



# Louisiana Credit Union League

November 9, 2011

eNews is a weekly publication provided by the Louisiana Credit Union League.

## Headline News

### 40k members, \$80 million in savings on 'Bank Transfer Day'

Credit unions brought in 40,000 in new members, and added \$80 million in new savings account funds, on last Saturday's Bank Transfer Day, capping a month that resulted in nearly 700,000 new credit union members joining the movement.

A Credit Union National Association (CUNA) survey of 1,100 credit unions found that around 80% of larger credit unions said they signed up new members on Bank Transfer Day, and many credit unions opened on Saturday, or extended their usual Saturday hours, to deal with the rush of new members. Credit unions surveyed said they made \$90 million in new loans on Saturday.

CUNA President/CEO Bill Cheney said the survey response indicates momentum that credit unions realized in the weeks leading up to Bank Transfer Day continued right into Nov. 5 itself, with a specific spike in membership on that day.

The build up to Bank Transfer Day saw around 650,000 people join credit unions in the last month, adding \$4.5 billion in new savings into credit union coffers. The 650,000 total tops the membership total recorded in all of 2010. "Since Sept. 29 - the day Bank of America announced its now-rescinded monthly \$5 debit card fee - average estimated membership increases nationally were around 20,000 new members each day," Cheney said. "On Saturday, consumers doubled the pace. It's clear that consumers kept up their interest in credit unions."

"Consumers should be given more credit for being smart about what to do with their money," Cheney said. "Many obviously did not wait for a specific day, but took the time to make the change to a credit union in a deliberate manner. Consumers made a smarter choice."

Cheney said the additional lending credit unions realized on Saturday was an especially encouraging sign, for credit unions and consumers. "This nation needs more economic activity to get back on its feet; credit unions are ready and willing to help gets things moving. Perhaps credit unions and their new members got things started on Nov. 5." (*source: CUNA's NewsNow*)

### Consumer credit increases \$7.4B in September, CU market share falls

The Federal Reserve reports consumer credit jumped \$7.4 billion in September, compared with the \$9.7 million decline in August. Higher auto sales drove the gain in non-revolving credit while revolving credit (including credit cards) fell for the third consecutive month. The 5.8 percent (annualized) increase in revolving credit offset the -5.4 percent decline experience last month.

The report also acknowledges the loss of market share that the credit union industry has been experiencing. Credit unions have a 4.5 percent share of revolving credit and 11.1 percent share of non-revolving (which includes auto loans). Collectively, total consumer credit share has fallen from its most recent high of 9.6 percent in 2009 to its September reading of 9.0 percent.

Over the past 12 months, consumer credit (which does not include mortgage debt) has increased \$58.3 billion - a significant improvement over the preceding 12 months when consumer credit fell \$88.7-billion.

Over the past three years, consumer credit has fallen \$123 billion. Consumers, faced with job insecurity, falling home values and volatile 401(k) balances, have deferred their spending behaviors during this time electing to reduce their debt burdens instead.

This has been felt by the nation's credit union industry which, after experiencing a -1.2 percent decline in loans outstanding in 2010, are barely breaking even in 2011 (+0.2 percent - including mortgage loans). Through September 2011, credit union non-revolving consumer loans are down 0.5 percent, revolving credit is down 2.3 percent but mortgage loans are up 1.6 percent.  
(source: Catalyst Strategic Solutions)

### **Google+ now open for businesses...and the rush is on!**

*Social media site opens to organizations, drawing mixed reviews*

Google+ opened for business Monday, and not since the Oklahoma Land Rush has there been such a stampede to occupy a territory. Companies from Pepsi to The New York Times have staked their brand pages in the search engine's social network after months of watching individuals occupy the space.

"Businesses are scrambling all over themselves to get pages up," says Lee Odden, CEO of TopRank Online Marketing. "It would be conspicuous to be absent."

Industry watchers had little doubt that Google+ would shake up communications, integrating the all-seeing eye of the search cyclops with the sorts of pages that once were limited to places like LinkedIn and Facebook.

### ***Disagreement about its effectiveness***

Some debated how well Google-which had been shooshing brands off the pages until this week-had pulled off its new platform.

Social media strategist Jay Baer finds Google+ "pretty underwhelming," saying the site resembles a cross between Facebook and LinkedIn-with fewer features. Still, he adds, there's no denying its importance.

"It's going to tie to search," Baer says. "That is their hammer. It doesn't even matter if it's any good, because they have Google search, and LinkedIn doesn't and Twitter doesn't."

A Google spokeswoman declined to reveal the number of brands on Google+ on Tuesday. Google accounted for 65 percent of search engine traffic in October, versus 16 percent for Yahoo.com. Google launched the Plus project four months ago, rolling out more than 100 features, several of which will enable different kinds of connections, says spokeswoman Andrea Faville.

These include circles, in which page owners can target messages and send special offers to loyal customers. And there are hangouts that will enable organizations to have real conversations with people through video chat. The New York Times says it plans to use video hangouts to interview sources and hold reporter roundtables.

"Imagine a band being able to jam online with their fans or the owner of a business being able to directly answer customers' questions," Faville says.

Organizations seeking to get started on Google+ can [click here](#).

### ***Direct Connect creates incentives***

Odden says the site's "Direct Connect" feature creates incentives for businesses by distinguishing among search results, but only if a company links from its website to its Google+ page. This can confirm for the Google bot that there are connections between sites, helping it sort through billions of pages and improving search display, he says.

"Imagine as a business person," Odden says, "how desirable it would be for your contributed articles out on the Web to show your photo-or a photo of any kind-next to your search result when all the other search results don't have a photo."

Customer will also go straight to a Google+ webpage, typing a plus before a name, as in +Google, +Pepsi, +Toyota, and +Angry Birds, Google says.

In an article, Peter Stringer, director of interactive media for the Boston Celtics, dismissed comparisons of the size of the Google+ user base. (Wired pegs Google at 40 million, versus 800 million for Facebook.) Unlike Facebook fan pages, Google+ pages will generate traffic, he says.

"The size of the Google+'s user base is irrelevant with regard to brand pages, because after all, Google is a search engine, not a social network," he writes. "And Google is the undisputed king of search."

This could help the Celtics pull in direct ticket buyers who might end up going through a broker if they just typed in "Boston Celtics tickets" on a search engine, he writes. Tweeting to Ragan.com, he added, "It's all about what G+ could mean to brands and to us."

Another advantage for brands—at least for the moment—is that Google+ streams generally contain non-frivolous information, and "a company's message isn't lost amid a sea of random pictures and cat videos," Wired says.

Google+ may be big news for companies, but don't listen for cheering outside the editorial offices of Business Insider. Writer Robert Scoble warns that "Google+ brand accounts are woefully inadequate for public companies' needs."

Limitations in the platform are manifold, he says. Only a single person can "own" or post to an account, preventing a social media team from splitting up the duties, he writes. Similarly, if the owner were to keel over, it's not clear how ownership of the account would be transferred.

Scarily, he adds, "It is extremely easy to post something by accident to your company account if you are the owner."

Case in point: Google employee Steve Yegge, who wrote a mea culpa last month after he "accidentally posted an internal rant about service platforms to my public Google+."

Luckily, his bosses just laughed, but some hard-charging managers will not be so forgiving.

### ***Faux plus?***

Google+ also drew fire from Webmonkey writer Scott Gilbertson for allegedly making it easy to impersonate a brand. He set up a Webmonkey page without once being asked to verify that he was associated with Webmonkey, he says.

"In fact, had I not already done it, anyone could have set up a page for Webmonkey and claim to speak in its behalf, which does not bode well for businesses that are slow to create Google+ pages," Gilbertson writes.

But Google's Faville says the search giant provides verification badges for brands that could be subject to impersonation. There's also a "report page" link at the bottom.

"Users are also free to create fan pages," she says. "However, they should not purport to be that entity or use solely the name of that entity in their Google+ page name."

(source: <http://www.ragan.com/Main/Articles/43927.aspx>)

### **File: CUs share secrets to lending in recession**

Twenty-three out of more than 2,200 U.S. credit unions larger than \$50 million in assets grew their new- and used-auto loan portfolios by more than 5% each year between 2008 and 2010. Eleven also grew their credit card portfolios by 5%, according to a new Filene Research Institute report. Those who were successful had strengths in common.

"Superior Consumer Lenders during the Great Recession" supported by a grant from CUNA Mutual Group, is Filene's latest examination of credit union lending.

The Great Recession reduced the flow of U.S. consumer lending, and the opportunities that remained required much effort, the report said.

Filene's researchers conducted qualitative interviews with 12 of the 23 credit unions. Each of their stories is published as a case study in the full report. Despite their different regions, some key common strengths emerged:

- **Sales culture**--Few credit unions said they felt like they had mastered it, but every successful lender interviewed spent a lot of effort trying to improve the credit union's sales culture.
- **Consistent underwriting**--The tumult that started in 2008 pushed scores of lenders to change their underwriting or exit consumer lending altogether. Many successful credit unions held to their standards--or tightened them slightly--and kept lending through the financial crisis.
- **Refinancing**-- Dropping interest rates combined with effective data mining and sales processes meant that many of the successful credit unions could capture loan growth even without a new purchase.
- **Market power**--A handful of credit unions leveraged strong positions in a local economy or particular product line to make themselves first-choice lenders during the downturn.
- **Symbiotic product lines**--Although the report focused mainly on auto and credit card lines, several credit unions attributed their consumer lending success to cross-selling from other, more important products like mortgages or agriculture loans.
- **Direct lending**--A strong minority of credit unions interviewed got their loans the traditional way: by relying on existing members, branch traffic and steady cross-selling.
- **Indirect lending**--Most credit unions interviewed captured their lending growth primarily from indirect lending. None were indirect "dabblers." Each cultivated strong dealer relationships, invested in technology, and set its own underwriting standards.

Most credit unions interviewed for the report drew strength from two or three of these categories, and focused on doing that particular task well.

The case-study credit unions include:

- Acadia FCU (\$95 million in assets), Fort Kent, Maine;
- Baton Rouge Telco, (\$194 million), Baton Rouge, La.;
- Columbus Metro FCU, (\$203 million), Columbus, Ohio;
- Daniels-Sheridan FCU, (\$54 million), Scobey, Mont.;
- Education Plus CU, (\$71 million), Monroe, Mich.;
- EECU, (\$1.2 billion), Fort Worth, Texas;
- Fort Worth Community CU, (\$723 million) Bedford, Texas;
- Gesa CU, (\$1.1 billion), Richland, Wash.;
- Hutchinson CU, (\$170 million), Hutchinson, Kansas;
- SAC FCU, (\$506 million), Bellevue, Neb.;
- Scott CU, (\$737 million), Collinsville, Ill.; and
- Security Service FCU, (\$6.5 billion), San Antonio, Texas.

*(source: CUNA's NewsNow)*

## Products & Services

**Find out what's new with the Invest in America Program!**

*Join us for a webinar November 18*

CU Solutions Group originally created Invest in America to help members save on vehicle purchases, enable credit unions to secure more vehicle financing and provide support to the domestic auto companies in a very tough economy. To date, it has helped sell over 468,000 vehicles across the country and over

12,305 vehicles in Louisiana alone. Members can save big when buying a GM vehicle with the Invest in America discount because they can stack these savings on top of most current incentives - and save even more with your credit union's low loan rates!

Over 1.7 million credit union members have taken advantage of Invest in America partner discounts since its inception. With the Sprint Credit Union Discount program, credit union members nationwide have saved more than \$ 151 million dollars with over 1.4 million activations. Learn how you can share in annual marketing incentives by participating in the Sprint Credit Union Discount Program.

This membership enhancement program enables your credit union to promote its core services in conjunction with our discounts. Through Invest in America's GM partnership, your credit union can augment its auto loan volume, and Member Rewards offers many partnerships to help boost your credit and debit card transactions. Our main goal is to help your credit union increase membership, retain members and grow loan volume.

Join LCUL and Leslie Norush, National Business Consultant with CU Solutions Group/Invest in America for a FREE informational Webinar on Invest in America's valuable programs. **The webinar is scheduled for November 18 at 10:00 a.m.**

This webinar will benefit CEOs, managers and credit union staff that are interested in hearing all of the details on the services being offered by Invest in America.

**Register now:**

<https://www150.livemeeting.com/lrs/1100005767/Registration.aspx?pageName=tmx08n58px3746n4>

The conference call and webinar link will be emailed after registration. Please contact Vince Liberto at (800) 452-7221, ext.3008 or [vliberto@lcul.com](mailto:vliberto@lcul.com) with any questions.

## Young Professionals Network

### Young Professionals meet up in New Orleans

*November 29*

The East & West Orleans Chapter of the LCUL Young Professionals Network will be hosting their first meet up at UNO Federal Credit Union on Tuesday, November 29th from 7:00-9:00 p.m. Members from the Tri-Parish Chapter are also invited to attend. Don't miss this opportunity to meet your local Steering Committee and get an update on upcoming events. Refreshments will be served.

An office supply drive will also take place during the meet up to benefit needy credit unions in Haiti. Bring in an office supply for the Haiti project, and have a chance to win a \$25 Visa Giftcard.

For more information on the event, contact Shasta Leininger at [shastal@noffcu.org](mailto:shastal@noffcu.org) or Kati Buchanan at [kati@nasjrbcu.org](mailto:kati@nasjrbcu.org). [Click here](#) to learn more about LCUL's Young Professionals Network.

## In the News

### Coastland FCU sponsors 'Making Strides Against Breast Cancer' 5k walk

Coastland FCU was a participating sponsor at the American Cancer Society's Making Strides Against Breast Cancer 5K that was held on Saturday, October 15th in City Park. As a team, Coastland FCU raised over \$9,000. Together, 8,300 walkers raised an incredible \$205,000.

The American Cancer Society Making Strides Against Breast Cancer walk is a powerful and inspiring event that unites communities to celebrate people who have battled breast cancer, raise awareness about ways to help prevent breast cancer, and raise money to find cures and support programs and services for those facing the disease.

## Educational Opportunities

### CU Collections: a best practices workshop *November 15, Baton Rouge*

Don't miss LCUL's Credit Union Collections Workshop, November 15th in Baton Rouge. This workshop is great for all collection department employees as well as lending officers and office management. It makes no difference how long you've been in the business. The information presented at this workshop will update the experienced collection manager, instruct the new employee and offer a thorough overview to management. Be sure to make these valuable tools available to your entire collection staff.

This program will cover: The Methods of Telephone Collection; The Fair Debt Collection Practices Act; How to Improve Your Collection Department; Top Twelve Collections Tips; The Basics of Bankruptcy; and Working Your Member Delinquent Accounts. All attendees are asked to bring some of their own delinquent accounts to the session; any problem account is fine. The attendees must bring all information surrounding the account (due dates, phone #'s, copy of credit application, etc.) We will work these accounts together as a group over a speakerphone. Don't worry about privacy or Fair Debt Violations: we will use first names only.

**Steve Peterson** has over 32 years of experience in the field of collections. His career began with Ford Motor Credit Company in 1977. After four years, he moved on to accept the position of Accounts Receivable Manager for a large Midwestern retail chain. In 1988 Steve joined Mapother & Mapother Attorneys at Law where he was the lead Account Representative for 14 consecutive years. Bill Mapother & Steve developed and operated a collection school together and have trained well over 5,000 employees since 1991. In 2002 Steve formed his own consulting company called Collection Training Consultants. He conducts Telephone Collection Training Workshops for State Leagues and Associations as well as individual financial institutions and businesses.

Your educational investment is only \$199 per person to attend the program. Distance learners can attend for only \$169 per person. This investment includes all program materials, handouts, and refreshments at all breaks; also, a light breakfast and buffet lunch will be served.

For more information or to register, go to [www.lcul.com](http://www.lcul.com).

### Dues Supported Training

*Security: counterfeit money, kiting, and other fraud schemes*

Are criminals getting smarter? Let's take a look at some inventive ways for your credit union to stay ahead of those criminals. Learn how to detect counterfeit money, some checks and balances to detect check kiting and learn the new schemes that those criminals are coming up with to de-fraud your financial institution. We will review what you need to do to prevent a robbery and what procedures you need to follow after one has occurred. This will count as your annual security training.

Topics covered:

- Identity theft
- Bank Robbery Procedures
- The new \$100 bill
- Identifying features of U.S. Currency
- FAQ on Fraud Detection

There is NO COST for LCUL member credit unions to attend this program, offered as part of our dues-supported training series. You may send multiple attendees to any of the sessions.

#### Shreveport

Tuesday, November 15

9:00 am - 12:00 PM

Holiday Inn Shreveport West (5555 Financial Plaza)

#### Harahan

Wednesday, November 16

1:00 - 4:00 PM

Louisiana CU League Office (824 Elmwood Park Blvd., Suite 105)

**Baton Rouge**

Thursday, November 17

1:00 - 4:00 PM

Embassy Suites (4914 Constitution Ave)

About the Trainer:

Christy Crawford is the Assistant Vice President with gettechnical inc. Formerly a trainer for Wal-Mart Corporation, Christy brings her 7 years of sales and training expertise to your credit union. She has a Bachelor's Degree in Speech Communication from Louisiana State University. She brings humor youth and vitality to the programs she teaches.

For more information, please contact Jill Kitchens at [jkitchens@lcul.com](mailto:jkitchens@lcul.com) or (800) 452-7221, ext. 3021.