program, implementation requires some changes. But, according to credit union managers, JMFA representatives were on-hand throughout the process to offer advice on handling workflow changes and member issues. "JMFA's on-site training, easy-to-use software and member education materials were extremely valuable during the implementation process," Flickinger said.

"Plus, we have been able to reduce income lost following the implementation of Reg E thanks to Privilege Manager CRM®, which allows us to identify members who would benefit from overdraft coverage," he continued. As a result, 91 percent of First Capital members have opted in to its overdraft program.

### Results that benefit everyone

In the two years since First Capital implemented JMFA OVERDRAFT PRIVILEGE®, significant improvements have been made on two fronts. First, the credit union has experienced a substantial increase in its non-interest income, especially involving debit card transactions, according to Flickinger.

Plus, its members now have an easy-to-understand, reasonably priced alternative to using payday lenders to make ends meet. "An added benefit for our members is JMFA's focus on educating users about how the program works," Flickinger explained. "Our employees have the knowledge and materials they need to counsel our members about their situation and offer them affordable options."

### Eased regulatory concerns

Like most financial institutions, First Capital is closely watching to see what steps are taken to regulate the financial services industry. Its main concerns revolve around possible actions that will make it more difficult for credit unions to help their members manage their finances. According to Flickinger, the credit union will rely on JMFA's compliance expertise to help them navigate the regulatory and legal obstacles surrounding overdraft programs. "Our experience with JMFA has been very positive since the beginning," he said. "We especially appreciate the company's ability to keep us on track as we continue to refine our program."