Your online connection to important information, service updates, and happenings for Pennsylvania credit unions

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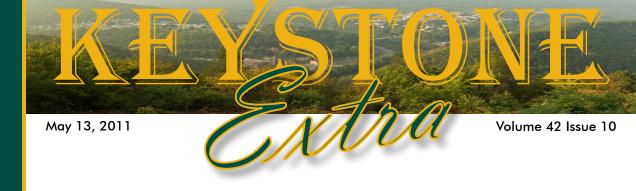
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PA Credit Unions Commit \$141 Million to Higher Education Higher Education ... without the Higher Costs

With the cost of higher education continuing to rise, millions of students and families rely on private student loans to fill funding gaps left behind after federal aid and other lower-cost sources have fallen short. For many families, the average funding gap can range between \$10,000 and \$25,000 per year.

Credit unions recognize the need for affordable lending products to assist students when financing their under and post-graduate education. Credit unions also realize that many students may be caught in a cycle of high interest rates from their current and outstanding student loans. Understanding these needs and challenges, credit unions are offering a safe, lower-cost education finance program for Pennsylvania students.

Credit Union Student Choice

The Credit Union Student Choice program was created with a single goal in mind, to help credit unions redefine value in higher education finance. With cooperation, innovation, and a keen focus on the needs of members, this credit unionowned organization and its credit union partners are doing just that.

Through the *Credit Union Student Choice* program, students won't be pre-occupied worrying about the financial burdens often associated with student loans. Instead, credit unions take on this responsibility allowing students to stay focused on learning.

Credit Union Student Choice private loan students will benefit from:

 Zero origination fees and lower interest rates than many other lenders.

- Flexible repayment options, including fully deferred payment while in school, interest-only payments during school, or immediate repayment of principal and interest.
- A Line-of-Credit (LOC) that can be used over multiple years for the remainder of college career.
- A reduced interest rate by 0.25% during full repayment when enrolled in automatic, electronic payment.

Nationwide, nearly 2,000 schools are eligible giving students from Pennsylvania an affordable alternative whether attending in-state or out-of-state higher education institutions.

Student Choice has introduced a website to provide helpful resources for credit union members and consumers in search of higher education financing. The site, www.pastudentchoice.org, offers tips on how to borrow wisely, as well as the ability to find a Student Choice participating credit union to apply for a Credit



Russell Evans (left), Association AVP, Business
Development, explains the credit union student lending
solution in the Capitol Rotunda during a Credit Union
Student Choice exhibit.



Staffing a table in the Capitol Rotunda to explain the Credit Union Student Choice program were, from left: Jose Colon, Keystone FCU; Karl Larson, AmeriChoice FCU; Ed Williams, Discovery FCU; Chris Woods, Keystone FCU; Jeannette Lupachino, New Cumberland FCU; Bill Bowker, Glatco Credit Union; Kim Dietrich and Don Gay, AmeriChoice FCU.

Union Student Choice loan. The website is also a great tool for high school guidance counselors, college/university financial aid offices, and consumers researching private student lending options.

Raising Awareness at the State Capitol

Twelve credit union leaders joined the Association Account Executives and Governmental Affairs staff



Ed Williams (left), CEO of Discovery FCU, and Corinne Sherman, Association VP, Fee Services, discuss credit union student lending programs with John Basial of State Senator Mike Folmer's (R-48) office.

at the State
Capitol in
Harrisburg
to educate
members of
Pennsylvania's
General
Assembly
about the
Credit Union
Student Choice
program. They
shared their
story on how
credit unions

are making a difference in the lives of their members with a low-cost private student lending program.

Legislators commended credit unions for taking the initiative to create a private sector solution to assist the public concern of affordable education finance. Approximately 50 legislators were reached by group visits and conversation at the Association–sponsored table in the Capitol rotunda.

The Association thanks American Heritage FCU; AmeriChoice FCU; Discovery FCU; Glatco Credit Union; Heritage Valley FCU; Keystone FCU; and New

Better Loans + Financial Education

= Sensible Borrowers and Future Savers

Ising the *Credit Union Student Choice* program, Pennsylvania families receive on average \$450 back in their pocket each year for a typical student loan balance. Over the life of the loan, that's a savings of \$9,000. (Average PA *Credit Union Student Choice* loan: \$15,000, assuming 20-year repayment term.)

National Loan Rates:

Average Interest Rate: 8.5%

Origination Fees: 2% to 5% are common

By leveraging their unique structure, credit unions have the ability to offer a lower-cost, private student lending solution that delivers better value to students and families.

Credit Unions Offering the Student Choice Private Student Lending Solution Reach:

Pennsylvania Credit Unions: 34 Credit Union Members: 890,686

Eligible Colleges & Universities in PA: 97

PA Student Choice Loan Rates:

Average Interest Rate: 6.1% Origination Fees: Zero

Results (as of February 2011):

Total Borrowers: 2,200

Total Loans Disbursed: \$33 million

Average Balance: \$15,000

Return to Pennsylvania Students:

Nearly \$20 million in total cost-savings over the life of the loan when compared with the typical rates and fees of national lenders.



Cumberland FCU for their time and support in making the event a success.

For more information on the *Credit Union Student Choice* program, contact your Association Account Executive or email *CUSolutions@pcua.coop*.

Education & Professional Development

Proactive Lending Strategies

The Association's *Lending Conference* encompasses a unique proactive lending approach and lending strategies to capture more loans, a systematic approach to analyze the credit report to identify risk factors and bankruptcy indicators, and strategies to improve risk assessments for loan decisions.

Celeste Cook, Founder & President/CEO, cuStrategies, LLC, will lead the Association-sponsored *Lending Conference*, June 8-9, in State College.

CEOs, board members, lending managers, new and veteran loan officers from across the country have all gained knowledge and value from the proactive lending philosophy and strategies shared by Celeste. Now it's your turn. Click here for **Lending Conference** details.

Volunteer Development Conference Set for June in Lancaster

Credit union board and committee members 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.

Come together, learn from industry professionals, network with your peers, and unite for a strong tomorrow. The agenda for this year's Association-sponsored *Volunteer Development Conference*, June 24-25 in Lancaster, includes a comprehensive financial literacy workshop, and attendees will receive a certificate of attendance to meet the new NCUA guidelines on director training. Click here.



CUNA held its Regulatory Compliance School Update in Henderson, Nevada, May 1-5. Pennsylvanians attending the school included, from left: Melissa Sickler, P & G Mehoopany Employees FCU; Becky Braun, First Capital FCU; Jean Roache, Erie General Electric FCU; Cathy Vincent, Erie FCU; Joanne Broderick, Pennsylvania Credit Union Association; and Thomas DeBolt, American Heritage FCU.

Products & Services _

Employee Loyalty Not Recession Proof

According to MetLife's 9th Annual Study of Employee Benefits Trends released March 28, employee loyalty is on the decline – 47 percent of employees report feeling very strong loyalty to their employer, down from 59 percent just three years ago.

While employers, including credit unions of all sizes saw productivity gains over the past 12 months, proving that many were able to "do more with less," this short-term gain may have come at the expense of employee loyalty because more than one-third (36 percent) of employees hope to work for a different employer in the next 12 months, the majority of whom are considered top performers.

Understanding some of the factors motivating employee loyalty is key. Salary and wages continue to be the most important drivers of employee loyalty, which employers recognize, but there is significant lack of awareness of how other benefits are also driving loyalty. The study found that employees who report that they are very satisfied with their workplace benefits are about three times as likely to indicate that they are highly satisfied with their current job and feel more loyal toward their employer compared with those who are very dissatisfied with the benefits program.

Employee attrition, while part of every business operation, is an expensive cost of doing business. It is estimated that recruiting, hiring and training a new employee costs approximately 20 percent to 50 percent of the employee's first year salary in time, lost productivity, and expense.

Performing an employee opinion survey and taking a serious look at the overall benefits package is a good place to start in heading off employee attrition. Seeking the advice of a qualified HR compensation and benefits consultant to perform a position by position compensation review and HR benefits audit is also recommended.

Being proactive and addressing employee satisfaction and its relationship to work environment, compensation, advancement opportunities, work/life balance, and the overall benefits package through communication and commitment is a sound strategy to increasing employee loyalty.

Special HRN / PCUA Discount Offer

HRN is offering a 10 percent discount to all Pennsylvania credit unions off of HRN solutions and consulting services (over \$250) through June 30, 2011. Email your Account Executive at cusolutions@pcua.coop for details.

Contact Mike Dougal, HRN Director of HR Consulting, at *mdougal@hrnonline.com* to learn more about HRN solutions and services.

Credit Unions in the News



Sunny, Sun FCU's mascot, coaches some of the 40 youngsters who participated in the annual Easter Egg Hunt, jointly sponsored by Sun FCU and UGI Employees FCU in West Lawn.



First Capital FCU's Motley Crew and A-Team compete in the 2011 Office Olympix to benefit Easter Seals. First Capital raised more than \$1,400, and placed third in fundraising.



More than 100 Pottsgrove High School seniors received a lesson on financial responsibility through a one-hour course, Real Money 101. The program was presented by Kim Wisser of Money Management Inc, on behalf of Tri County Area FCU, through a grant from the PA Credit Union Foundation. Each student received a Financial Literacy Tool Kit on DVD, featuring Real Money 101, Financial Aid Dictionary, Interactive Budgets, and a College Loan Tracker.

Right: York Chapter President Bill Bowker presents scholarship awards to York County high school students Taylor Pendergast, a member of First Capital FCU, and Nathan Bahn, a member of Glatco Credit Union. The winners read their essays at the May Chapter meeting.





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.pcua.coop

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News stories and photographs are welcome. Submit information for publication to janet.johnson@pcua.coop.

First Commonwealth FCU employees Holly Stahlnecker and Janet Weinhofer are pictured with 25 Easter baskets donated by credit union employees to Pinebrook Family Services.



Sixteen children participated in Sun East FCU's Bring Your Child to Work Day. Highlights of the day included CEO Mike Kaczenski (back row center) presenting each youngster with an autographed piggy bank, and a visit by representatives from the Schuylkill Center Wildlife Rehabilitation Clinic. Director Rick Schubert brought several animals with him, including the King Snake and Black Vulture pictured here.

Events Calendar

May

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

