

KEYSTONE

Extra

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Regulations, Rates, & Economic Recovery Dampen CEO Optimism

Credit union CEOs are much more pessimistic going into 2013 than they were going into 2012, according to a recent survey of credit union executives conducted by Abound Resources, a leading credit union consulting firm and alliance provider of CUNA Strategic Services. The primary driver of the pessimism is an increasingly difficult and unpredictable regulatory environment.

One-fourth (25%) of credit union CEOs report they are either very or somewhat pessimistic about their credit union's outlook for 2013. In 2012, only 16% were pessimistic and none were very pessimistic. Only about one-third (37%) are optimistic or very optimistic about 2013, compared to 43% in 2012. The remainder (38%) expect another year like 2012.

Other major issues of concern are a weak economy and loan demand. Both of these factors were mentioned by more than 60% of CEOs as major concerns in 2013.

In terms of setting growth priorities for 2013, growing consumer loans, expanding online presence and improving sales and marketing methods were the top three. Interest in growing member business loans and mortgage loans jumped considerably this year in a search for higher yields and portfolio diversification.

On the operating side of the equation, priorities are consistent with prior year surveys in that streamlining workflows and increasing operational and technology efficiencies are the primary focus.

The report indicates that 2013 is the year of credit union workflow improvements. Streamlining workflows was cited by 50% of CEOs as a priority.

The Top 5 Credit Union Strategies for 2013:

1. Differentiate Your Institution in a Commoditized Market
2. Chose Profitable and Strategic Growth Opportunities
3. Improve Efficiency Through Workflow Improvement and Continuous Expense Management
4. Support Strategy and Efficiency Efforts with Effective Technology Utilization
5. Manage Compliance Costs Using a Multi-Pronged Approach Including New Staffing Models

The financial services industry has been resilient, having weathered unbelievable challenges and pressures; yet still has been able to survive and thrive and continue to serve its communities.

A complimentary copy of a white paper analyzing the complete survey results and Abound's top 5 recommended strategies for 2013 is available for download by clicking [here](#).

CUAnalyzer Launches

Whether your credit union looks to improve its overall performance, ROI, or ROA, the Association is now offering CUAnalyzer, powered by Callahan & Associates. This interactive program takes an educational approach to your credit union's performance trends - introducing actionable insights, benchmarking analytics and fresh perspectives for every level of your credit union.

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Just some of the benefits of CUAnalyzer include:

- A robust database enabling you to complete peer analysis on demand
- Customizable tools to allow you to select your peer group
- Over 150 ratios to review and monitor your credit union's financial progress
- Credit union and bank branch market share analysis
- Adjustable dashboards

CUAnalyzer ties financial metrics to member value, strengthening the odds of credit union success in the changing financial services environment. We are excited to offer this powerful analytics and benchmarking tool to your credit union. [Learn more](#). If you have questions, contact your [Association Account Executive](#).



CUAnalyzer Introductory Webinar

Please join us for an introductory webinar where we will walk you through building peer groups, custom reports, board packages and much more. Register for one of two PCUA hosted webinars by clicking on the date below:

Tuesday, January 29
10:00 - 11:00 a.m.

Tuesday, February 5
2:00 - 3:00 p.m.

Governmental Affairs

Project Zip Code Helps Credit Union Advocacy

After a busy election year, the Association's Governmental Affairs is working with many newly-elected officials on both a state and federal level. We encourage all credit unions to help us help you by participating in the Project Zip Code (PZC) program.

Project Zip Code is a safe and secure program that matches credit union members by legislative district and county, based upon their zip code. PZC can be used as a tool for your credit union's strategic planning, including branching and ATM locations

The program to run Project Zip Code is available via download at www.pzconline.com/install. By going to the link, you can download the full user manual and PZC 12.0. Once you have downloaded the latest version, your membership totals will be matched to both federal and state legislative districts.

Credit unions that originally downloaded the CD version of PZC will need to run the download program in order to be current, as the CD version is no longer operational and is only being distributed via the Internet.

Member information is safe and secure with Project Zip Code, as no personal member data leaves your computer. Project Zip Code saves only the number of records successfully matched by the program to the secure server. The only information remaining in the database is the date of the transfer, the Zip Code counts, legislative district counts, and county counts. Project Zip Code is fully compliant to the privacy laws created by *Gramm-Leach-Bliley Act of 1999*.

Learn more about Project Zip Code by visiting www.pzconline.com.

There are many new lawmakers in Harrisburg, if your credit union would like assistance in setting up meetings to meet with your new or existing lawmaker, the Association's Governmental Affairs staff can help you. Developing relationships is important so that lawmakers know about credit unions and the benefits we bring to our members, their constituents.

If you have questions or concerns, contact Christina Mihalik, VP, Governmental Affairs, at 800-932-0661 extension 5282 or email: christina.mihalik@pcua.org.



Education & Professional Development



MBL Participations Conference

Buyer/Seller Networking Event
March 14, 2013
Eden Resort, Lancaster, PA

Join the Association for the **MBL Participations Conference** to learn more about business lending and network with others. Speakers include Kevin Dion, a banker for 25 years who joined the credit union movement in 2004 when he was asked to lead an MBL CUSO. Dion will discuss the basics of loan participations and the importance of understanding the strengths and weaknesses of the credit.

William MacMaster, Regional Lending Specialist for the NCUA, will discuss NCUA's perspective on MBL participations and will have a time for Q & A. Jeff Judy, presenter, trainer, and consultant guiding financial institutions, will moderate a panel discussion. Included the panel are: Tammy Baker, Loan Participation Manager, Members 1st FCU; Rick Wieczorek, President/CEO, Mid Atlantic FCU; John Hayes, President, CU Strategic Services, LLC; Robert Fox, Chief Lending Officer, American Heritage FCU; and Dallas Zulli, Vice President, Business Lending, AmeriChoice FCU.

Register today for the MBL Participations Conference, Buyer/Seller Networking Event, sponsored by Member Business Financial Services, LLC and Keystone Business Lending Solutions, LLC.



CEO Leadership Workshop

Mars, March 20, 2013
Harrisburg, March 21, 2013

Want to develop strategies on how your credit union can remain relevant to your members? Learn how your credit union can turn its biggest challenges into its greatest advantages? Discuss ideas on how your executive team and volunteers can maintain a

unified team. Join Pennsylvania credit union CEOs and executives in workshops to discuss these ideas and more.

The **CEO Leadership Workshop** features speaker Jason Boles, CEO of Fans Created, an innovative results-oriented speaking, training and consulting services firm specializing in creating internal and external fans for organizations nationwide.

Other speakers include NCUA Supervisory Examiners Diane Wiltshire (Mars) and Supervisory Examiner Susan Robbins (Harrisburg), as well as Rhonda Rumbaugh, Association VP, Marketing & Professional Development, who will lead a panel discussion.

Don't miss this productive and beneficial CEO Leadership Workshop. Register now for either the **Workshop in Mars on March 20** or the **Workshop in Harrisburg on March 21**.

Products & Services

Technology Is Key to Attracting Younger Members

Credit union members are no longer satisfied with simply being able to check their account balances and transfer money online. Today, with 50% of U.S. consumers owning a smartphone (*Neilson Mobile Insights, March 29, 2012*), credit unions are expected to provide lending services through their member's preferred channel, and for a whole new generation, that channel is mobile.

While most credit unions have online loan applications, many have not yet customized them for the mobile channel (both phone and tablet), which makes completing a loan application on a smartphone cumbersome. That's why CUNA Mutual Group launched SmartPhone Loans almost two years ago to be the mobile solution to their online lending platform — loanliner.com. Since launch, mobile applications have increased steadily and now account for more than 12% of total loanliner.com applications, translating to more than a half a billion dollars in loan applications by the end of 2012.

SmartPhone Loans is a web-based solution that allows CUNA Mutual Group to make compliance updates without any distribution or maintenance challenges. [Loanliner.com](http://loanliner.com) detects the incoming browser and reformats the screen to display all the required disclosures on that particular device. SmartPhone Loans interfaces with more than 90% of the loan origination systems serving credit unions and has the ability to use the automated underwriting engine within the loan origination system to deliver a real-time credit underwriting decision to the member.

To learn more about SmartPhone Loans and loanliner.com technology, contact your **Association Account Executive**.



Just before Christmas, Santa and staff from MEADVILE AREA FCU visited the Kindergarten classes at Neason Hill Elementary School. In addition, he made quick stops in other classrooms throughout Neason Hill Elementary and visited the Meadville YMCA classrooms and the Meadville Cooperative Preschool.



West Branch Valley FCU was thrilled to participate in the Lycoming County Children and Youth Services' Adopt a Family program for the 12th year. Pictured left to right: Misty Balliet, MSR; Bob Horner, President/CEO; Kristen Brown, MSR; Patty Raino, Branch Head Teller; Darla Doebler, Branch Manager; and Melissa Young from Lycoming County Children & Youth Services.



Members 1st FCU recently donated \$1,000 to The Caring Cupboard, a ministry of the Palmyra Area Cooperating Churches, that serves the needs of 130 families weekly in Palmyra, Lebanon, and Hershey. Participating in the check presentation were (left to right): George Nahodil, EVP of Retail Delivery, Marketing and Public Relations; Terry Baker, Executive Director, The Caring Cupboard; Jay Reale, Palmyra Branch Manager; and Gary Mastrangelo, SVP of Relationship Management.



Hershey FCU recently donated \$500 to the Children's Miracle Network from two fundraisers. During November and December, snowflake and snowmen signs were purchased by members and employees at all three branches and proudly displayed. Funds were also raised from staff through participation in a special Holiday edition of Miracle Jeans Day.

Events Calendar

January

21
Martin Luther King Jr.,
Birthday
Federal Reserve Bank
Holiday
Association Office Closed

February

18
Presidents Day
Federal Reserve Bank
Holiday
Association Office Closed

March

14
MBL Participations
Conference,
Lancaster

20
CEO Leadership Workshop,
Mars

21
CEO Leadership Workshop,
Harrisburg

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