

# KEYSTONE

## Extra

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## Majority of Consumers Say Personal Finances Need Major Overhaul; Unprepared for Health Crisis

In conjunction with Financial Literacy Month in April, the National Foundation for Credit Counseling (NFCC) and the Network Branded Prepaid Card Association (NBPCA) released the results of the *2012 Financial Literacy Survey*. In its sixth year, the survey annually provides data and trending around the attitudes and behaviors of Americans related to personal finance.

The 2012 survey revealed a disturbing lack of basic financial skills that are critical to building a stable financial future, such as:

- More than half of U.S. adults, 56 percent, admit that they do not have a budget;
- One-third of U.S. adults, or more than 77 million Americans, do not pay all of their bills on time;
- Thirty-nine percent of adults carry credit card debt over from month-to-month;
- Two in five adults indicated that they are now saving less than they were one year ago, and 39 percent do not have any non-retirement savings; and,
- Twenty-five percent of those who do not currently have non-retirement savings indicated that, if they did begin to save, they would keep their savings at home in cash.

For the first time, the 2012 survey evaluated consumer responses related specifically to prepaid debit cards and discovered the following:

- More than one in 10 adults (13 percent), or about 30.5 million Americans, typically use prepaid debit cards to pay for everyday transactions such as groceries, gas,



dining out, paying bills, and shopping online.

- Seventy-eight percent of adults who use prepaid debit cards for everyday transactions say they use them because they are convenient;
- Seventy-three percent use prepaid cards because they feel the cards are safer than carrying cash;
- Seventy-two percent utilize prepaid cards because it allows them not to overspend or spend money they don't have; and
- Fifty-six percent find that the cards enable them to better manage their money.

"Consumers feel empowered using prepaid debit cards and revealed in the survey that the top three reasons for using the cards were their convenience, safety and ability to control spending. Additionally, about three in four prepaid debit card users indicated they believed prepaid cards are a better value for their money compared to a credit card or debit card connected to a traditional bank account," said Kirsten Trusko, President and Executive Director of NBPCA.

The Pennsylvania Credit Union Association offers a reloadable debit card

program that is available to all member credit unions. Service for the reloadable debit card is provided by the Illinois League's Service Corporation (ICUL) under the CU Money and the TravelMoney card programs. Prepaid debit cards carry the Visa logo on the front of the card and your members can add value to the card at anytime. (See page three for a May special on the TravelMoney card.)

### Unprepared to Handle Unexpected Health Issues

Another national survey recently revealed that Americans may not be able to handle the financial burdens of unexpected illness.

The 2012 *Aflac WorkForces Report* revealed six out of 10 workers (62 percent) think it's not very, or not at all, likely they or a family member will be diagnosed with a serious illness like cancer, and more than half (55 percent) said they were not very, or not at all likely, to be diagnosed with a chronic illness, such as heart disease or diabetes.

Despite optimism about their physical health, the study reveals that American workers also are concerned about their financial health, and many admit they are unprepared to handle the financial consequences of a serious illness or accident in their family.

The 2012 *Aflac WorkForces Report* found that:

- Half of American workers (51 percent) are trying to reduce debt.
- Nearly six in 10 (58 percent) don't have a financial plan to handle the unexpected.
- Only 8 percent of U.S. workers strongly agree their family will be financially prepared in the event of an unexpected emergency.
- 28 percent have less than \$500 (51 percent have less than \$1,000) in savings for emergency expenses.

When asked how they would pay for out-of-pocket expenses due to an unexpected illness, more than half (57 percent) of respondents said they would have to tap into savings, 30 percent would use a credit card, and 19 percent – nearly one out of five people – would have to withdraw funds from their 401(k) plans to cover the costs.

The 2012 study results are available at [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com).

With more family budgets being pinched because of rising living costs, credit unions have an opportunity to help members with money management and budgeting so that they can set goals to achieve their dreams and have financial security. Consumer/members have varying attitudes on finances and their financial future.

Pay close attention to the demographics within your field of membership and tailor your education and marketing messages for specific audiences.

## iBelong.org Highlights Participating Credit Unions

The Association has enhanced its consumer website, [iBelong.org](http://iBelong.org), to create greater value for those credit unions supporting the campaign.

The new homepage features a state map. Consumers searching for a credit union in Pennsylvania select a region of the state which defines individual media markets.



In addition to the "Find a Credit Union" locator on the left, each region lists those credit unions that are participating in the *iBelong* campaign for 2012, and links to their websites. The names of credit unions participating in the campaign are also bolded in the search results.

"It was important that we create additional value for the many credit unions that elected to support the *iBelong* campaign this year," according to Mike Wishnow, Association SVP, Communications & Marketing. "Without their support, we would not have been able to continue building awareness of credit unions during this opportunistic time."

In addition to contributions from credit unions, the Association is helping to subsidize the campaign in six media markets, and has earmarked \$50,000 towards online advertising in support of the campaign.

## Compliance & Operations

### Overdraft Practices Next Topic for Compliance Conference Call

On May 30 at 2:00 p.m., the Association will conduct a compliance conference call for member credit unions. *Overdraft Practices: Past, Present, and Future* will be presented by John Kilduff, VP, Credit Union Services.

The presentation will review the basic types of overdraft protection programs available in the market today, and discuss what NCUA and other regulators currently expect in terms of consumer compliance disclosures.

The potential impact of overdraft protection programs as a result of the Consumer Financial Protection Bureau's initiative on checking accounts and overdraft fees will also be discussed.

"We know many credit unions offer overdraft protection service for their members. On this conference call, we intend to focus on the consumer disclosure aspect of ODP programs," said Kilduff.

While there is no charge to participate on the call, prior registration is required. Credit unions are asked to utilize only one connection. Conference call coordinates and presentation material will be emailed to attendees in advance of the conference call.

Registration is available online at [www.pcu.org](http://www.pcu.org). The deadline to register is May 25.

## Products & Services

### Online Solution of DEPOSIT CHEK Services Now Available from AFS

For more than a decade, credit unions have successfully used Early Warning's DEPOSIT CHEK readers at the front line to receive account-level status information from the DEPOSIT CHEK service. The analog solution consists of dedicated phone lines and check reader hardware in the teller workstation area. The account status information aids in transaction decisions with data that includes NSF, Closed, and Open and Valid account information.

Advanced Fraud Solutions(AFS) has collaborated with Early Warning to introduce a Web-based version of the DEPOSIT CHEK service. The same data available from the analog hardware readers is now delivered over the Web to every teller workstation in a sub-second response rate without the need for dedicated phone lines or hardware.



#### How does Web-based DEPOSIT CHEK work?

1. The process begins when check and ACH items are presented to the teller.
2. Without having to leave the workstation, the route and account number is transmitted to Advanced Fraud Solutions' secure site.
3. The information is compared against account and item-level information found in the DEPOSIT CHEK service.
4. The transmitted information is matched to any high-risk accounts or transactions in the database and returned in less than a second, direct to the teller workstation.

#### What are the benefits of web-based DEPOSIT CHEK?

The benefits include the proved data that DEPOSIT CHEK offers to identify high-risk deposits and now the efficiencies of a Web-based delivery system that removes the need for readers, maintenance, cords, hardware, and dedicated phone lines.

Advanced Fraud Solutions can also provide your credit union with same-day batch notification for DEPOSIT CHEK and TrueChecks services. This same-day batch notification helps prevent fraud from ATM, remote, and branch capture.

To migrate from the readers to a Web-based solution that is fast, easy, and simple, contact your [Association Account Executive](#).

### Offer Visa TravelMoney with No Implementation or Annual Fees

Be ready for the upcoming summer travel season, with Visa TravelMoney. A great low-cost alternative to travelers checks for both your credit union and members, the Visa TravelMoney card is accepted anywhere the Visa logo is displayed.

Now through May 31, 2012, ICUL Service Corporation is waiving the \$500 basic implementation fee. As always, there's never an annual fee with the CUMONEY branded travel card.



Implementation takes only two weeks, so you'll be ready for your members' upcoming travel season.

Your credit union wins with:

- No annual fees
- No liability or fraud exposure
- Easy online activation

Your members win with:

- No monthly maintenance fees
- A secure, convenient payment vehicle
- Access to the Visa worldwide network, including ATMs
- Unlimited reloads

Act now and save! Find out more about the CUMONEY Visa TravelMoney card from [ICUL Service Corp.](#), or contact [Liz Gregg](#) at 800-932-0661, ext. 5260.

### Convention Time Arrives

The Association's 78th Annual Convention & Expo will open Sunday, May 20, at the Wyndham Grand Pittsburgh Downtown. The three-day event will celebrate *The Credit Union Rises* with professionals and volunteers from Pennsylvania's strong credit union movement.

Stay connected throughout the Convention! Visit your app store, search for and download the Grupio application. Then select the PCUA Annual Convention for your comprehensive event guide.



Real-time networking. Personalized scheduler. Social share and more. Compatible with iPhone, Android, and Blackberry applications.

The mobile app is sponsored by PaCUSC.

Follow the convention conversation on Twitter with the hash tag: [#CUrises](#).



The management team from American Heritage FCU poses in their Western-themed costumes as part of the credit union's annual Employee Appreciation Day celebration. The entire staff were placed on eight ranches, and competed for prizes. Employees enjoyed Western trivia and word scrambles throughout the day with games and contests during lunch. Management also cooked and served the employees lunch.



John Faust (center), President/CEO of Diamond Credit Union, presents Wendy Zimmerman of the Pottstown Area Relay For Life, and Erik McGaughey of the Berks County Relay For Life, with a check for \$33,500, the proceeds of its Annual Charity Golf Invitational. Diamond Credit Union is Berks County Relay's Presenting Sponsor and a top sponsor for the Pottstown Area Relay.



Eagle One FCU management and board members were joined by local officials for the groundbreaking of a new branch and data center in Claymont, Delaware.



TEAM Horizon of Horizon FCU raised more than \$1,800 for the National Multiple Sclerosis Society's WALK MS.



West Branch Valley FCU recently recognized board members and employees for years of service. Front row, from left: Five years – Tammy Harvey, MSR; Jamie Rinehart, Accounting Clerk; Nichole Sponhouse, Collection/Lending Officer; Terri Musheno, Member Service Officer. Back row: John Lauchle, Director of Accounting, 5 years; Robert W. Horner Jr., President/CEO, 10 years; William Sechler, Second Vice Chairman, 20 years; and Mary Southward, Board Chairman – 25 years. (Missing from photo: Beverly Perry, MSR/IRA Administrator, and John Bubb, Secretary/Treasurer, both 5 years.



The First Capital FCU team was one of 36 teams from York businesses competing in the Office Olympix, to benefit Easter Seals. Participants dressed as characters from their favorite television shows. The credit union team won First Place in fundraising, with nearly \$1,500.

## Events Calendar

### May

20-22  
Annual Convention & Expo,  
Pittsburgh

28

Memorial Day  
Federal Reserve Bank  
Holiday

### June

19-20  
Lending & Collections  
Conference, State College

### August

5-9  
Judge/Bradley Leadership  
School, State College

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