



# CREDIT Union Lines

TOOLS AND RESOURCES FOR CREDIT UNIONS • FEBRUARY 2010

## THE BLUE PAPER

of the Month

### “THE NEW ‘MOVE YOUR MONEY’ CAMPAIGN IS GAINING MOMENTUM — FAST.”

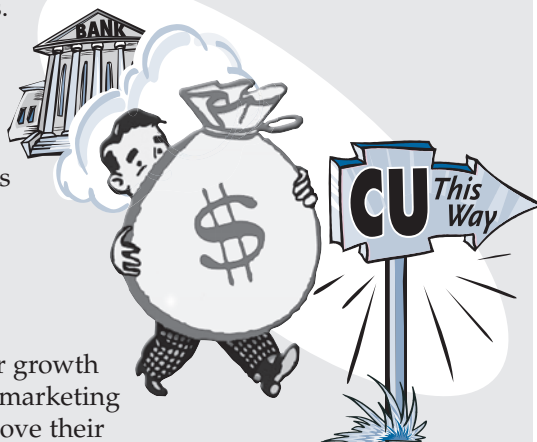
No one could really have guessed that a simple posting on a single website would grow into a national movement that would become so important to Credit Unions.

But it did.

“Move Your Money” is the new red-hot campaign that is echoing how Americans are feeling across the country.

This is a *once-in-a-lifetime opportunity* for Credit Unions to do two things:

1. Use this movement to foster growth in your own Credit Union by marketing the idea that people should move their accounts to your CU; and
2. Dramatically emphasize the difference between banks and Credit Unions.



What started as a one-time website entry has become the subject of:

- An explosion of hits on the Internet.
- Lengthy features on major email sites like AOL.
- A multitude of television programs promoting the campaign.
- Features in *Time*, *Newsweek*, *The Nation*, and other magazines.
- Newspaper stories from coast to coast.
- And a very popular website for the budding cause: [moveyourmoney.info](http://moveyourmoney.info).

That’s why this month’s AIL *Blue Paper* is titled **“THE NEW ‘MOVE YOUR MONEY’ CAMPAIGN IS GAINING MOMENTUM — FAST.”**

It would be a shame to waste this made-to-order opening. ♦

*For your complimentary copy, just contact your AIL representative or call the AIL Credit Union Center at 800-278-6661.*

## Trends and Topics

### CONSUMERS CITE SAVINGS AS LOWEST FINANCIAL PRIORITY

“Increase savings” was the number one priority of only 6 percent of respondents to a recent National Foundation of Credit Counseling (NFCC) online survey. Most cited “decrease debt” as their primary goal (76 percent), with “improve my credit score” and “decrease my dependence on credit cards” ranking a distant second and third at 11 percent and 7 percent, respectively.

“Decreasing debt is certainly a worthwhile goal. However, seeing only 6 percent of respondents citing saving as top financial priority is worrisome,” said NFCC spokesperson Gail Cunningham. “The problem is compounded when contrasted against the advice given by the

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**Survey Respondents’ #1 Resolution**

- Decrease debt – 76%
- Improve my credit score – 11%
- Decrease my dependence on credit cards – 7%
- Increase savings – 6%

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## Trends and Topics

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NFCC member agency CEOs who listed savings as their number one tip for financial stability. This disparity suggests a real need for financial education." The NFCC has



NATIONAL FOUNDATION FOR  
CREDIT COUNSELING

*Knowing the difference can  
make all the difference.*

been recommending that consumers move 10 per-

cent of monthly paystubs into savings, but admits that "squeezing even an extra 10 percent out of an already tight budget can often be challenging."

"The most effective way of finding hidden money in your budget is to track your spending for 30 days," continued Cunningham. "Being able to see in black and white where your money goes allows you to make conscious decisions about your spending moving forward." ♦

## ANY CREDIT UNION TOPS BANKS, SAY CONSUMERS

"A credit union" tops the nation's big banks in meeting the needs and expectations of consumers, according to responses to Forrester Research's third annual Customer Experience Index. Forrester ranked firms in 14 different areas, including the banking industry.

The late 2009 survey asked more than 4,600 U.S. consumers about their interactions with a variety of organizations, scoring those experiences in three areas: "meets needs," "easy to work with," and "enjoyability." The results were then melded into an overall score.

Only credit unions ranked "excellent." Financial institutions as a whole ranked seventh among the 14 different industries represented, and rankings for several fell sharply this year, apparently because of turmoil in the industry.

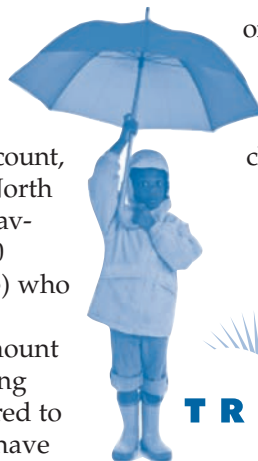
"The mergers and acquisitions activity in the banking industry has clearly hurt customer relationships, so banks should refocus their attention on customer experience in 2010," said report author Bruce Temkin. ♦

## Marketing Tips of the Month

### "RAINY DAY" ACCOUNTS FLOOD CU WITH SPARE CHANGE

Just 14 months after launching its "Rainy Day" account, Truliant Federal Credit Union in Winston-Salem, North Carolina has reached the \$1 million milestone. The savings total came from the deposits of more than 5,200 members (about 3 percent of the CU's membership) who signed up for the account.

For those members who use the product, any amount to the right of the decimal point left in their checking account at the end of each business day is transferred to savings. To qualify for the service, members must have



online banking or phone teller access, as well as a preferred line of credit or CheckProtect in place.

It's the equivalent of dropping spare change into a jar — except that it's automatic, explains Truliant's Director of Deposit Servies, Donnie Peaks. "We wanted this to be a systematic savings program ... [but] we didn't want our members to have to spend to save. This allows them to save without a lot of effort."

The average transfer is between 47 and 54 cents each day. ♦

## PROGRAM CHALLENGES MEMBERS TO CHANGE MONEY HABITS

FORUM Credit Union in Indianapolis, Indiana recently completed its 2009 phase of a challenge designed to encourage members to save money, change their spending habits, and become better managers. Participants who completed items in such categories, as budget, thrift savvy, goals, and education were entered to win up to \$5,000.

To help members get involved, the credit union provided tools and information on the SAVEitUP website —

ranging from budget worksheets and savings blogs to articles and resources from money management expert and syndicated radio host Dave Ramsey. Financial coaches also were available to follow up and help members stay on course. As further encouragement, participants shared their stories and challenges along the way on a "Featured Savers" section of the website.

"One of the ideas we were trying to push is that you need to control your money, not let it control you," said



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## Marketing Tips of the Month *(continued)*

FORUM CU Marketing Manager Courtney Keeler. For the 2010 challenge, Keller said the push will be for members to create their own goals and strategies, while working with a personal financial accountability partner

at FORUM branch locations. Plans are also underway for participants to sign up and update their progress online. The CU is looking to input from members on changes they'd like to see in the program in 2010. ♦

## Legislative Dispatch

### DEMOCRATS EYE NEW PUSH FOR FINANCIAL OVERHAUL

The Democratic congressional leadership is expected to put renewed emphasis on passing legislation to overhaul financial industry regulations, seeing it as a popular election year move in light of public disgust for business as usual on Wall Street. Meanwhile, the White House has reiterated its support for one of the most controversial elements of the package — the creation of a separate Consumer Financial Protection Agency to regulate such products as mortgages and credit cards. The provision is included in the draft legislation the administration sent to Congress last summer and is a core component of the House-passed bill.

Although Senate Banking Committee Chairman Christopher Dodd (D-CT) had considered dropping the agency provision in the interest of moving the bill forward, the focus is now on reaching a compromise on the issue with the committee's ranking Republican member, Senator Richard Shelby (R-AL). ♦

### REPUBLICANS PRESSURE OBAMA ON FANNIE AND FREDDIE

A group of 70 Republicans — including House Minority Leader John Boehner (OH), Republican Conference Chairman Mike Pence (IN), and Representative Spence Bachus (AL), the top Republican on the Financial Services Committee — signed a letter to Treasury Secretary Timothy Geithner demanding the restructuring of mortgage finance companies Fannie Mae and Freddie Mac.

"Awarding pay packages with hefty bonuses to government-owned entities while still lacking a comprehensive plan for reform demonstrates a disconcerting lack of judgment on the part of the Treasury Department and the FHFA," said the letter, drafted by Representative Jeb Hensarling (R-TX). Late in 2009, the Treasury Department uncapped the federal credit lines of Fannie and Freddie, previously set at \$200 billion each. The two companies have tapped about \$110 billion to date. Supporters of the move argued at the time that Fannie and Freddie played a critical role in propping up the fragile housing market.

So far, the two companies have been left out of the debate over financial regulatory reform; however, House Financial Services Committee Chairman Barney Frank (D-MA) said recently that his committee will look at the whole question of housing finance in 2010. ♦

### CONGRESS MAY ACT TO RAISE MBL CAP

Bipartisan groups of lawmakers in the House and Senate are attempting to persuade colleagues crafting a jobs creation bill to include provisions to raise the MBL cap from 12.25 percent of assets to 25 percent.

Credit unions are "ready to expand their business lending," and lifting the cap would enable them to do so by \$10 billion in the first year while creating 10,000 new jobs, House Financial Services Committee member Brad Sherman (D-CA) wrote House Education Committee Chairman George Miller (D-CA).

Representatives Paul Kanjorski (D-PA) and Ed Royce (D-CA) introduced legislation to raise the cap and increase the minimum dollar amount for counting a loan toward the MBL ceiling — from the current \$50,000 to \$250,000. Their bill would also exempt from the ceiling member business loans made to qualifying underserved areas and to nonprofit religious organizations and give the NCUA the flexibility to allow less well-capitalized credit unions to make member business loans.

Legislation to raise the cap, introduced by Senator Mark Udall (D-CO), is also pending in the Senate. Unlike the House bill, however, it would not give the NCUA flexibility on MBLs, nor would it exempt from the ceiling member business loans made to qualifying underserved areas and nonprofit religious organizations.

NAFCU President Fred Becker noted that it was significant that legislation had been introduced in both Houses of Congress. "We believe this sends a strong signal that Congress will recognize the great resource that credit unions represent to small business and to our nation's recovery overall," he said. NCUA Chairman Deborah Matz issued a statement of support. "This legislation is a welcome demonstration of the growing congressional interest in enhancing the ability of credit unions to help small businesspeople," she said. ♦

## Technology Report

### NEW BLOG HELPS KEEP CUs IN THE KNOW

The recently launched CUWaterCooler.com draws on some 12 credit union thought leaders to serve as “editors” who tag what they deem to be some of the most relevant industry stories of the day.

The new blog — supported by Filene Institute and Currency Marketing — is the brainchild of Filene Innovation Implementation consultant/popular blogger CUWarrior Matt Davis. There are also plans to introduce a weekly podcast series in which a revolving cast of editors will discuss and debate the most popular stories of the week. The goal is to create conversations and fully maximize the reach offered by social media channels such as Twitter.

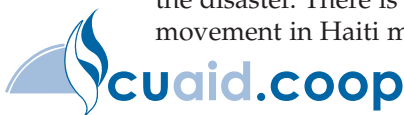


“We have assembled some of the most active members of the online conversation to do the filtering for you,” writes the CUWarrior on the new blog. “This process will reveal the stories that, collectively, the editors agree are most worth reading.”

As for the planned radio/podcast series, Davis says, “This should be a fun way to deepen the conversation, get more people involved, and introduce you to voices outside the credit union social media echo chamber ... Grab a Dixie cup and join the conversation.” ♦

### CUs RAISE EMERGENCY FUNDS FOR HAITI

In the wake of the powerful 7.0 earthquake that hit Haiti on January 12 and devastated much of the capital city of Port-au-Prince, the National Credit Union Foundation, in conjunction with the World Council of Credit Unions (WOCCU), has activated the online disaster relief system CUAid.coop. The organization is raising money for credit union employees, volunteers, and members affected by the disaster. There is an active credit union movement in Haiti made up of 175 credit unions serving 404,090 members, according to WOCCU.



Donations raised through CUAid for Disaster Relief in Haiti will be disbursed by WOCCU. The organization has begun a preliminary assessment of the devastation caused by the earthquake and its impact on WOCCU’s program in Haiti and the credit unions the program serves. The evaluation is being managed by Dave Richardson, the WOCCU senior manager who oversees the Haiti program, and Greta Greathouse, the program’s chief of party, who manages operations on the ground in Haiti.

“Once WOCCU is able to assess all credit union damage, we will begin a formal rebuilding program to get credit unions back on their feet and assist them in helping as many members as possible,” Richardson said. Those efforts will include providing assistance to rebuild credit unions, training credit union staff to implement emergency loan programs, and crisis management strategies.

## Serving the Community



By June 20, donations through the National Credit Union Foundation’s CUAid program had reached \$261,500. ♦

### GREETINGS TO TROOPS PROGRAM WINDS UP SIXTH YEAR

First organized in 2004 by WesCorp Credit Union, each holiday season, Operation Best Wishes invites military families to record and send a video-based webcast greeting to a special person who will not be with the family because of deployment overseas.

Starting Halloween week and continuing through New Year’s Day, Operation Best Wishes sets up a mobile webcast studio at credit unions across the country. Military family members and friends are invited to the studios to record their greetings.

Military deployed abroad or anywhere in the United States can view the message as it is webcast and respond back to the studio through instant text messaging. If they miss the live



webcast, they can easily access the archived greeting on the Operation Best Wishes website again and again, at a more convenient time or when they can access the Internet. The service is free.

In 2009, 17 military credit unions and the Defense Credit Union Council, in addition to WesCorp, were involved in the program. ♦



**Comments? Suggestions? Questions?**

**Call the Credit Union Center Hotline:**

**1-800-278-6661**