



*CUCB's
Guide to
Shared Branching*

CUCB COOPERATIVE BRANCHING, LLC
September 2015

HOW THE SERVICE CENTER NETWORK BEGAN

The Service Center concept began in Michigan and California. In 1987, seven southeastern state leagues, of which Louisiana is one, developed a corporation named CU Service Corporation, or CUSC. The purpose was to develop a national network of Service Centers. Popularity of the concept grew as more and more states invested in the corporation. In July of 1993, the first Service Center opened in Hoover, Alabama, and the first successful transaction was completed.

HOW THE LOUISIANA SERVICE CENTER PROGRAM BEGAN

CU Cooperative Branching, L.L.C. (CUCB) is a CUSO (Credit Union Service Organization) which was formed to offer shared service centers to Louisiana credit unions.

Mission Statement – The mission of CU Cooperative Branching, L.L.C. is to bring added value to its participants and their member-owners.

This mission statement has guided CUCB since its incorporation on August 31, 1992, in creating enhanced credit union service delivery systems. CU Cooperative Branching, L.L.C. is owned by fifty-eight Louisiana credit unions, and is managed by the Louisiana Credit Union League.

There are two types of ***CUCB membership***:

Investor - A credit union that has purchased at least one share of stock of \$50,000 can participate in the CU Service Center Network. As of March 2015 we are longer offering Investor memberships.

Associate I - A credit union can pay an annual membership fee to participate in the CUSC Network.

INTRODUCTION

Thank you for your interest in CUCB's Shared Branching Network. In this booklet you will find detailed information on the program.

Credit unions enjoy three competitive advantages, the ability to cooperate, price advantages, and a reputation for superior member service. Credit unions also operate under one competitive disadvantage, limited channels of distribution or branching systems.

Credit unions, unlike other financial institutions, can only conduct business with members within their "field of membership". When a credit union wishes to locate an office to serve its membership, it can only select from an area where there are enough members to justify and support a facility. This is a limitation for many credit unions. Because of this requirement, many members are under served since they don't live or work in an area with enough fellow members to justify a credit union office.

The majority of individual credit unions have some members in most locations throughout the state, but lack sufficient concentrations in those areas to cost justify a facility. Credit Union Service Centers/Outlets are a unique concept for improving credit union location needs.

The strategy is simple. Open cooperative Outlet locations in areas where collectively there is a high concentration of member participating credit unions not being adequately served.

WHAT IS A SERVICE CENTER?

A Service Center is a shared facility where members of credit unions who have joined the CU Service Center Network can conduct basic credit union financial transactions. The Service Center program was designed to offer the conveniences of providing strategic multiple locations and extended hours of operation in a professional credit union environment.

Service Centers are located nationwide to serve all members of participating credit unions. By sharing facilities, credit unions from multiple states are providing their members greater access to accounts and services.

Stand Alone CU Service Centers are owned by credit unions throughout a credit union service organization or CUSO. A Stand Alone CU Service Center is typically 3000 square feet, located in a suburban area with ample parking. The Service Center normally features a six-station teller line, loan interview area, large lobby area, telephone and consumer information center, and an Automated Teller Machine. We currently do not have any stand alone service centers in Louisiana. We have moved to an all outlet environment.

WHAT IS AN OUTLET?

An Outlet is a shared service center office located within an existing credit union facility where members of credit unions who have joined the CUCB Shared Branching Network can conduct basic credit union financial transactions.

Outlets are designed to offer the conveniences of providing multiple locations within a professional credit union environment and are located nationwide to serve all members of participating credit unions.

An Outlet normally features one or more designated teller stations for participating credit unions, large lobby area, and telephone.

HOW DOES THE SERVICE CENTER/OUTLET WORK?

In each Service Center/Outlet, a user-friendly teller system connects, through a data switch, directly to each participant's credit union data processing system. It's as if your member is in your lobby, conducting business, on-line, real time. The teller system not only transmits the balance information from each credit union, but also the actual account names used by each credit union to describe their accounts, i.e. "Cash Commander", "Choice Checking", etc. This way, the member service representative can use the same terminology as used by you in your credit union.

When your member enters a Service Center/Outlet facility, they need their account number, name of your credit union, and valid photo identification. A member verification is performed and the transaction is completed. The member receives a receipt that shows the transaction and ending balance.

BENEFITS

THE CREDIT UNION BENEFITS ARE:

Greater Service Area - cooperative Service Centers/Outlets deliver services more economically in areas where individual credit unions have too few members to justify the cost of a branch.

Extended Service Hours - cooperative Service Centers extend weekday and weekend hours more cost effectively than can individual credit unions.

Fewer Branches - cooperative Service Centers/Outlets postpone or eliminate the need for credit unions to maintain branches in marginal areas.

Disaster Recovery - cooperative Service Centers/Outlets are designed to support credit unions during a disaster by providing service to members, and dial back-up to credit union host sites as well as "hot" sites. The Network is designed to support credit unions with the infrastructure of cooperative Service Centers.

THE MEMBER BENEFITS ARE:

Service to Existing Members - existing members include family members, may find cooperative Service Centers/Outlets more convenient and, therefore, use more credit union services.

Service to Inactive Account Members - members who have not used their credit union because the credit union locations were not convenient will be able to use their credit union services again.

Service to Potential Members - conveniently located cooperative Service Centers/Outlets provide the incentive for potential members to join and use their credit union.

Service to Members Who Travel - cooperative Service Centers/Outlets provide convenience to members who travel; not only in Louisiana, but also in 46 other states and 7 other countries.

Service to Members Who Relocate - conveniently located cooperative Service Centers/Outlets help retain members who traditionally close their credit union accounts when they relocate.

THE INDUSTRY BENEFITS ARE:

COOP Shared Branch Logo - easily identifiable cooperative Service Centers/Outlets are a visual symbol of cooperative spirit of the credit union industry.

Improved Image - the visibility of cooperative Service Centers/Outlets improves the image of credit unions and is a constant reminder to consumers that credit unions are an alternate to other financial institutions.

Improved Industry Competitiveness - by combining resources, credit unions decrease the cost of delivering member service and increase service distribution channels. This improves the industry's ability to compete with other financial institutions.

Creating a National Network - a cooperative Service Center network ties individual credit unions together into a united network of credit unions and creates a more competitive industry.

WHAT TRANSACTIONS AND FUNCTIONS DO THE SERVICE CENTERS/OUTLETS OFFER

Your members who use a Service Center/Outlet can conduct many basic transactions to their accounts. The first transaction conducted for each member is a *Member Verification*, in which the teller must select the credit union and key in the member's account number. This non-monetary transaction is sent to the authorization processor soliciting information about the member. The information which is sent back contains:

- Member's Name
- Joint Owner's Name
- Member's Address
- Primary member's social security number
- Credit Union name to which the member belongs
- Credit Union Telephone number
- Account numbers, balances (both ledger and available) to which the member has access to through the Service Center/Outlet.

This information allows the Service Center/Outlet teller to identify the member.

Each credit union determines which accounts are classified as transaction accounts and which accounts are accessible to their members at a Service Center/Outlet location.

THE TRANSACTIONS SUPPORTED AT THE SERVICE CENTER/OUTLET INCLUDE:

Deposit to Share or Share Draft	
Withdrawal from Share or Share Draft	
Transfers to and from Accounts within the same Base Account, different base accounts and different credit unions	Can be done in one transaction. Should not need to do withdrawal and deposit
Loan Transactions	including: Loan Payments, Next due Date, Principal Amount Due
Statement Print of Account	which lists the last ten transactions conducted on the account *
Balance Inquiries *	
Purchase of Negotiable Items	Money Orders, American Express Travelers Cheques (These may be different products than what your credit union sells)

* Transactions only available to members whose credit union processes in an on-line mode.

COMMON QUESTIONS ABOUT SERVICE CENTERS

How does the Service Center/Outlet benefit my credit union?

1. The CU Service Center/Outlet offers multiple locations for your members' convenience. This is done without the credit union having to open additional branches of the credit union.
2. Some Service Center/Outlet locations offer evening and Saturday hours, often decreasing the need to offer these hours at some credit union offices.
3. Credit union members who relocate are likely to remain members and continue being serviced by their credit union.
4. Credit unions that belong to the Service Center network are viewed as progressive, more convenient, and member-responsive.

Are my members charged for transactions performed at the Service Center/Outlet?

Your credit union members are not directly charged a fee by the Service Center/Outlet for any transaction conducted at the Service Center/Outlet. There are fees associated with Service Center/Outlet transactions which are billed to your credit union at each month end. There are some issuing credit unions that assess a fee to their members for Service Center/Outlet use. This varies so you should have the member check with his/her particular credit union to find out this information. Your members do, however, pay directly to the Service Center/Outlet fees for purchase of items such as travelers' checks, gift cards and money orders. These fees may differ from what your credit union charges for similar products.

Can my members open, close or make changes to their account at a Service Center/Outlet?

No. Changes to accounts are *currently* not allowed at any Service Center/Outlet location. The Service Center/Outlet staff will refer members requesting to open, close, or change information on an existing account to their credit union. Each location should have desks and telephones available for the members to sit down and contact their credit union to obtain information on how best to accommodate their requests.

Who do I contact if I have a problem with a member's transaction?

You would contact the Operations Contact person listed for the credit union on the reference sheet which can be found on the website: www.lcul, under shared branch resources. *log in is required

If needed, you may also contact the state network office:

CU Service Center Network Office/CUCB (504) 736-3650 OR 1-800-452-7221
Extension 3004

Who do I contact for the most recent Service Center/Outlet locations?

www.co-opsharedbranch.org or contact Credit Union Service Corporation's Shared Branch Locator Service at (800) 919-CUSC (2872). There are cell phone apps available through COOP

for both Iphone or Android. You may also contact the CU Service Center Network office at (504) 736-3650 or 1-800-452-7221 ext.3004

How does my daily settlement occur?

Each business day the settlement for the transactions conducted at a Service Center/Outlet is settled directly to the credit union's corporate account. Reports are generated each day which itemizes the contents of the total settlement for the day.

How are transactions settled if my processor is down or the teller platform is down?

When either the credit union authorization processor is down or the teller platform is down, the transactions are processed "off-line." If off-line transactions are not processed within the same day, off-line transactions are settled by an adjustment to the credit union's corporate account.

How are check holds placed on my members' accounts?

All holds placed on funds deposited to members' accounts are placed by the credit union's processor or processing system. When a check deposit is processed at a Service Center/Outlet, the teller platform provides an indication to the credit union's authorization processor of its local or immediate status. **The holds are then placed by the credit union's authorization processor according to the information provided.**

Does the Service Center/Outlet allow cashing of third party checks?

Third party checks are not accepted. A non-credit union member requesting to cash a check drawn on an account held at a participating credit union will be referred to that credit union's office or branch location, and it will not be cashed at the Service Center/Outlet.

Are there check-cashing limits at the Service Centers/Outlets?

Yes. Louisiana Service Centers'/Outlets' will not cash checks. Members must deposit all checks and if funds are available and online approval is received from the host credit union, a withdrawal will be processed. We have set a cash limit of \$1000 per day, per member. This limit may be exceeded by obtaining permission from the issuing credit union.

How do I, as a Credit Union, join the Service Center Network?

Contact the CU Service Center Network office at (504)736-3650 or 1-800-452-7221 (ext. 3004) for more information.

CUCB BOARD OF DIRECTORS

- **Rod Taylor, *Chairman***
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- **Darryl Long, *Treasurer***
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- **Dawn Harris**
Campus FCU
- **Mark Rosa**
Jefferson Financial CU
- **Mike Hooper**
La Capitol FCU
- **Clark Yelverton**
CSE FCU

Updated 09/21/15

LOUISIANA CREDIT UNION MEMBERS

Currently there are **58** credit union investors:

- ALLIED PLASTICS FCU
- ANECA FCU
- ASCENSION CU
- BARKSDALE FCU
- BATON ROUGE CITY PARISH EFCU
- BATON ROUGE TELCO FCU
- BAYOU FCU
- BRECO FCU
- CAMPUS FCU
- CAPITAL CITY PRESS FCU
- CARTER FCU
- CENTRIC FCU
- COASTLAND FCU
- CSE FCU
- EAGLE LOUISIANA FCU
- EFCU FINANCIAL FCU
- ESSENTIAL FCU
- FELICIANA FCU
- FIRST CASTLE FCU
- FIRST PIONEERS FCU
- FLEUR DE LIS FCU
- GEISMAR COMPLEX FCU
- GNO FCU
- GTE FCU (FLORIDA)
- HERITAGE CU
- HOMELAND FCU
- INTERNAL REVENUE FCU
- JEFFERSON FINANCIAL CU
- JEFFERSON PARISH EMPLOYEES FCU
- KRAFTMAN FCU
- LA CAPITOL FCU
- LES FCU
- LOUISIANA CENTRAL CU
- LOUISIANA FCU
- LOUISIANA USA FCU
- MAPLE FCU
- MICHOUUD FCU
- MONROE TELCO FCU
- NASJRB CU
- NEIGHBORS FCU
- OUACHITA VALLEY FCU
- PELICAN STATE CU
- POST OFFICE ECU
- PROFESSIONAL FIREFIGHTERS CU
- SAIF FCU
- SECTION 705 FCU
- SHREVEPORT FCU
- SOUTHERN TEACHERS & PARENTS FCU
- T.E.S. REGIONAL HEALTHCARE FCU
- THE NEW ORLEANS FIREMEN'S FCU
- TOTAL CHOICE FCU
- TULANE LOYOLA FCU
- UNIVERSITY OF LA FCU
- UNO FCU
- VALEX FCU
- WESLA FCU
- WYMAR FCU
- XPLORE FCU

Currently there are **10** Associate credit unions:

- ASI FEDERAL CU
- BATON ROUGE FIRE DEPARTMENT FCU
- CUSA FCU
- GP LOUISIANA FCU
- NODA FCU
- PAN AMOCO FCU
- SEWERAGE & WATER BOARD EFCU
- SOUTHWEST LOUISIANA CU
- ST BERNARD SCHOOL BOARD EFCU
- ST TAMMANY FCU

Updated 09/21/15

Contact the CU Service Center Network office at (504) 736-3650 x3004 or 1-800-452-7221 for information on how your credit union can become a member.