



**Introducing Buy Now, Pay Later the Credit Union Way**



**Capitol Credit Union**



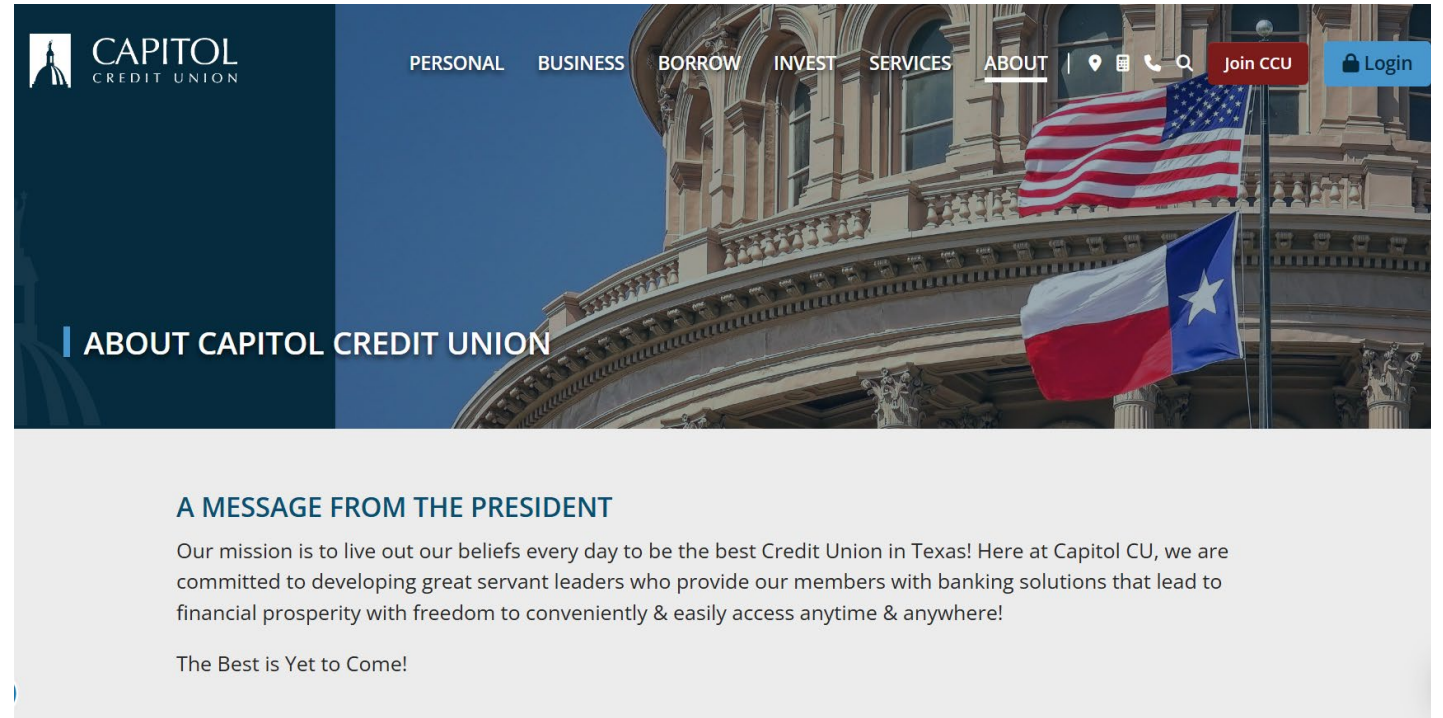
## Our Speaker



**Pierre Cardenas**  
CEO, Capitol Credit  
Union

# About Capitol Credit Union

- Austin, TX
- Approx. \$218M in assets
- Over 13,100 members
- 50 FTEs
- 3 branches



## The Challenge/Opportunity

- Changes in consumer behavior in the past few years have set the stage for **new payments innovations that promise greater convenience** and financial stability.
- Buy Now, Pay Later (BNPL) programs have spiked in popularity. A 2023 study from Statista found **roughly half of U.S. adults have used BNPL services**, and *nearly 40% of those who haven't said they could imagine doing so in the future.*
- It's **convenient**, there are **no upfront fees**, and **borrowers can customize** how they pay back a sum over time. There are also *no lengthy applications or approval processes*, making it easier to obtain than traditional personal loans or credit cards.
- But the credit union industry has been slow to embrace the trend, with a 2024 study showing that **only 1.5% of credit unions currently offer BNPL.**
- **Fintechs** are primarily the ones providing this for the consumer right now.

# Buy Now, Pay Later – The Credit Union Way



## SAME DEBIT CARD, MORE FLEXIBLE PAYMENTS

- Use your debit card whenever and wherever you shop
- Manage your budget by spreading larger expenses over time
- Review and manage all plans, offers, and payments in one place

## How it Works – Simple Member Instructions

- Make purchases with your debit card
- Check "Buy Now, Pay Later" in your online banking or mobile app
- View available BNPL offers on eligible purchases
- Decide which purchases you would like to split overtime
- Select the installment plan that works for you
- See your purchase amount deposited back to your account within 24 hours



# Frequently Asked Questions

## Where can I find my BNPL offers? —

*BNPL offers are found in Capitol Credit Union Online Banking from the BNPL tab. From the Mobile App, you can find BNPL when you click on the Menu icon.*

## Why can't I see any BNPL offers? —

*If you do not see BNPL offers, this may be because your current account status or your recent debit card purchases are not eligible for BNPL. If you already have active BNPL plans, you may not be eligible for additional offers until the active plans are paid back.*

## What is an eligible purchase? —

*An eligible purchase is a debit card purchase made in the past 60 days that is at least \$100 and was not a cash or cash equivalent purchase (eg. ATM withdrawal, money order, cash advance, etc.). Other restrictions surrounding the merchant type and transaction limits may affect BNPL eligibility.*

## Frequently Asked Questions (continued)

Does BNPL require a credit check? —

*No, Capitol Credit Union's debit card BNPL offering does not require a credit check.*

What if I can't find the BNPL Tab? —

*If you cannot find the BNPL tab you can add it to your online banking dashboard by selecting the 3 little dots and then "Organize dashboard". Select "add a card" and then add the "Buy Now Pay Later" card to your listing.*



## Managing Risk & Protecting Members' Well-Being

- We began rolling out a BNPL offering to our members **about a year ago** after observing its popularity.
- Common risks include the potential for members to overspend, which is why we introduced our program as a **post-purchase option** within digital banking.
- For a member to take advantage of our BNPL program, they must have been a member for **at least 180 days** and be in **good standing**.
- Eligible purchases must be from within the **past 60 days**, be **at least \$100**, and **cannot be a cash or cash equivalent** purchase.
- We set a **fixed interest rate of 15%** but charge no other fees.

# 1<sup>st</sup> Partial Year Results to Date & Future Plans

- We are averaging approx. 110 transactions a month (YTD)
- The average dollar amount per transaction is \$265 (YTD)
- We have approx. 483 active BNPL accounts outstanding for \$97,234.91
- IN ADDITION: WE JUST LAUNCHED THE PYP “PLAN YOUR PURCHASE” PROGRAM which compliments the BNPL program.
- We have not promoted the program to our membership, but it is “live” on our mobile App (Banno) and members have access to it.
- We are averaging approx. 44 transactions per month (QTD)
- The average dollar amount per transaction is \$1,176
- We approx. 127 active PYP accounts outstanding for a total of \$145,749.64

10

***This of course if without any advertising or promoting. We plan to push the program in 2025***

# Q&A Discussion Period

# THANK YOU FOR WATCHING



101 Connecticut Ave NW  
Ste. 1001  
Washington, DC 20036



[callahan@callahan.com](mailto:callahan@callahan.com)  
[www.callahan.com](http://www.callahan.com)



800-446-7453