

KEYSTONE

Extra

April 29, 2011

Volume 42 Issue 9

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PA Credit Union Growth Continues To Outperform Nation

For the past two years, Pennsylvania credit unions have outpaced the nation's credit unions in growth of assets, loans, savings, and members. The Fourth Quarter 2010 edition of *Pennsylvania Profile* was recently released, and shows improved operating performance for the state's credit unions.

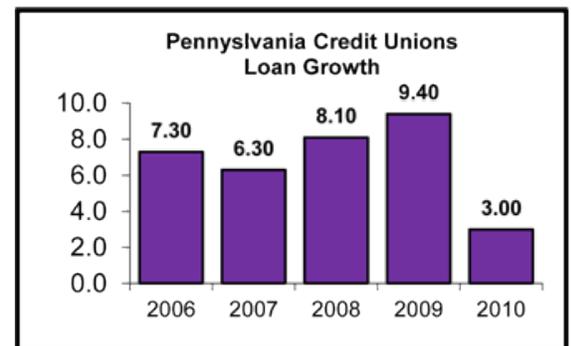
Pennsylvania credit unions ended 2010 with a strong net worth of 10.7 percent. Over 96 percent of credit unions ended the year with a net worth above the 7 percent well-capitalized requirement.

"Pennsylvania credit unions are well-capitalized and are in a strong position to serve their members with loans and other financial needs," said Jim McCormack, Association President/CEO.

Credit unions continue to struggle with weak loan demands, but economists expect loan growth to pick up in 2011. Loan balances rose 3 percent in 2010, better than the national average of -1.2 percent, but far below the 2009 growth rate of more than 9 percent. Member business loans continued strong growth at 30 percent in Pennsylvania during 2010, far ahead of the national 6.2 percent average.

There's no question that members are learning to spend and borrow smarter. Anticipating loan growth, credit unions should start revving up new and used auto loan promotions, as well as private student lending and credit cards.

A recent event at the State Capitol raised awareness how credit unions are making a difference in the lives of their members with a low-cost private student lending program, *Credit Union Student Choice*. Legislators commended credit unions for taking the initiative to



create a private sector solution to assist the public concern of affordable education finance. In addition, participating credit unions used the occasion to share what they are doing for members, small businesses, and their communities to further differentiate themselves from banks.

Mortgage growth in 2010 was 12.3 percent, far above the 2.7 percent national growth. Pennsylvania home prices fell 2.4 percent in 2010, resulting in a three-year decline. Home prices are expected to continue to decline this year before stabilizing in 2012. Roughly 10 percent of all mortgages are currently at risk of foreclosure.

Delinquencies and bankruptcies have been on the increase for Pennsylvania credit unions over the past five years, but remain below national averages.

Share deposits grew 9.9 percent in 2010, resulting in a three-year growth of more than 26 percent. Money market shares grew at 10.5 percent, a drop from 26.6 percent in 2009.

Membership growth remains steady, a tribute to the successful statewide advocacy campaign, *iBelong*. Membership increased 2.1 percent in 2010, bringing

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Convention Countdown

Get in 2n & Harmonize In Hershey

The Association's Annual Convention & Expo is almost here! The full three-day agenda is designed to provide enthusiastic speakers and optimum education sessions to get you *in tune* to meet the day-to-day challenges and lead your credit union into the future.

This year's schedule has been changed to provide more learning opportunities, while still allowing time for meeting friends and relaxing. There are some new fun events to enjoy, along with the longtime favorite traditions.

The Convention gets underway at The Hershey Lodge on Wednesday, May 11, with a special session for Director Financial Literacy training at 9:30 a.m.

The official Opening Session begins at 1:00 p.m. with a visit from Acting Secretary of Banking Glenn Moyer and keynote speaker Mark Sievwright of Fiserv, Inc.

If you missed the registration deadline, you may register onsite during the posted hours.

The Annual Members Business Meeting will be called to order at 1:15 p.m. on Friday. This is open to all Association-affiliated credit unions, and you do not need to register for the Convention in order to attend the Business Meeting.

A big thank you to all of our sponsors. You can find them featured on the Convention Webpage, and acknowledged at the appropriate events throughout the Convention.

Visit www.pcua.coop for Convention details. See you in Hershey!



Education & Professional Development

Volunteers are Vital to Credit Unions

Save the Date: Volunteer Development Conference

Attention Board Members – Mark your calendars for June 24-25 at the Double Tree Willow Valley Resort in Lancaster.

Each year, the Pennsylvania Credit Union Association provides an opportunity for committed volunteers to come together and learn from industry professionals, to network with peers, and unite for a strong tomorrow.

Today's volunteers are being challenged in more ways than ever before. As credit union board and committee members, you fill a distinctive and essential command within your credit union. The onslaught of new operational rules and regulations including director accountability, escalating fraud attempts, and economic worries continue to be areas of concern.

This year's **Volunteer Development Conference** agenda includes a comprehensive financial literacy workshop, and attendees will receive a certificate of attendance to meet the new NCUA guidelines on director training.

Look for more information to arrive in your mailbox in the coming weeks. In the meantime, save the date!

Pittsburgh Chapter Raises \$30K for CMN



Credit unions in the Pittsburgh Chapter raised more than \$30,000 during a two-year campaign for the Children's Miracle Network. Of that, \$25,000 was designated for a distraction therapy room at UPMC Children's Hospital of Pittsburgh. Credit unions recently toured the pirate-themed distraction therapy room, sponsored by the Chapter.

PA Growth

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the total number of credit union members in Pennsylvania to nearly 3.6 million, and almost 92 million in the United States.

At the end of 2010, there were 541 credit unions in Pennsylvania, with total assets of \$33.7 billion. The median asset size of PA credit unions is \$10 million. The median asset size of all U.S. credit unions is \$17.6 million.

To view *Pennsylvania Profile*, visit www.pcua.coop and click on the Credit Union Resources tab.

Products & Services

Diebold Solutions for ATM ADA Compliance

On September 15, 2010, the U.S. Department of Justice issued a ruling revising its standards for accessibility design under the *Americans with Disabilities Act*. The final rule, enforceable as of March 15, 2011, imposes new accessibility standards for ATMs, including a requirement for speech output and tactually discernable input controls to assist blind customers.



Diebold, a PCUA partner through CUNA Strategic Services, can help your credit union comply with these new accessibility standards. Diebold is well known for innovative, reliable equipment, but perhaps the greatest reason that your credit union should consider Diebold is their ATM compliance support, flexibility, and breadth. There is no credit

union need too small or great for Diebold.

Whether you need a new ATM, want to outsource the maintenance and upkeep of your ATM fleet, have your branch premises physically secure, or recycle cash at your teller lines, you can rely on Diebold to work seamlessly with your credit union to produce benefits far beyond the general ATM channel.

Contact your PCUA Account Executive or Tom Lybeck, CUNA Strategic Services Alliance Manager, 800-356-9655, ext. 4109, to find out more about Diebold's vast array of service solutions.

Additional resources on ATM Compliance:
Diebold Resource Center for Accessibility Standards
Diebold recorded webinar for ADA compliance for ATM's
CUNA News Now Article on ATM compliance

Get Up to Speed on MemberCONNECT with New elearning Modules

CUNA Mutual Group's MemberCONNECT Direct Insurance new elearning modules are a great way to get up to speed on the MemberCONNECT program and also serve as an excellent refresher for credit unions with an established program.

Although non-licensed staff members can't discuss specific product details with your members, it is important for them to know which products your credit union makes available, how they're being marketed, and where members can get needed sales, service, and claims support.

The program includes six modules to help employees get information they need, quickly and easily. It's especially convenient for credit unions that don't offer all MemberCONNECT programs; employees can go right to the sections they're interested in. Each section takes about 10 minutes.

Included in the program is an overview of features and benefits; four product-specific sections: Accidental Death and Dismemberment, Auto & Home, Life, and Medicare Suite; and an overview of the Resource Center, the secure portion of the MemberCONNECT site to be used by the credit union's registered staff member to

Some Things I Think I Think ...

By Jim McCormack, President/CEO

At the outset, I am proud to say that your Association was the first state, about 6-7 years ago, to provide to its members a unique state profile.

A quick analysis of the year-end *Pennsylvania Profile* shows that a traditionally slow population growth state like ours has surpassed national averages in growth rates – members, loans, savings, and assets for the past six quarters. In addition, Pennsylvania credit unions have also surpassed national averages on other line items as well. Why? The one difference between us and other states is our awareness campaign, *iBelong*. The goal of the *iBelong* campaign is to make consumers aware that they can join and USE a credit union for their financial needs. I do know that the biggest detractors come from the banking community – their leaders have told me so.

I've had a few credit unions tell me that they don't see any new business as a result of *iBelong*. The primary goal of advertising is to keep your brand first and foremost in a consumer's mind. When you get hungry, McDonald's is the first place that pops into your mind. Our brain is constantly absorbing messages without us even knowing it. Think how many brand jingles you know, all due to repetition of message. Therefore, part of the awareness goal of *iBelong* is to remind existing members to utilize your products and services.

I do not know what the future holds for the *iBelong* campaign — the Association Board will be making decisions later this year. I personally think it has helped to separate credit unions from others in the financial marketplace and should be copied nationally.

Please send me your thoughts and comments:
jim.mccormack@pcua.coop.



access member data, program reports, and other information.

The MemberCONNECT Program builds member relationships and credit union income by offering a variety of popular insurance products and affordable coverage for members, in addition to support tools, marketing, and reporting for credit unions.

If you have questions about the MemberCONNECT program or the elearning modules, please contact your CUNA Mutual representative at 800-356-2644.

Credit Unions in the News



Grove City Area FCU held a groundbreaking for its new main branch and administrative office. From left: Howard Semens, Director; Tom Jack, CEO; Cary Efaw, Jim Patterson, Bob Wilson, Ed Palmer, Directors; Alysia McCandless, VP Lending; and Deb Maxwell, VP Operations.



Sun East FCU celebrated the opening of its new branch in Springfield. From left: CEO Michael Kaczynski; Board Chairman Anthony Brazunas; Springfield School District Superintendent Jim Capolupo; and State Rep. Joseph Hackett (R-161).



Horizon FCU employees participated in Walk MS 2011 as the Horizon Heroes, and raised \$2,463 for their four-mile walk in Montoursville on April 10.



Kathy Linn, Service 1st FCU Board Chairperson and Bill Lavage, President/CEO, present Randi Spayd (center) with an award for 35 years of volunteer service on the credit union's board of directors.



West Branch Valley FCU Relay for Life team members Jamie Rinehart, Diane Foresman, and Kendra Long, sold 166 Easter plants to raise \$350 for the American Cancer Society's Relay for Life program.



TruMark Financial Credit Union CFO Vince Market (left) was interviewed for Executive Leaders Radio broadcast by host Dean Schwartz. Paul Miller, VP, M.F. Irvine Corporate Solutions, a sponsor of the show, is at right. Schwartz was interested in how Market got started in the financial industry, what he enjoys most about working at the credit union, and how the industry has changed.



Tri County Area FCU CEO/President Andy Pistoria and Marketing Director Myra Fick gave a \$500 check to the Pottstown Trojans Touchdown Club. The funds will be used to help the team attend a summer football camp.

Events Calendar

May

11-13
Annual Convention & Expo,
Hershey

24

Director Financial Literacy
Workshop, Erie

June

8-9

Lending Conference,
State College

24-25

Volunteer Development
Conference, Lancaster

August

7-11

Judge/Bradley Leadership
School, State College

Keystone Extra is published bi-weekly online by the Pennsylvania Credit Union Association
4309 North Front Street, Harrisburg, PA 17110-1618
800-932-0661 • www.pcuca.coop

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