



CREDIT Union Lines

TOOLS AND RESOURCES FOR CREDIT UNIONS • MARCH 2010

THE BLUE PAPER

of the Month

“THE IDEAL WAY TO SHOW YOU’RE NOT A BANK: END-OF-YEAR REBATES.”

End-of-the-year bonus dividends!

Why have they suddenly become the newest hot marketing tool?

There are three reasons:

■ Hundreds of Credit Unions, coast to coast, have found these rebates are a successful way to increase Member loyalty.

■ CUs have found that this is the ideal time to show Members and legislators how Credit Unions really are different from banks.

■ Successful CUs have recently developed a multitude of new ways to market these rebates for maximum increases in loyalty and exposure.



That’s why this month’s American Income Life Blue Paper is titled **“THE IDEAL WAY TO SHOW YOU’RE NOT A BANK: END-OF-YEAR REBATES.”**

This issue tells you what successful Credit Unions are doing and shows you some of the innovative marketing programs they are using. ♦

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

Trends and Topics

MOBILE BANKING INCREASING WITH CELL PHONE OWNERSHIP

Nearly all Americans now own a cell phone (92 percent) and 17 percent use mobile banking, according to the results of Mobile Marketing Association’s latest U.S. Consumer Briefing survey. Interest levels revealed by the survey, conducted by Luth Research, also suggest that usage will grow to 22 percent within the next year.



“This study shows that mobile banking is a major opportunity, both today and over the long term, with applications rapidly emerging as one of the most popular ways that U.S. adults bank on the go,” said Peter A Johnson, MMA’s vice president of market intelligence.

“The data provides clear evidence that mobile is becoming a viable platform for banking,” said

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Trends and Topics

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Jacqueline Rosales, executive vice president of business development and client service for Luth Research. “The task at hand for marketers in mobile banking is to

migrate consumers from engaging in primarily informational services, such as checking account balances, to using transaction-oriented services.” ♦



NY CREDIT UNION BENEFITS FROM “MOVE YOUR MONEY”

A jump in new account openings at Lower East Side People’s Federal Credit Union, headquartered in Manhattan, coincides with the launch of Huffington Post’s high-profile “Move Your Money” effort. The campaign urges Americans to move their accounts from the big national banks that were bailed out by the government to community banks and credit unions.

LESPFCU staff reported that the number of new accounts has doubled since the “Move Your Money” movement began, and the amount of money members are bringing in has increased, as well.

Sherley Soto, member services manager for the credit union, said it’s too soon to say if LESPFUCU is seeing a trend or merely a blip from the increased publicity, but so far the CU is opening 10 to 14 new accounts a week when it normally



opened five to seven. New member behavior is different too. Previously, according to Soto, new members were satisfied with depositing \$25 to open a share account and maybe another \$25 to open a checking account; however, the more recent new members are depositing larger sums and asking about the credit union’s other products and services.

In another boost to New York credit unions, Mayor Michael Bloomberg recently expressed strong support for the deposit of public funds with credit unions.

“We’ll seek to deposit \$25 million in city tax dollars in federally insured and regulated credit unions,” the mayor said. “It’s a relatively small amount of city resources, but it will have a big impact by allowing credit unions to make more loans to more low-income families.” ♦



Technology Report

CU LAUNCHES “YOUNG & FREE TENNESSEE” WEBSITE

ORNL Federal Credit Union in Oak Ridge, Tennessee, has launched a new website — youngfreetennessee.com — and is auditioning online for a spokesperson to “be an advocate for Tennessee’s 25 and under crowd” and represent the credit union.

The spokesperson will be responsible for writing blogs, creating videos, attending events, and using Facebook and Twitter to connect with other 18-25 year olds. The position will last for a year, and the spokesperson will be set up with the “tools of the trade,” including a notebook computer, video camera and accessories, cell phone, and vehicle with gas for the duration of the term, along with a salary.

Developed by British Columbia-based Currency Marketing, Young & Free is a financial management program designed to encourage 18-25 year olds to effectively manage their money through nontraditional media. ♦



UW CU HELPS MEMBERS MANAGE MONEY

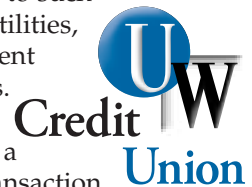
This year UW Credit Union is giving its members a gift — better understanding of their spending.

The Madison, Wisconsin-based credit union has unveiled Money Management Tools, a free customized online expense tracking and reporting tool.

Members can assign categories to transactions and make notes on each one. In addition to such categories as home, groceries, and utilities, members can assign labels for different family members or particular events.

The tool also provides transaction-based alerts to let users know when a particular check clears or when a transaction posts from a certain store. Members will also be able to view a chart or graph of transaction histories by category, label, description, date, or dollar amount.

The move is designed to help members find additional ways to save and budget by providing an easy to use online tracking tool. ♦



Marketing Tips of the Month

CU TO UNVEIL ONLINE VENTURE WITH DINING CLUB

Redstone Federal Credit Union in Huntsville, Alabama will soon offer card discounts to members through a joint online venture with an Alabama dining club.

The marketing tie-in with the Heritage Dining Club of Huntsville will allow CU members to receive \$25 monthly discounts “as another way to demonstrate there is real value in belonging to this credit union,” said Joseph

REDSTONE
FEDERAL CREDIT UNION

Newberry, Redstone’s president and CEO. Newberry added

that the popular dining club may use the credit union website to promote itself in a vendor linkup that could expand CU retail ties.



The new venture is an outgrowth of Redstone’s partnership with the northern Alabama YMCA, through which local subscribers to the YMCA’s health and fitness facilities get lower rates if they show their Redstone ATM or debit card.

“You can advertise all you want about safety and soundness, but I think we have to look in other directions to show that being a credit union member has real worth,” said Newberry. “Linking up with this supper club is one way we can approach reaching new markets.” ♦

Legislative Dispatch

FANNIE AND FREDDIE OVERHAUL TO WAIT UNTIL NEXT YEAR

The White House will not have a firm plan for restructuring Fannie Mae and Freddie Mac until next year, according to Treasury Secretary Timothy Geithner.

Testifying before the House Budget Committee, Geithner said, “We are going to propose reforms to Congress next year to make sure we bring about fundamental change in the housing market and get ourselves in a position where the government is playing a less risky but more constructive role in supporting housing markets. That’s going to be a difficult set of reforms.” He told lawmakers that the administration wants to make sure that it proposes the changes “at a time when we have a little more distance from the worst housing crisis in generations.”

House Financial Services Chairman Barney Frank (D-MA) has said that he plans to schedule a hearing soon on the future of mortgage finance.

Fannie and Freddie were placed into government conservatorships nearly a year and a half ago, yet there seems to be little consensus among policymakers about how they should be restructured. ♦

PRESIDENT PROPOSES TEMPORARY INCREASE IN SBA CAP

In a new effort to jumpstart business lending, President Obama has proposed temporarily increasing the cap on SBA Express loans from \$350,000 to \$1 million.

The loans are currently capped at \$350,000 and carry a 50 percent guarantee. Fees would cover virtually all of the added costs of the proposal, the SBA said. The President has also proposed expanding SBA’s 504 program to temporarily support refinancing for owner-occupied commercial real estate loans. ♦

SENATOR DODD DELAYS RELEASE OF FINANCIAL REGULATORY REFORM PACKAGE

Senate Banking Committee Chairman Christopher Dodd (D-CT) had been expected to introduce financial regulatory overhaul legislation during the week of March 21, but with negotiations continuing, the announcement was put on hold. Meanwhile, the ranking Republican on the committee, Senator Richard Shelby (D-AL) is working on an alternative measure, since he and Dodd reached an impasse in early March.

One of the biggest sticking points is the creation of an independent Consumer Financial Protection Agency, which Republicans oppose and the White House supports. Another issue to be resolved is the proper role of the Federal Reserve, with some favoring eliminating the Fed’s role in banking supervision and having it focus mostly on monetary policy. There is also some disagreement on how to proceed with the administration’s “Volker Rule,” which would ban banks from trading activities not conducted on behalf of clients.

Financial overhaul legislation passed by the House in December included an independent consumer agency that would be funded by assessments on the banking industry. ♦



Finding a creative way to help members who have lost their jobs was the impetus behind a new benefit offered by Local Government Federal Credit Union in Raleigh, North Carolina. The CU has added “unemployment protection” to its share term certificates, giving members the option of withdrawing funds from the certificates early without penalty. The solution “works for our members even if they aren’t,” said CU President Maurice Smith.



“Right now, people need a helping hand more than ever,” Smith added. “The waived penalty may not be that much, but it’s the peace of mind that comes with knowing you can access your money if you need it — that’s what we want for our members.”

The move is timely, as the current North Carolina unemployment rate is about 11 percent. ♦

CU HELPS TO BUILD HOME FOR HOMELESS YOUTH

Through its foundation, and in partnership with the North Carolina Housing Finance Agency, North Carolina State Employees’ Credit Union is providing a zero percent construction loan of \$500,000 for construction of a maternity home that serves homeless and runaway youth.

The loan will save \$30,000 to \$40,000 in building costs for the new With Friends Residential Maternity Home in Gaston County. With Friends, Inc. is a nonprofit organization serving youth who are homeless, run-

WITH FRIENDS, INC.
Youth Shelter Services



Don't be alone when you can be "With Friends"

ways, or in crisis because of family dysfunction or lack of connections with adults and the community.

Residents will be provided an individual service plan consisting of housing, education, employment goals, training, and other child-related services. The project is a one-story, 5,800 square foot facility with six bedrooms, private baths, and com-

State Employees’ Credit Union mon areas, including a



kitchen, dining room, playroom, computer lab, and counseling center. ♦

Serving the Community



CU GIVES \$30,000 TO HOSPICE FOR KIDS

The Suncoast for Kids Foundation, funded by Suncoast Schools Federal Credit Union in Tampa, Florida, recently awarded a \$30,000 grant to a hospice program for infants, children, and adolescents.



Hope HealthCare Services’ Hope Kids Care program provides developmentally appropriate care to children with



life-limiting conditions. Part of Hope Kids Care is the Rainbow Trails bereavement day camp for children ages six to 16 with a life-limiting or long-term illness and children who have experienced the death of a parent or sibling. Each year, about 80 children attend the camp at no cost to their families, according to Suncoast. ♦



Suncoast Schools Federal Credit Union
WHERE SMART PEOPLE KEEP THEIR MONEY.



**Comments?
Suggestions?
Questions?**

**Call the Credit Union Center Hotline:
1-800-278-6661**