

# Service Issues

An E-publication from the Delaware League Services

**Third Quarter 2009**



## **Need More Auto Loans? CUDL Can Help!**

The CUDL program is beginning to take root in Delaware. Managed by the Northeast Regional office in Marlborough, MA the company now has a dedicated Delaware Area Representative, who has been busy establishing dealer relationships and presenting the CUDL product throughout the state. New credit union clients in Delaware have access to the CUDL AutoSMART solution, which provides their members with a state-of-the-art auto buying, research and shopping tool. CUDL is proud to welcome Sussex County FCU as the first Delaware credit union to partner with CUDL.

### How CUDL Started

CUDL® was the nation's first indirect lending platform for credit unions. Originally founded by the Golden One Credit Union (California) in 1989, it was developed around the simple idea of credit unions and auto dealerships working together. Today, CUDL is the nation's leading provider of automotive lending technology products and services for credit unions. CUDL is a CUSO owned by 83 credit unions and credit union organizations throughout the country and enjoys a client list comprised of approximately 700 credit unions representing over 18.4 million members and 8,800 auto dealerships.

Based in Ontario, California, CUDL's field organization is comprised of 10 regional offices. The Northeast Regional team (based in Marlborough, MA) consists of 16 local team

members serving the needs of credit union and dealer clients throughout the 10 Northeast states.

### Credit Union Friendly

CUDL products and services are developed specifically for credit unions. They are designed to improve processing efficiencies, improve risk management capabilities and create more marketing opportunities for credit unions.

CUDL provides a web-based portal between automotive dealers and credit unions, allowing credit union members to get credit union financing right at the dealership. In order to improve risk management and cost efficiencies, credit unions can utilize CUDL's own automated decision engine or can utilize their existing decision engines. Integrated solutions have also been developed with credit union data processing systems allowing for improved processing and cost efficiencies.

### Are You AutoSMART? ([www.cudlautosmart.com](http://www.cudlautosmart.com))

According to J.D. Powers & Associates, 75 percent of new car buyers use online research tools before purchasing their next vehicle. Credit unions have embraced this concept, and based on data from Callahan & Associates' Auto Lending report, 79 percent of all credit unions surveyed offer online auto buying to their members.

CUDL's AutoSMART product for credit unions is a state-of-the-art auto buying research and shopping tool. Designed specifically for credit unions and their members, the site provides members the most complete library of automobile shopping resources available online. This valuable service offers members a robust, information-rich vehicle shopping and research experience, providing the very latest car reviews, articles, tips, and advice to assist them with their vehicle buying needs.

A customized AutoSMART website helps strengthen and reinforce a credit union's brand and identity. AutoSMART, unlike other online automotive research sites, does not permit links to competing lenders, which may direct your members' loans elsewhere!

Members can access AutoSMART by clicking on a link from the credit union's website. Through the credit union's website, your members have the ability to:

- Research and compare vehicle makes and models.
- Search CUDL's online inventory of used vehicles
- Obtain credit union rates and apply online for a loan.
- Look up used vehicle values in any of three industry guides
- Obtain a credit report from major bureaus
- Find a local participating AutoSMART dealer
- Request a quote from up to 5 CUDL AutoSMART dealers
- Obtain a Carfax or AutoCheck vehicle history report
- Tips and advice in automobile financing
- Bid on used credit union repo vehicles
- Learn about and search for certified pre-owned vehicles

The AutoSMART website product is available to all credit unions, regardless of their point-of-purchase program status with CUDL. This website is a "stand-alone" product now available through CUDL and can be customized in many ways to fit a credit union's needs. AutoSMART keeps your members coming back to your credit union's website and reinforces your credit union's commitment to keeping your members informed.

### National Lending Network

CUDL continues to grow and develop technology-related products and services aimed at improving credit unions' ability to compete in the point-of-purchase lending arena. CUDL credit union clients are always in control of their own programs, their own underwriting guidelines and their own marketing activities. If you are interested in improving processing efficiencies, improving risk management capabilities or creating more marketing opportunities for your credit union, please contact CUDL today. For more information about CUDL, go to our corporate website at [www.cudl.com](http://www.cudl.com). For more information about AutoSMART, go to [www.cudlautosmart.com](http://www.cudlautosmart.com). To discuss how CUDL can help you, please contact Rick Ditaranto, Delaware Area Representative at (856) 831-2138 or Carol Miller, Area Manager at (814) 504-1309.

## **“Strategic Facility Planning – Smart Choice in Managing Facilities”**

Written by James G. Caliendo, PWCampbell President & Chief Operating Officer



In the recent Credit Union industry and economic downturn many credit union executives are taking the opportunities to plan for issues relating to facilities. Credit Union Executives across the country labor over facility issues like the following:

- How can I refresh my existing branch network?
- Where and when to branch?
- Will technology someday relieve the expenses of brick and mortar?
- When should I consider adding space to my operations center?
- Is this branch profitable or busy enough to remain open? Should it be sold on consolidation?
- How can I utilize the total space in all buildings efficiently and generate fee income?

These facility issues pressure income statements and growth goals each and every day.

Instead of solving each of these issues individually... why not consider them as a total global issue through developing a strategic facility plan? And, now is the time to plan.

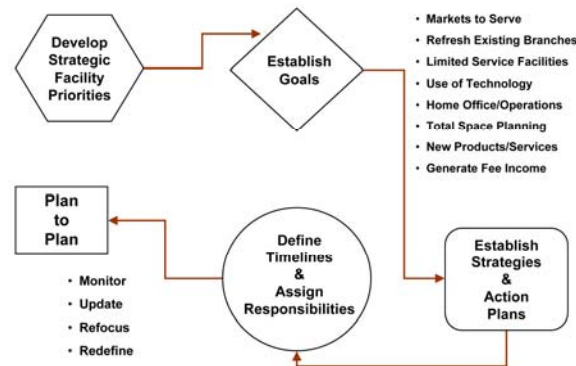
Strategic Facility Planning is a systematic holistic process of defining your Credit Union's priorities and needs for retail delivery and a quantitative analysis to determine home office space needs.

The process usually unfolds in these 5 steps:

### Strategic Facility Planning Model

Step 1 - Gather your Board of Directors and management team and hold a planning meeting to develop strategic facility priorities. Using a third party facilitator is recommended.

Step 2 - Develop goals and action plans that are time-lined and assign responsibilities. Goals and action plans should span a 3 to 5 year period.



Step 3 - Present a draft plan to your Board of Directors to obtain input and absolute consensus.

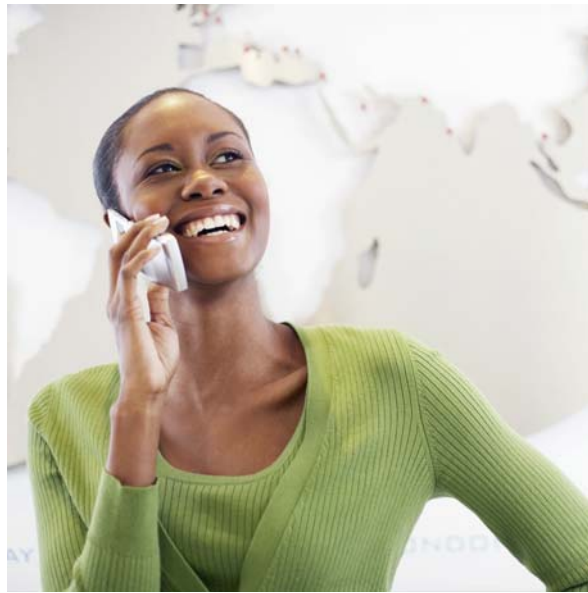
Step 4 - Develop a "Plan to Plan" that requires quarterly reviews to change and update the Plan. A Plan that is written, but not implemented is not a Plan at all. This may be the most important step of all.

Step 5 - Communicate the Plan elements to key stakeholders of the Credit Union and update them as significant changes are made.

Facility Plans are addendums to the Credit Union's Business Plan and need to be treated as such.

Through Strategic Facility Planning, Credit Unions are looking forward and accomplishing facility goals in a proactive, systematic manner... you owe it to your Members, Staff and Community.

(For further information on Strategic Facility Planning, contact Kevin Poirot, Vice President, at (800) 253-7430, extension 330.)



## **BEING YOUR CREDIT UNION MEMBER JUST BECAME BETTER!**

Now you can offer your members great savings on their wireless phone needs from Sprint Nextel. Through a special arrangement with the Michigan League's CUCorp credit union members now qualify for a 10 percent discount on most individual liable monthly recurring charges (service rate plans and features), a 15% discount on all corporate liable monthly recurring charges, and discounts on corporate liable accessories. In addition to the monthly savings, activation fees on new lines and upgrade fees will also be waived.

The discount also includes coast-to-coast coverage, simplified calling plans, national rates with no roaming and long distance charges and the advantage of keeping their existing phone numbers, regardless of the provider they are currently with. Members who are existing Sprint Nextel customers can also take advantage of this opportunity.

Marketing materials are provided to you at no charge, plus your credit union can earn marketing incentives! Credit union members who are existing Sprint Nextel customers are also eligible for the savings.

**Sign up with Sprint Nextel today! Your members will love you for it!**

For more information about this new program, contact Jane Bailey at 302.322.9341, 800.292.7875 or at [jane@dcu.org](mailto:jane@dcu.org).



## **iPAY TECHNOLOGIES PARTNERS WITH MY CU SERVICES TO BECOME THE MARKET LEADER IN BILL PAYMENT SERVICES TO CREDIT UNIONS**

iPay Technologies, the leading independent online bill pay provider for financial institutions, announced that it has partnered with MY CU<sup>o</sup> Services, a subsidiary of Mid-Atlantic Corporate Federal Credit Union, to provide its bill payment product to all of the credit unions that use MY CU bill payment services. The partnership will combine the great service that members are accustomed to receiving from MY CU with iPay's superior bill pay product.

"iPay's innovative products and exceptional customer service make them a great partner for our online bill payment service," stated Drew Kishbaugh, president and CEO, MY CU Services.

The partnership further advances iPay's position as the market leader in bill payment service to community financial institutions. iPay currently provides bill payment services to over 2,800 financial institutions. An additional 800 financial institutions are under contract to begin service later this year, bringing the total number of financial institutions using iPay's bill pay service to over 3,600. Of these 3,600, more than 1,600 of them are credit unions, putting iPay's market share amongst credit unions with bill pay at over 51%.

"iPay has been dedicated to providing outstanding bill payment services to community financial institutions since its inception," said Dana Bowers, founder and managing partner, iPay Technologies. "We are extremely pleased that MY CU Services, a leader among service providers in the credit union industry, has selected iPay as the best bill payment product for its members."

"We continue to execute on our mission of providing best-in-class bill payment products to community financial institutions through our network of financial services partners. We are proud to now include MY CU Services amongst our network of over 50 financial services partners," said Bill Ready, president, iPay Technologies.

### **About iPay Technologies**

iPay Technologies is the leading independent provider of Internet bill payment services. Founded in 2001, iPay develops and fully supports consumer and small business online bill pay solutions for more than 2,800 financial institutions nationwide and in Puerto Rico. iPay offers exceptional customer service with a U.S. based customer service center of bill pay experts who resolve 9.5 of every 10 calls within the first five minutes. iPay offers a 99.93%

payment success rate with more than 1,200,000 bill pay customers, and over 4,000,000 payments processed each month. The company is owned by Spectrum Equity Investors, Bain Capital Ventures, and management. More information about iPay is available at [www.ipaytechnologies.com](http://www.ipaytechnologies.com).



### **EXPENSE REDUCTION ON SHARE DRAFT PROGRAM WITH DELUXE/DCUL COOPERATIVE PROGRAM**

In today's economic climate, doing more with less has become even more critical. But, if it feels like a tall order to reduce share draft check program expenses and increase profitability while also enhancing member satisfaction, the Deluxe/DCUL Cooperative Share Draft Check Program can help. Start controlling costs and increasing the profitability of your share draft check program today. For more information, contact your Deluxe representative, Scott Cleary at (973) 900 3829. You can make the league aware of your desire to have Deluxe contact them by providing a

contact name and phone number.

### **CUs SHOULD TOUT CONSUMER-FRIENDLY CARD PRICING, SAYS NEW WHITE PAPER**

As many banks are forced to retool their business models because of recently passed legislation that limits certain predatory lending practices, credit unions should tout their continued use of consumer-friendly credit card pricing, says a new CUNA Lending Council white paper.

"Credit Cards: Strategies for Managing Your Program Actively and Structuring it for Success" examines various ways that credit unions can structure and manage a credit card program for success. Specifically, the paper discusses: active management and proper program structure, card program enhancements, marketing, fraud prevention, cost containment, and industry trends. It also includes a review of new credit card laws and regulations along with four credit union case studies of successful credit card programs.



“Credit union management must make their card programs core products if they are to succeed,” said Lloyd Gill, lending council chair and executive vice president of City County CU in Ft. Lauderdale, Fla. “By structuring their credit card programs correctly, credit unions can add features and benefits that enable them to compete effectively in the market.”

In the paper, Bob Hackney, president of Card Services for Credit Unions in Clearwater, Fla., offers credit unions this advice: “Most credit unions are concerned with minimizing expenses and losses right now, but it’s still important to focus on driving revenue. Focus on doing portfolio reviews, revalidating credit limits, and setting appropriate rates based on a risk-based lending model, rather than on doing new solicitations.”

CUNA Council members are entitled to complimentary copies of these white papers; non-members may purchase the white papers for a price of \$50 per copy. The papers are available online at [www.cunacouncils.org](http://www.cunacouncils.org); select the “Cross-Council White Papers” link located in the “Tools and Resources” drop-down menu. Select the “Lending” tab for the credit card paper or the “HR/TD” tab for the training paper. Non-members should follow the non-member link to order.



## MANAGING YOUR RETIREMENT PLAN POST-2008 - STEPS YOU SHOULD TAKE

If you’re like most Americans, your retirement savings have suffered a set-back in 2008 and early 2009. The closer to retirement you are, the more painful the set-back may have been.

It’s time for a fresh start! It’s time to regain your confidence and perspective, but most importantly, take back some control over your retirement savings. The following actions will help you get started.

### Add it up.

Remember those pesky statements that you’ve been afraid to open up and look at? Well, it’s time to round them up (401(k)s, IRAs, mutual funds, credit union accounts, etc); add up the totals to see where you stand. It may be better or worse than you thought. Knowing the current value of your retirement savings will help you determine how much you need to save going forward.

### Rerun the numbers.

Once you know the value of your retirement savings and you also know how much you’re saving each month, go to an on-line retirement calculator to estimate how much you should be saving to meet your goals. The results shouldn’t be a big surprise. You may have to save even more now. Remember that most calculators allow you to adjust several factors, such

as your savings rate, your retirement date or your retirement income. You may be surprised at how extending your retirement age or slightly decreasing your retirement income goals can impact your savings needs.

### **Revisit your risk tolerance.**

When the stock market is stable or rising, many people over-estimate their ability to withstand a fall in account values. It's easier to stomach the "concept" of a market decline rather than the reality of one. Now that we've gone through the biggest stock market losses since 1931 (that's the Great Depression), people are finding out they're not as bold as they thought.

If safety and capital preservation is a top concern, you may want to consider building in some guarantees with stable value options. Stable value accounts are not subject to market fluctuation and may be appropriate for the dollars that you absolutely cannot afford to lose.

### **Double check your asset allocation.**

Having the right blend of investments is the key to successful long term investing. Even though you may feel that diversification let you down in 2008, remember, just about everything went down last year; some assets simply dropped more than others. Diversification, using a proper asset allocation strategy, is a long-term strategy and pays off over an extended period of years (not just a few months or a couple of years). The losses of last year were painful and the urge to get out of stocks altogether is understandable. The other extreme involves getting overly aggressive in an effort to "roll the dice" hoping to recoup your losses. Neither approach is a healthy one.

Establishing a long-term asset allocation strategy that is consistent with your risk tolerance and investing time horizon (the number of years until retirement) is a better way to go. It's good to re-visit your asset allocation "mix" every 2-3 years just to make sure it's still the right one for you.

If your plan offers asset allocation accounts, you may want to consider these and let the investment professionals handle the asset allocation decisions. A target date option involves selecting the account that falls closest to the year you want to retire. The professional investment manager automatically adjusts the allocation to a more conservative mix as you approach retirement. Another option is called target allocation or "target risk" and generally includes conservative, moderate or aggressive choices. If you choose this route, be sure to evaluate your risk tolerance every few years to make sure your strategy matches your lifestyle (i.e. someone within one year of retirement probably shouldn't be in the aggressive choice).

### **Be honest with yourself.**

Take a good hard look at how much you have saved and how many years are left before retirement. Are you really saving enough? If you know you're not saving as much as you need to save to meet your retirement income goals, admit it and either adjust your retirement vision or increase the amount you save. Don't fall into the irrational trap of feeling that everything will be OK. Except for the lucky few, money doesn't just magically

appear when you need it. The amount you have at retirement is a direct result of the actions you take during your working years.

**Following the 5 steps above are valuable to everyone at this time. Completing the steps will help you regain control of your retirement savings again. Your credit union may have resources and retirement planning tools available to help you through the steps.**

**For additional information on retirement plans, such as 401(k) plans, from CUNA Mutual Group call 877.345.GROW, option 3.**



## **VERAFIN SIGNS 200<sup>TH</sup> U.S. CREDIT UNION FOR ANTI-MONEY LAUNDERING SOLUTION**



(St. John's, Newfoundland and Labrador, August 6, 2009)  
Verafin, a leader in anti-money laundering (AML) and fraud detection solutions and a strategic alliance partner of CUNA Strategic Services, Inc., announced today the signing of its 200<sup>th</sup> U.S. credit union customer, OnPoint Community Credit Union located in Portland, Oregon.

Verafin's BSA/AML compliance and fraud detection software will help OnPoint Community Credit Union, which has 15 branches and \$2.8 billion in assets, detect suspicious activity and mitigate financial crime, while also ensuring compliance with the Bank Secrecy Act, USA Patriot Act and FACTA Red Flag regulations.

"Verafin was the right choice for OnPoint on many levels when it came to automating our AML and BSA program," said Rob Stuart, president and CEO of OnPoint Community Credit Union. "It provides the complete package for AML and fraud detection and integrates easily with our core processing system. During our evaluation of BSA/AML solutions, we were also really impressed with the satisfaction levels among existing Verafin customers and the sheer sophistication of the product itself."

Unlike most providers which use complicated rules-based systems, Verafin uses a next generation behavior-based AML system. Its advanced artificial intelligence replicates human reasoning, which creates member profiles and performs transaction monitoring to detect suspicious and fraudulent activity.

"Verafin truly is the next generation in AML and fraud detection and provides credit unions with the right tool to meet rigid regulatory requirements and help detect fraud," said Wes Millar, senior vice president of CUNA Strategic Services. "Reaching the 200 milestone is not

only a testament to the industry-wide appeal of Verafin’s advanced solution, but is also a reflection of the solid reputation Verafin has in this industry.”

“Financial institutions are playing an increasing role in the fight against money laundering and terrorist financing, and with this comes increased regulatory and compliance demands,” said Jamie King, president and cofounder of Verafin. “Our behavior-based system is unmatched in the industry, and its advanced ability to detect suspicious and fraudulent activity is being widely recognized by credit unions and banks across North America. OnPoint Community Credit Union marks our 200th credit union customer in the U.S. and we are very pleased to have them on board.”

In total, over 400 credit unions and banks in North America have implemented Verafin for BSA compliance, FACTA Red Flags and fraud detection. Verafin is the exclusive provider of BSA/AML and fraud detection software for CUNA Strategic Services and 43 credit union leagues in the United States.

#### About Verafin

Verafin is a leader in anti-money laundering and fraud detection solutions, with over 400 financial institution customers that span numerous core processing systems and a broad asset range. Verafin helps financial institutions comply with the Bank Secrecy Act, the USA PATRIOT Act, and FACTA Red Flag regulations, while also helping to protect them against bank fraud. For more information, go to [www.verafin.com](http://www.verafin.com) or call 1.877.368.9986.

#### About OnPoint Community Credit Union

OnPoint Community Credit Union is the largest credit union in Oregon, serving more than 198,000 members and with assets of \$2.8 billion. Founded in 1932, OnPoint Community Credit Union's membership is available to anyone who lives or works in one of 10 Oregon counties (Benton, Clackamas, Columbia, Lane, Linn, Marion, Multnomah, Polk, Washington and Yamhill) and two Washington counties (Skamania and Clark). For more information, visit [www.onpointcu.com](http://www.onpointcu.com) or call 800-527-3932.

#### About CUNA Strategic Services

CUNA Strategic Services, owned jointly by the Credit Union National Association (CUNA) and the state leagues, provides credit unions with access to high quality products, services, and technologies delivered with a competitive advantage made possible through volume pricing and strategic program development. CUNA serves more than 90 percent of America’s 7,800 credit unions, which are owned by more than 89 million consumer members. Credit unions are not for profit cooperatives providing affordable financial services to people from all walks of life. For more information, visit [strategicservices.cuna.org](http://strategicservices.cuna.org).

*Thank you for reading Service Issues!*  
*Jane Bailey, Editor*