

Tough Questions Series: Answering Tough Questions for Your Credit Union

Jon Jeffreys, Managing Partner
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ASSOCIATES
the credit union company

Knowledge. Insight. Strategy.

Can You Hear Me?

- We are audio broadcasting so please plug in your headphones or computer speakers to listen in.
- If your audio is choppy or slow, you may wish to dial into the teleconference:

Dial: +1 (415) 655-0003

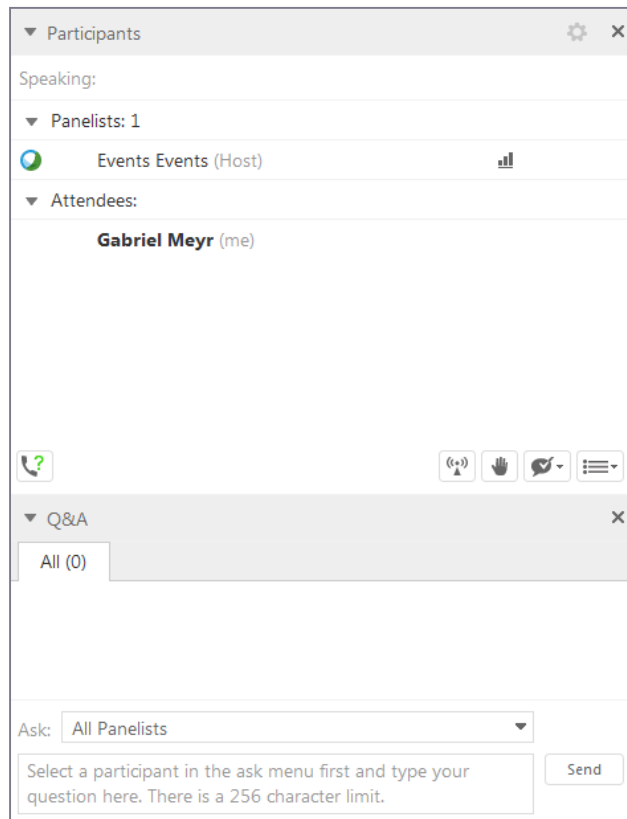
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Slide Link

Today's slides can be found online at:

<http://bit.ly/08-14-tough-questions>

We Encourage Questions



Use the

Questions Box

located on the right side of the screen, to type your comments or questions.

You Might Also Be Interested In

[Tough Questions That Keep Credit Union Leaders Up At Night \(And What To Do About them\)](#)

Financial services move fast. These credit unions have discovered ways to move faster.

[Ask Tough Questions Before Investing In New Capabilities](#)

Jay Johnson, partner at Callahan & Associates and sought-after industry strategist, explores how credit unions can leverage positive momentum and ask tough questions as they go into planning season this fall.

[The NCUSIF At Year-End: An \\$800 Million Surprise Raises Tough Questions](#)

Huge new reserves for the NCUSIF appear as if from nowhere while credit unions get peanuts from the corporate credit union bailout.

[A Big Idea For 2018: Asking Tough Questions](#)

How can credit unions push the movement forward? By tackling tough questions and discovering the right, not easy, answers.

Tell Us What You Think!



Please take our post-event survey. We value your feedback!

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Annual Growth

	Member Growth	Loan Growth	Share Growth
All CUs	4.4%	9.8%	5.4%
CUs <\$100M	-0.1%	5.2%	4.3%
CUs \$100M-\$500M	2.1%	8.6%	6.1%
CUs \$500M-\$1B	3.8%	10.5%	7.5%
CUs \$1B+	7.3%	12.6%	10.2%

A Scary Reality...

- In my experience many of the fastest growing credit unions have no idea why they are growing...
- They give you reasons
 - Product
 - Marketing
 - Convenience
- But when you press they actually ***don't know*** what is causing their success



Are Big Credit Unions Just Good At Guessing?



The Hard question may be- Do we
ask “why” enough?

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Correlation vs. Causality

- Finding causality is really hard
- But if you ask people the right questions, they will tell you what caused them to do something
- In our context, we want to think about what **caused** people to make a decision.
- We also only want to ask people who made a decision...
 - I have lots of thoughts about airplanes- but will it cause me to buy one?

The Milkshake Story

- A lesson in understanding a “job” from the customer perspective
- Evolution from:



What does this look like in real life?

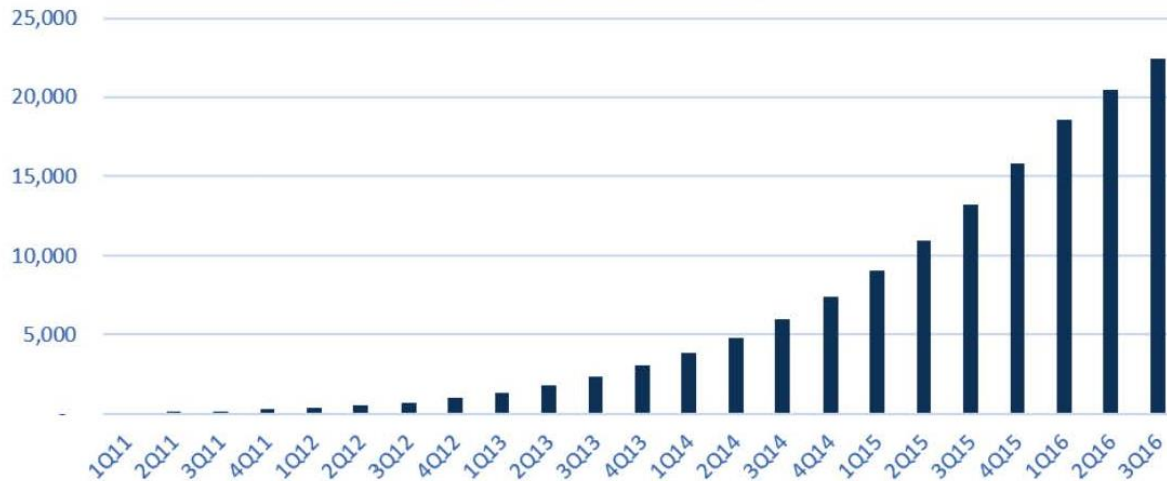
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Lending Club Is Originating ~\$1B In Loans A Month & \$22B Since 2011



CUMULATIVE ORIGINATIONS



Lending Club Statistics

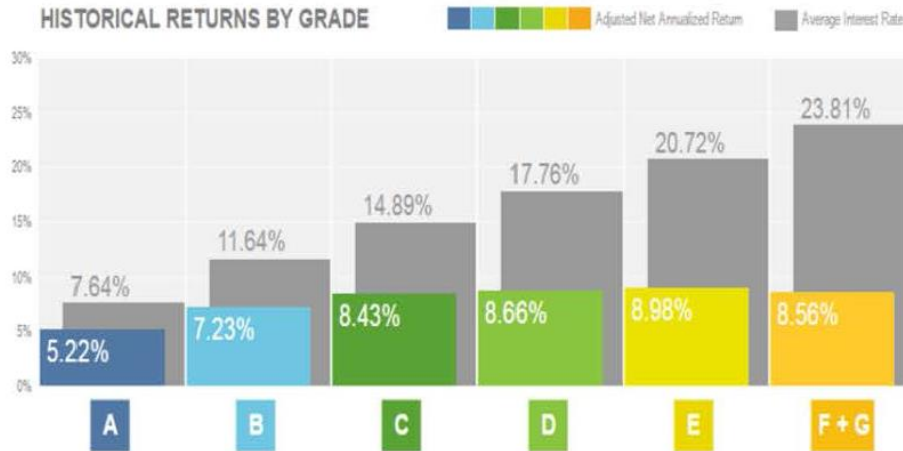


Platform: [Highlights](#) | [Public Note Offering](#) | [Investor Performance](#) | [Loan Statistics](#) | [Download Data](#)

LAST QUARTER AVERAGE INTEREST RATE

36-Month Loans: **11.12%** 60-Month Loans: **15.59%** All Loan Terms: **12.81%**

HISTORICAL RETURNS BY GRADE



Loan Grade	Interest Rate	Origination Fee	36-Month APR	60-Month APR
A	5.32% - 8.59%	1% - 5%*	5.99% - 12.12%	7.46% - 10.80%
B	8.99% - 11.49%	5%	12.53% - 15.08%	11.21% - 13.76%
C	12.79% - 15.59%	6%	17.17% - 20.04%	15.57% - 18.45%
D	16.99% - 21.49%	6%	21.48% - 26.11%	19.89% - 24.53%
E	19.99% - 25.29%	6%	24.57% - 30.02%	22.98% - 28.45%
F	24.24% - 27.96%	6%	28.94% - 32.77%	27.36% - 31.21%
G	28.18% - 30.99%	6%	32.99% - 35.89%	31.43% - 34.34%

These rates aren't that good...

- How do they do it?
- How do you find people who are actually "in market" vs. correlated to be in market?
- What would you do?

 **LendingClub** [Check Your Rate](#)

Take Control of Your Financial Future

Hi Jon,

We wanted to reach out again and see if you are still in the market for a personal loan. The top reasons customers like you choose a loan through **Lending Club** are:

- ✓ Circle the date when you will be debt free. With fixed payments, the amount you pay will never increase. You'll achieve your financial goals.

This message contains graphics. If you do not see the graphics, [click here to view](#).



Don't forget, based on your history with Mint you have been selected to apply for a personal loan through **Lending Club**.



[CHECK YOUR RATE](#)

Get a low, fixed rate loan through **Lending Club** where Mint users have saved 21%* more on interest compared to non-users. There are no hidden fees or prepayment penalties. You can check your rate in minutes without impacting your credit score, and get up to \$35,000 in as few as five days.



Apply online



Get funded in



Make fixed

 **LendingClub** [Check Your](#)

Get a Pre-Approved Loan Offer in Minutes

Hi Jon,

Could you use some extra money to pay down high interest credit cards or to improve a project? With a personal loan through **Lending Club**, you can be up to \$35,000 to help meet nearly any financial goal!

Lending Club: The smarter way to borrow

Lending Club is the easy way to obtain the loan you want - at a lower rate than traditional bank loans. All loans feature low, fixed monthly payments and you can repay your loan at any time with no prepayment penalties.

It only takes two minutes to check your rate online, with no impact to your credit score. You'll be instantly presented with multiple loan offers if you qualify.

[Check Your Rate Now](#)

Thanks,
Lending Club

P.S. It's fast, easy, and free to check your rate, with absolutely no impact to your credit score. See what loan offers you qualify for!



 **LendingClub** [Check Your Rate](#)



Hi Jon,

Could you use some extra money to pay down high interest credit cards, fund a home improvement project or make a major purchase?

With a personal loan through **Lending Club**, you can borrow up to \$40,000 to meet almost any financial goal. Loans through **Lending Club** are fast and easy. They feature flexible loan amounts and terms, plus there are no hidden fees. Loans also have low, fixed monthly payments and you can repay your loan at any time with no prepayment penalty.

It takes less than 2 minutes to check your rate online, with no impact to your credit score.

Why not rediscover the smarter way to borrow?

[Check Your Rate](#)

Thanks!
Lending Club

 **LendingClub** [Check Your Rate](#)

Let Us Help You Achieve Your Financial Goals

Hi Jon,

Could you use some extra money to pay down high interest credit cards, fund a home improvement project or make a major purchase?

With a personal loan through **Lending Club**, you can borrow up to \$40,000 to meet almost any financial goal. Loans through **Lending Club** are fast and easy. They feature flexible loan amounts and terms, plus there are no hidden fees. Loans also have low, fixed monthly payments and you can repay your loan at any time with no prepayment penalty.

It takes less than 2 minutes to check your rate online, with no impact to your credit score.

Why not rediscover the smarter way to borrow?

[Check Your Rate](#)

Thanks,
Lending Club

P.S. See what loan offers you qualify for!

We Believe One of The Keys To Growth Is

- Actually knowing why you get hired
- Who is your real competition?
 - Knowing what not to compete on
- Thinking about marketing in new ways
- Having a culture that allows the lowest level employees have a voice.

How One Credit Union Applied this...



Essential Checking

Everyone deserves a checking account.

Essential checking is perfect for people working to improve their credit score. Get started on your path to financial success.

Our Langley Essential Checking Account is designed for members who may have not qualified for checking before, or are just starting to build their credit.

Essential Checking features:

- Online Banking
- Bill Payment
- Mobile Banking
- Debit Card
- Early Payday Deposits (With Direct Deposit)
- Over 55,000 ATMs

Access 55,000+ ATMs

Langley FCU is part of the Allpoint network. Allpoint is a worldwide, surcharge-free ATM network with over 55,000 ATMs.

[Find An ATM](#)

Related Information

- [Change My Address](#)
- [Set Up Direct Deposit](#)
- [Order Checks](#)
- [Change my Name](#)

Another Example...

Platinum Low Rate Credit Card | Wright-Patt Credit Union

Big banks are raising interest rates — don't pay more than you have to!

Don't pay more than you have to on your credit card. With rates as low as 7.25% APR* our Platinum low rate credit card is the smart way to keep more of your hard earned money.



- » Rates as low as Variable Prime, plus 3%+
- » No annual fees
- » No balance transfer fees
- » No cash advance fees
- » Receive a Platinum Visa® card
- » Verified by Visa

APPLY TODAY
(Online Form)

ADDITIONAL RESOURCES



CALCULATORS



BROCHURES



RATES



DISCLOSURES

Easy Ways to Pay Your Loan

To make your life a little easier, WPCU provides a variety of ways to save time and money when making your loan payment.

[Click here](#) to learn more!

DCU Quick Loan Example

DCU Quick Loan

Get the Cash You Need Fast

Details

Rates

Resources

Life can be unpredictable. DCU's Quick Loan is designed to help members cover emergency and other unexpected expenses — fast — without having to pay the excessive rates and fees associated with alternative solutions. A DCU Quick Loan is a new preapproved short-term personal loan for a small dollar amount available exclusively through Loan Suite in Online Banking and the DCU Mobile App.

Unlike other loan alternatives, there are no application fees, hidden fees, or credit checks. Upon acceptance of the preapproval offer and terms and conditions, the money will be deposited in your savings account within minutes!

DCU Quick Loan Details:

- Must be at least 18-years-old at time of application.
- DCU Members in good standing must have established their membership 90 days prior to applying for a Quick Loan in the amount of \$200 to \$500, or 180 days or more to be eligible for a Quick Loan up to \$1,000 with a maximum repayment period of six months (if eligible) at a rate of 22.00% (APR*).
- Members cannot have more than one Quick Loan open at the same time and can have no more than 3 Quick Loans in a 180-day period.
- No minimum time to repay and no prepayment penalties.

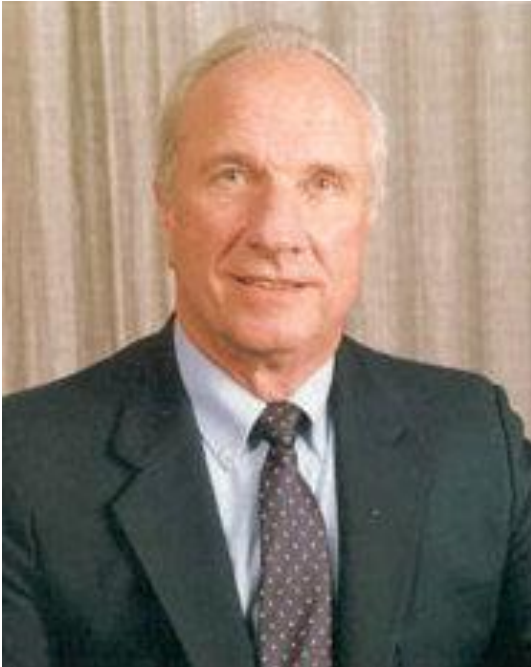
And, by making on-time payments, you could potentially build or improve your credit score.

If you wish to apply for a Quick Loan, but were not issued a preapproval, you can do so through Loan Suite in Online Banking and the DCU Mobile App. Your application will be submitted for review and processed by a Consumer Loan Department Member Service Representative.

Now you know why a DCU Quick Loan is a great way to get the cash you need quickly at an affordable rate.

*APR = Annual Percentage Rate

Want Growth?



“Follow the member and good things will happen”

-Ed Callahan

As you enter planning this year

- Have you really asked members why they do what they do?
- When your members fire your products, do you know who they are hiring and why?
- Employ this hire/ fire language into product/ strategy sessions.

Questions

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