

KEYSTONE

Extra

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Top 10 Trends to Consider in Planning Sessions

In preparation for the fall budget and planning season, credit union management and board members will find the 2013-2014 *Credit Union Environmental Scan (E-Scan)* a valuable resource for strategic planning sessions.

Mobile banking, mobile payments, and mobile malware head up the list of Top 10 trends credit unions will need to consider as they create their strategies and goals. The *E-Scan* explains that mobile payments “is a new ballgame. Members used to come to credit unions to get cash and credit union-branded checks or plastic cards. But members won’t be coming to credit unions to get their mobile payment-branded devices. Mobile payments will be driven by access, not devices. The challenge will be to retain your members in a mobile payments world.”

The scan notes that mobile banking has gone from “cutting edge to mainstream faster than any other financial innovation” and is becoming a “basic expectation, especially among younger consumers.”

The increased use of mobile devices and services have attracted malicious software (malware), which means credit unions must invest in malware detection and prevention while educating members to protect themselves.

Other key trends rounding out the Top 10 list noted in the 86-page *E-Scan* are:

Lending rebound

Credit unions are starting to see an increase in loans, particularly in auto loans and first mortgages. Lending staff should think proactively about growing the loan portfolio.



Meager earnings

Due to downward pressure from the Federal Reserve’s low-interest-rate policy, credit union net interest income will continue to fall as interest margins drop to the lowest on record.

Unite for Good

This is a strategic vision in which Americans choose credit unions as their best financial partner. The campaign website, www.uniteforgood.org, provides a checklist of action steps to help credit unions realize the goals. *Credit Unions Unite for Good* is the theme for International Credit Union Day, October 17, 2013.

Serving the unbanked and underserved

Approximately 68 million U.S. adults are either unbanked or underbanked.

These consumers represent the last remaining “white space” in financial services – an uncharted territory where credit unions have a rare opportunity to serve an underserved market.

Growing compliance burden

Credit unions should develop a compliance management system to address the overwhelming workload, particularly due to the Consumer Financial Protection Bureau (CFPB) mortgage rules.

CEO succession planning

As more CEOs decide to retire, succession planning is becoming a priority. It’s more than replacement planning. It’s a way to ensure the continuity of the credit union’s performance and culture.

Raising Gen Y’s awareness about credit unions

Currently, the U.S. has 80 million baby boomers and 69 million Gen Xers, while Gen Yers total 100 million. Gen Y will be a “game changer.” How credit unions successfully attract and retain Gen Y members will determine their future success and viability.

The *E-Scan* is available in paper or electronic formats and includes six chapters on recurring topics, such as lending, marketing/demographics, economics, legislation, and finance, and six chapters addressing issues of the day — such as mobile payments, serving the underserved, enterprise risk management, CEO succession planning, and more.

The *E-Scan* can be purchased by CUNA-affiliated credit unions as a single report or as part a strategic planning package that includes a DVD, monthly newsletter, and PowerPoint presentation. More information is available [here](#).



Education & Professional Development

Be a Leader Prepared for the Future

As the credit union movement continues to embrace new technologies to meet the changing needs of our members, we must also adopt new leadership strategies. It is not enough to be technically proficient — leaders must also have vision and be able to inspire others.

The Association-sponsored *Fall Leadership Conference* at Seven Springs will inspire today’s leaders — staff and volunteers — to chart the right course for a successful future.

With more than 25 years of executive management and HR experience, Janie Warner will open the Friday session with *Leadership: Transforming the New Workplace*. The session will define the leadership qualities for changing needs, and explore how effective leadership can be the springboard to your credit union’s success.

As Senior Director of Edify Corporation, Tim Lerew knows about change. His Saturday session — *It’s 2016. Do you know where your members are?* — will address evolving and powerful forces that will present credit unions with new challenges, and how credit unions can begin to prepare for those challenges.

In addition, attendees may choose from a dozen breakout sessions on a variety of specific topics.

The conference kicks off Thursday, September 5, with the 13th Annual CUPAC Open to support our political advocacy activities, and continues through Saturday, September 8.

For registration, visit pcua.org or email registration@pcua.org.

Get Ready for Miracle Jeans Day – September 18

On September 18, join hundreds of credit unions nationwide and raise money for your local Children’s Miracle Network Hospital by celebrating Miracle Jeans Day. The concept is simple: encourage employees to donate \$5 in order to trade in their traditional work attire and wear jeans for the day instead. Or, for a \$25 donation, employees receive a Miracle Jeans Day t-shirt, specially designed for credit unions.

Children’s Miracle Network Hospitals has made it even easier to engage employees in Miracle Jeans Day. This year, when your credit union registers for Miracle

Jeans Day, it will receive a specific webpage and URL. Employees can be directed to a link where they can easily make their donation using a credit card. This is also a great tool for setting a goal and tracking your credit union’s progress.

CMN Hospitals asks credit unions to register even if they don’t plan to use the additional webpage functionality, so it can best track credit union participation.

Sign up for Miracle Jeans Day, and support kids who are in need of medical treatment at CMN Hospitals.



Products & Services

Stay Connected With Members Throughout the Car Buying Process

Leveraging an effective Internet presence to connect with members during the vehicle-buying process is essential to grow lending opportunities.

According to JD Powers, 77% of new car buyers turn to the Internet to shop for their next vehicle, while close to 50% of used car buyers rely on the Internet as their primary method to shop for their next vehicle purchase. Further reflecting the growing trend and importance Internet shopping plays in the vehicle purchasing process, Cobalt Group's Dealer eBusiness Performance Study revealed that 88% of consumers use the Internet for research prior to visiting a dealership.

Creating a competitive edge in today's marketplace requires credit unions to adopt new ways to connect with their members' early in the auto buying experience to help drive loan activity.

Developed specifically for credit unions and their member base, CUDL AutoSMART provides credit unions with a flexible, versatile vehicle shopping and research site that they can brand, customize, and market to members as their own, making the program a seamless extension of their organization's site.

CUDL has taken the AutoSMART program mobile, with phone apps for both the iPhone and Android smart phones. The app is designed specifically for credit union members and replicates features of the AutoSMART website as a fully functional app. The app gives credit unions a vital new tool that helps them stay connected with members throughout the vehicle buying process.

To learn more, contact your [Association Account Executive](#).

Compliance & Operations

A Review of First Six Months 2013

During the first half of 2013, the Association's Compliance staff fielded 1,286 inquiries from member credit unions through the Compliance Hotline. In addition, online resources such as *InfoSight* and *CU PolicyPro* are available to affiliated credit unions 24/7.

Four regional Compliance Town Meetings, held in April, were attended by 113 staff and volunteers. Critical updates on the *Dodd-Frank Act* were provided, as well as a review of Power of Attorney and decedents account issues.

The Compliance Cavalry consulting service helped 35 credit unions address a wide range of compliance topics specific to the needs of individual credit unions.

A total of 630 staff and volunteers attended at least one of eight on-site training programs provided by staff.

[Click here](#) for information on compliance training programs offered, as well as other compliance services.

15 Years Since H.R. 1151

The summer of 1998 was one of the hottest on record across the nation. Credit unions turned up the heat even more during July in a fight to gain passage of the historical *Credit Union Membership Access Act*, more commonly known as H.R. 1151.

It's been 15 years since *The Credit Union Campaign for Consumer Choice* created memorable grassroots support for the legislation, which served as a turning point for the credit union movement.

In February 1998, the Supreme Court ruled against credit unions

and consumers in multiple-group charters. The action became a matter of life and death for the movement, and credit unions pushed hard to gain sponsors for H.R. 1151. Pennsylvania Congressman Paul Kanjorski and Ohio Congressman Steven LaTourette were original sponsors.

Despite strong efforts by bankers to defeat the bill, the legislation passed through the House Banking Committee, and moved on to the Senate Banking Committee.

Credit unions rallied on the Capitol steps in mid-July to demonstrate to the Senate their grassroots support for the bill.

On August 4, the Senate passed the *Credit Union Membership Access Act*. Three days later, President Bill Clinton signed it into law in a White House ceremony on August 7, 1998.

The events of 1151 were truly a win for credit unions, but more importantly, showed Washington the powerful unity of credit unions and grassroots support.

Credit unions made an impact on Congress. That legacy continues today, but credit unions must stay united and continue to maintain a political influence for the future.



The Pennsylvania State flag files in the foreground, above the crowd of credit union leaders from the Keystone State, who participated in the rally on the steps of the nation's Capitol in July 1998.



President Bill Clinton signs H.R. 1151 into law on August 7, 1998. Original sponsors, Congressmen Paul Kanjorski and Steve LaTourette, witness the signing, along with national credit union leaders.



American Heritage FCU celebrated Christmas in July in holiday attire and Santa at the grill. Employees wore shorts and sneakers for the day, and holiday socks and Christmas hats, and played games at lunchtime. Santa, aka Dennis Hibbs (right) of the Facilities Department, grilled hot dogs for the employees. Water Ice was also provided.



Amanda Johnson, Senior MSR of Horizon FCU, presents a grill to a lucky member. A drawing was held to promote e-statements and home equity loans.



Left: Nearly 100 children and their parents attended the Westmoreland Community FCU Youth Day. Various activities were held for children, who received crayon banks to fill and return to the credit union to receive a special deposit into their account.



P & G Mehoopany Employees FCU held a grand opening celebration for its newly renovated branch in Eynon.



Employees of Bucks First FCU help sort and distribute donations collected for victims of an apartment fire that left more than 100 people homeless.

Right: Hershey FCU awarded its \$1,000 Richard E. Fogleman Memorial Scholarship to Hunter Bracale. From left: Ercoli Divittore, Treasurer; Bracale; and Richard Miller, Board Chairman.



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Events Calendar

August

4-8
Judge/Bradley Leadership School, State College

5-6
Shale Gas Supply Chain, Canonsburg

September

2
Labor Day
Federal Reserve Bank Holiday

5-7
Fall Leadership Conference, Seven Springs Mountain Resort, Champion

19-20
Marketing Conference, Annapolis, MD

Visit www.pcua.org or contact the Association's Education Department for details on education programs and webinars.