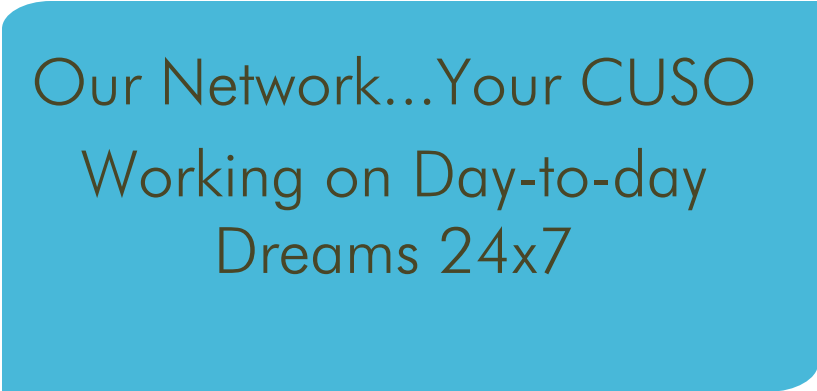CU*ANSWERS
A Credit Union Service Organization

2009 **leadership**
conference
& golf outing

welcome
welcome
welcome

my **credit union**…

realized **dreams**

start **here**

Our Network…Your CUSO

Working on Day-to-day
Dreams 24x7

Agenda

This morning:

- Realized Dreams...
  Still The Place To Be
- Marching Forward from 2008
  - Update on Last Year's "Big Declarations"
  - CU*Answers Electronic Document Strategies
  - Celebrating the New CU*BASE GOLD
- Increasing Our Investment in Network Execution
- Summarizing the Morning

After lunch:

- Put It Out There for the World to See
- My Credit Union...The Place to Be for Every Generation
- Responding to Network Technologies That Are Changing Our World
- Upping Our Game: Introducing CU*Answers Management Services
- Wrapping Up the Day

Realized Dreams...
Still The Place to Be

The events of the last year have caused many people to challenge this statement is still true, but we are convinced that the CU industry is still the place to be for the American consumer, credit union worker, and all of our hopes and dreams

Setting the Stage

- In 2009, any opinion about where the world is headed is good for about 10 minutes

- This year, the future of credit unions has been challenged like never before—the crisis might be 10 minutes away or 10 years away, depending on who you ask

- Who would have predicted...

Gun-to-the-Head Urgency
There's a New Wrinkle This Year

- "Gun to the head" in a time of "anything is possible"
  - Claiming new space
  - Big dreams/declarations now seem more probable than ever
  - Staying in the game means *embracing* the game

The Place to Be

CU*Answers Annual
Stockholders Meeting

June 17, 2009

(New location this year…pay attention!)

Gun-to-the-Head Urgency Partnered with
an Awakening to "Anything Is Possible"

10 Things for CUSO Planners to Consider

Spring 09
Vol. 1 · No. 2

Networks & Niches:
A Guide for CUSOs and Their Partners

Anything Is Possible
Igniting a Stay-in-the-game Excitement

- Occasionally people will say to me, "Must be neat to be a technology guy. You see cool things rolling out every day."
- What I really marvel at are the principles of the credit union charter that make doing cool things worthwhile
  - Faceless, nameless capital willed to future generations
  - Everyday people inspired to work towards improving their communities
  - A sense of ownership, earned simply by participating
- What I worry about is that in the day-to-day grind of being a credit union, we forget to marvel at these principles and begin to wonder if staying in the game is truly worth it

As a network, can we put the "cool" back into the minds of credit union stakeholders?

Can we inspire all of these groups to stay in the game?

- It all starts with members, and based on that frame of mind, it was easy to pick this year's winner of the $1,500 video contest

- It'll be a little bit tougher to convince regulators, credit unions, trade organizations, CUSOs… but I think we're up to the task

2008 Contest Winner:
"The Owners are Here"
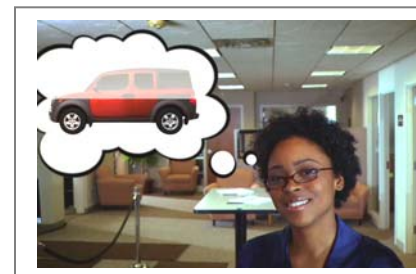
2009 Contest Winner:
"Realizing Dreams"

Proving We Are The Place To Be
An Environment Where Anything is Possible

- As a collective, if we accept the responsibility of responding urgently to our industry's issues, and act with the freedom of "anything is possible," then we must not only talk about our ideas for the future, we must also *act* and be an example of what is possible through alternative solutions

- Could our efforts be the proof of concept?

www.cuasterisk.com

CU*Answers wins the 2009 Frankie Award!
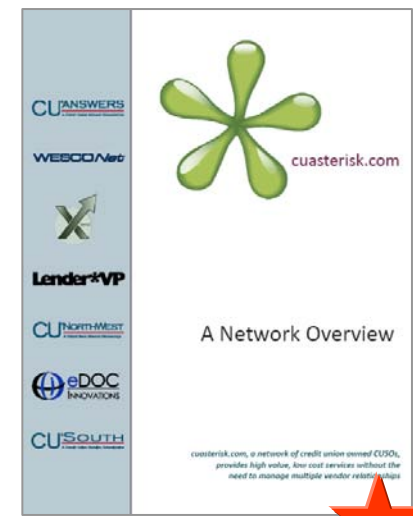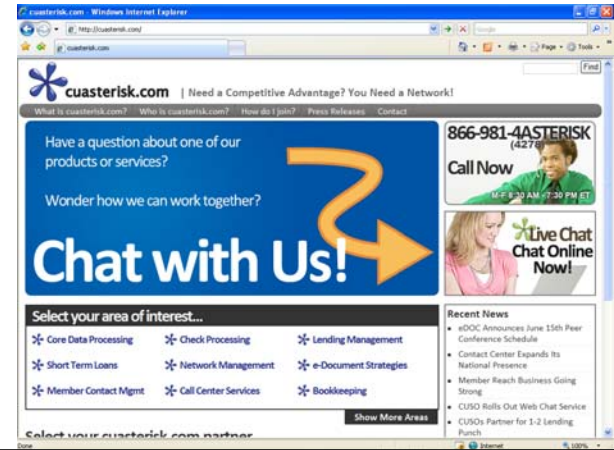
Proving We Are The Place To Be
An Environment Where Anything is Possible

- Can we prove that we are still the industry where members, employees, and vested individuals can see their dreams come true?
  - Can CU organizations thrive in the environment we're building? Can we prove it?
  - Can CU professionals see more personal opportunity in the environment we are building? Can we prove it?
  - Can third-party commentators see the strength in our collective actions? Will they declare it?
  - Will all network participants see the ability to build by simply participating in our network?

Award
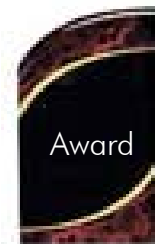
Proving We Are The Place To Be
An Environment Where Talent is Everywhere

- Passageways Partnership: Plans for 2009-2010
  - Migrate to Portal 4
    (Target: 2nd Calendar Qtr 2009)

  - New graphical template for cuasterisk.com ASP network
    (Target: 2nd Calendar Qtr 2009)

  - Development of Community Portal (project name Verona)
    (Target: 3rd Calendar Qtr 2009)

  - Add co-funded contractor resource
    (Target: Contract started as of 4/1/09)

  - Community Portal beta rollout
    (Target: 4th Calendar Qtr 2009)

  - Aggressively roll out Community Portal
    (Target: 1st Calendar Qtr 2010)

TALENT SOURCE HOSTED PORTAL

Empower your team with a
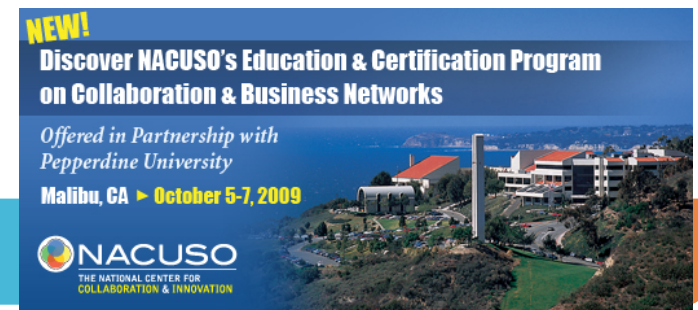Talent Source Hosted Intranet Portal.

WESCONet

Proving We Are The Place To Be
Executing in a Network: The Real Work

- The market is responding, and it's starting to ask hard questions: "We accept the theories, now what actual work have you done to prove the point?"

- Can we prove our organizations *default* to network thinking?

  - From the top to the bottom, can we prove that we've done the work to facilitate an instinctive reaction to get the most out of a collaborative network?

- Can we identify the factors that prevent us from readily accepting network designs?

  - What are these obstacles or "*nth* factors"? Trusted individuals, contract designs, leadership thinking, etc.

  - How do you turn obstacles into specifications for collaborative solutions?

NEW!
Discover NACUSO's Education & Certification Program on Collaboration & Business Networks

Offered in Partnership with Pepperdine University

Malibu, CA ▶ October 5-7, 2009

NACUSO
THE NATIONAL CENTER FOR
COLLABORATION & INNOVATION

Proving We Are The Place To Be
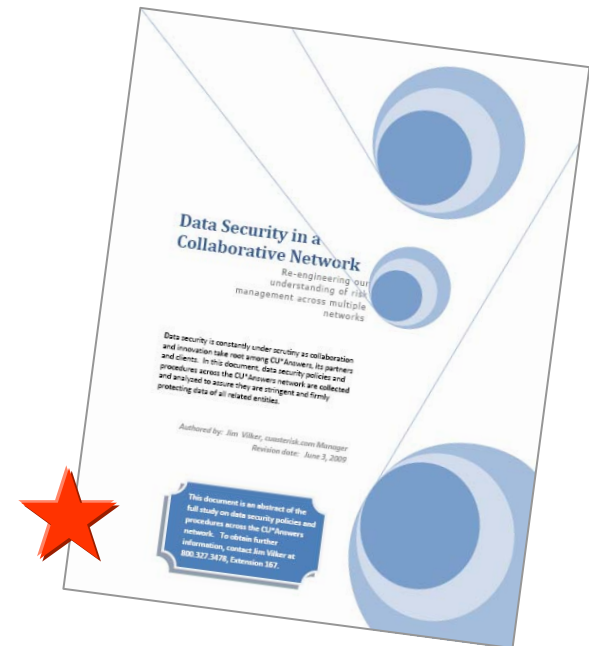## Turning Obstacles Into Specifications

■ Obstacle: What is a trusted insider?

- What we learned from Neighborhood Mortgage Solutions: there are trusted individuals, and then there are trusted individuals

■ Specification for collaborative solution:

- A new focus on data security

Proving We Are The Place To Be
Turning Obstacles Into Specifications

- Obstacle: What is a trusted insider?
  - We already had the issue with Xtend teams and shared branching
- Specification for a collaborative solution:
  - A new focus on member privacy
  - Shared Branching BSA improvements
  - Privacy 2010
    (9.2 release, Aug. '09)

Proving We Are The Place To Be
Investments That Prove Our Point

- When we move from being paid to help credit unions grow at their own risk, to *investing* so they grow, at our risk, then we are making a market statement that is very different from anyone else

- Creating viable network participants (CUs)
    - Investing in turnaround programs
    - Investing in startups
    - Investing in credit union mergers & alliances

- If we can anticipate our network growing by $1.50 per member/month when a CU adds a new member, should we pay Xtend and CU*Answers Management Services to directly create viable network participants (members)?

Proving We Are The Place To Be
Investments That Prove Our Point

- When we move from be... paid to... credit unions grow at their ow... to *inv...* ...sk, then we are makin... ...than anyo...

- Crea...
  - Investing...
  - Investin...
  - I...

- If we can anticip... ...rk... ...g by... 0 per member/month... ...hen a... dds... ...member... hould we pay Xtend and CU*Answ... Manage...ent Services to directly create viable network p...cipants (**members**)?

Sounds like an obstacle to me! Getting everyone to trust when, where, and how much of our CUSO's money should be invested

At this year's Board planning session, I hope we'll come up with a specification for this new collaborative solution

Whew! All of that and we're only on slide 18?!?

(Only 141 more to go!)

- For the rest of the day, I hope you will think about how your organization proves to your members, your community, and your stakeholders that you are the place to be

- Because if collectively we can take several hundred organizations to the market, all believing they are the place to be, we will be a proof-of-concept for staying in the game

my **credit union**…
realized **dreams**
start **here**

Marching Forward from 2008

Update on Last Year's Big Declarations

Update on Last Year's Big Declarations

To achieve the lowest cost of going active with innovation

To have the lowest cost in the industry for compliance

To be known as one of the most aggressive mortgage servicing networks

Update on Last Year's Big Declarations

To achieve the lowest cost of going active with innovation

To have the lowest cost in the industry for compliance

To be known as one of the most aggressive mortgage servicing networks

Active Innovation

- From Wikipedia:

> "The term **innovation** means a new way of doing something. It may refer to incremental, radical, and revolutionary changes in thinking, products, processes, or organizations. A distinction is typically made between **invention**, an idea made manifest, and **innovation**, <u>ideas applied successfully</u>"

- Collectively, we do invent…but far too often we are not as successful *innovating* collectively as a network

The CEO comment that nags at me most: "We simply do not have enough time to implement all of the things we have available to us"

Driving Principles

- Well-crafted networks are rich in content and the tools that make all that is known, visible to all participants
  - Speed up the time between finding an idea and executing on it
  - Speed up the time between recognizing a need and delivering a solution
  - Eliminate the duplication of standalone work and replace it with the benefits of shared work
- But once things are visible, how do you make them your own? How could the relationships that we build in CU*Answers allow us to simply import, append, or ratify your next solution?

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Expanding On "Learn from a Peer"

- This fall we will start work on a new process to accumulate system configurations into a shared file and begin adding the "Learn from a peer" button to various configurations
  - Coming Spring 2010

Expanding on Exchanging With Peers

- In 2010 we will start a project to actually exchange Misc. Member Account Forms configurations and other processes such as . . . ?
  - What would you suggest?

26

Expanding Our Shared Work

- Sharing each other's work by proxy has been a standing practice of CU*Answers since 1995
- In 2009, we are releasing the new Risk Management Report Generator

http://rmg.cuanswers.com/

Expanding Our Shared Work

"A great start for a tool that has the potential to leverage the cooperative nature of credit unions and significantly reduced the duplication of effort in the area of due diligence."

Ray Hasson, CorePlus CU

Update on Last Year's Big Declarations

To achieve the lowest cost of going active with innovation

To have the lowest cost in the industry for compliance

To be known as one of the most aggressive mortgage servicing networks

Last Year's Challenge

- From the CUSO perspective, could we build a cooperative, collaborative view of how to comply?

- Could we have a working model to analyze, understand, and even make judgment calls about one way to do it?

- Could we have a working model that aggressively tries to drive down the cost of day-to-day execution around compliance and auditing?

- Could we use that aggressive model to improve the software and tool foundation that everyone uses in diverse ways?

Audit Link 2009

- Compliance Consulting Contacts since last year: **21**
  - 4 more coming in the next two months

Review CU policies against CU*BASE configurations	150 policies, countless related disclosures
Evaluate configurations to ensure they are aligned with regulations	210 total configurations
Review policies for consumer privacy issues	42 privacy statements & disclosure procedures
Focus on BSA issues and CU responses	42 risk assessments, 21 BSA configurations
Review Employee Security settings in comparison to CU procedures and employee actions	Updated 645 staff security settings
Review current internal tactics for day-to-day auditing and reporting to CU leadership	320 hours of consulting time
Outline a plan for moving forward	Compiled 4,200 pages of findings, made 430 specific recommendations for improvements

  - To date Jim has spent 70+ days at CUs helping them regain a focused approach to auditing and compliance

Audit Link 2009

- Clients using Audit Link for daily work: **17**
- Doing the work…

BSA Accounts	1,360 per month
Dormant Accounts	524 per month
Reversal Accounts	792 per month
File Maintenance Pages	3,300 per month
Wire Accounts	130 per month
Reg D Accounts	68 per month
Employee Accounts	230 per month
BSA/SAR (structures) Accounts	102 per month

If you're not using Audit Link, are you verifying that your own audit team is doing the work?

Audit Link Contributions 2009

■ It's working…

"Our partners at Audit Link gave us a heads up that suspicious activity was taking place in a member's account. It turned out to be one of the largest kiting schemes we have seen in our area for quite some time. It allowed us to be the first ones out with no loss to the credit union.

"Just this one incident alone has paid for our investment in Audit Link ten times over. I would encourage every credit union to take a look at extending their staff like we have by engaging Audit Link."

Cindy Griffin, CEO, Northern Hills FCU

Audit Link Contributions 2009

■ Audit Link changing the game

- Prior to Audit Tracker, you searched through reports and long lists…today every member is connected to your internal auditor

34

Audit Link Right Now

http://advisor.cuanswers.com

http://rmg.cuanswers.com/

Audit Link 2010

Foreign ID Handling

- 2-byte, CU-configurable *ID Type* code for SSN vs. TIN vs. Mexican vs. "Unknown," etc.
- Allows same 9-digit number for a SSN and a TIN
- Allows for randomly-generating other ID numbers (no more imitation SSN/TINs)

OFAC

- New rules for international ACH transactions
- Manually scanning things like CU checks (similar to wires)

CTR Forms Automation

- Teller to pop a fill-in form according to your BSA configuration
- Create note in the member's Audit Tracker record
- Integrated into existing BSA inquiry/reporting tool for back office verification/completion
- Retain in BSA database for 90 days for reprint/verification (not going to CU*SPY this phase)

Audit Link 2010

■ Audit Link is catching on…groups across the country continue to focus on how compliance can be handled in a new way

- **CU Compliance Group**: a network approach where Audit Link is one of the participants
    - Compliance seminar
    - Boot camp
    - In-house one-on-one
    - Ad hoc services

■ Defending the industry and its operators may start with understanding how to put our best foot forward around compliance

Talk to Jim Vilker today if you want to learn more!

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Update on Last Year's Big Declarations

To achieve the lowest cost of going active with innovation

To have the lowest cost in the industry for compliance

To be known as one of the most aggressive mortgage servicing networks

Setting a High Bar

- Last year when we made this declaration it was based on the idea that CU*BASE and **It's Me 247** would allow credit unions to list mortgages as one of their strengths
  - Make mortgage information and payment processing available to members via every channel, every employee
  - Coordinate the member perspective with the participating partner's perspective
  - Create servicing controls so that credit unions are comfortable offering multiple mortgage strategies

Big goals and big themes... yesterday's specialty is tomorrow's expectation for every user

Tomorrow's Expectations

- In the back office of dozens of CUs, CU*BASE and Lender*VP are getting the job done
  - Lender*VP currently services 1,600 mortgage loans for 23 CUs
  - The software is compatible with many different participation partners including Fannie, Freddie, FHLB, VA, and HUD

- But if we are going to make mortgages a visible core competency of every CU, we need to move the back office to the front office whenever possible
  - CU*BASE Participation Loan software is a game-changer if you can translate *what members need* from what the secondary market dictates
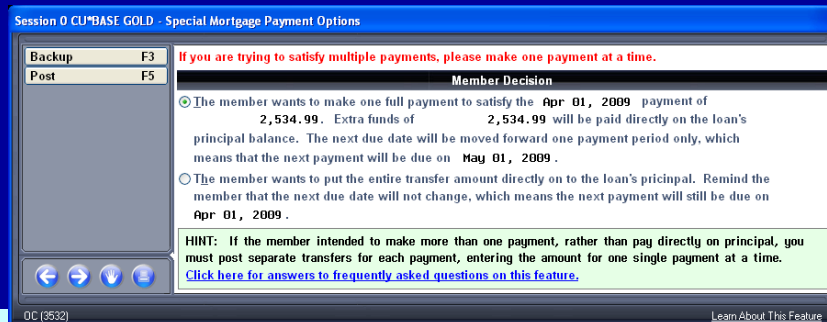
Big goals and big themes... yesterday's specialty is tomorrow's expectation for every user

Mortgage Projects 2009

- ## Enhancements to 360-day mortgage loan servicing
  - Interactive messaging
  - Principal curtailments in one step
  - Documenting a member's decision in transaction history
  - "Instant Interest Calc" and pay-ahead options
  - Choose your interest calc date

Mortgage Projects On the Horizon

AFT Sweeps

- True "balance sweeps" similar to OTB, to pull <u>all</u> available funds from savings (if ≥ regular payment) and pay to loan

- Using clearer language for staff and members in **It's Me 247** ("pay my balance in full" instead of $9,999,999, etc.)

- Tighten controls to prevent members from changing special collections AFTs

Handling Delinquent Mortgages

- If fines are due and the member pays a regular payment + *extra* $$, will take the fine before putting the rest onto principal

- Change to the *Allow payments via online banking* flag:
  - Always
  - Never
  - **NEW:** Only if loan is current (block if delinquent)

Escrow Analysis Statements

- Making them more member-friendly (stay tuned for more about this!)

Mortgage Projects On the Horizon

- Mortgage payoffs are a major undertaking for everyone related to mortgages: how to predict what a future mortgage payoff amount will be based on all of the potential factors
  - Should you anticipate a future payment?
    - If not, should you calculate a delinquency fine?
  - Do you need to net out the outstanding escrow balance?
  - Should you anticipate a future insurance premium?
  - How many days should be based on 360 or 360/365 interest calc?
- Look for more in the Kitchen as we make decisions about just how smart a mortgage payoff calculator could be
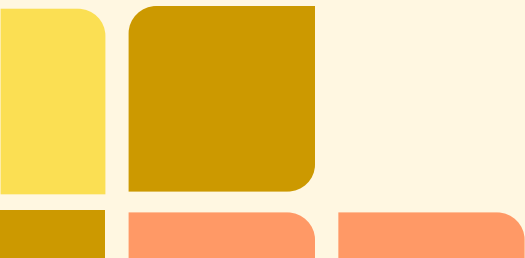
Are we making mountains out of molehills when a mortgage payoff is off by 18 cents?
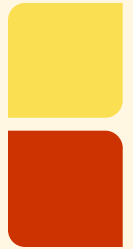
Marching Forward from 2008

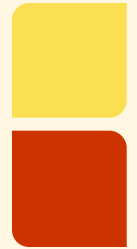CU*Answers Electronic Document Strategies…
An Ongoing Evolution

CU*Answers / eDOC Partnership

- CU*Answers' commitment to eDOC Innovations as an owner and active partner is stronger than ever
  - Today, eDOC has an expanding ownership base (new owners in 2009: Corp One, Progressive CU, and Massachusetts State CU)
  - CU*Answers continues to be majority owner
  - CU*Answers is the Facilities Management partner for eDOC ASP solutions
  - CU*Answers considers eDOC solutions to be our deepest integration partner, now and into the future

- Our project to broaden our electronic document strategies is designed to enhance our relationship with eDOC, not take away from it
  - Two teams of experts working for CU*Answers clients is better than one

CU*Answers Electronic Document Strategies
The Big Picture

- Starting 10/1/09, CU*Answers will add a new Electronic Document Strategies Manager to its internal team

- CU*Answers programming team is adding a new developer to focus on CU*BASE and It's Me 247 strategies related to electronic documents
  - A smarter interface between CU*BASE and ProDOC
  - Expanding our ASP document management capabilities
  - Developing corporate integrations for cuasterisk.com partners
  - Developing a corporate vault for credit union corporate documentation archival/retrieval

Beyond eDOC, this is our core processing perspective on strategies provided by any and all vendors

CU*Answers Electronic Document Strategies
The Big Picture

e-Receipts

e-Statements

Loan Forms

Counter-killed Checks

eDOC In-house

Deposited Checks

Photo IDs

Cleared Checks

eDOC In-house

Reports

eDOC In-house

Scanned Documents

CU*Answers Private ASP (CU*SPY)

eDOC Public ASP

Corporate Documents

Other 3rd Party In-house

Misc. Member Account Forms

Other 3rd Party In-house

Other 3rd Party In-house
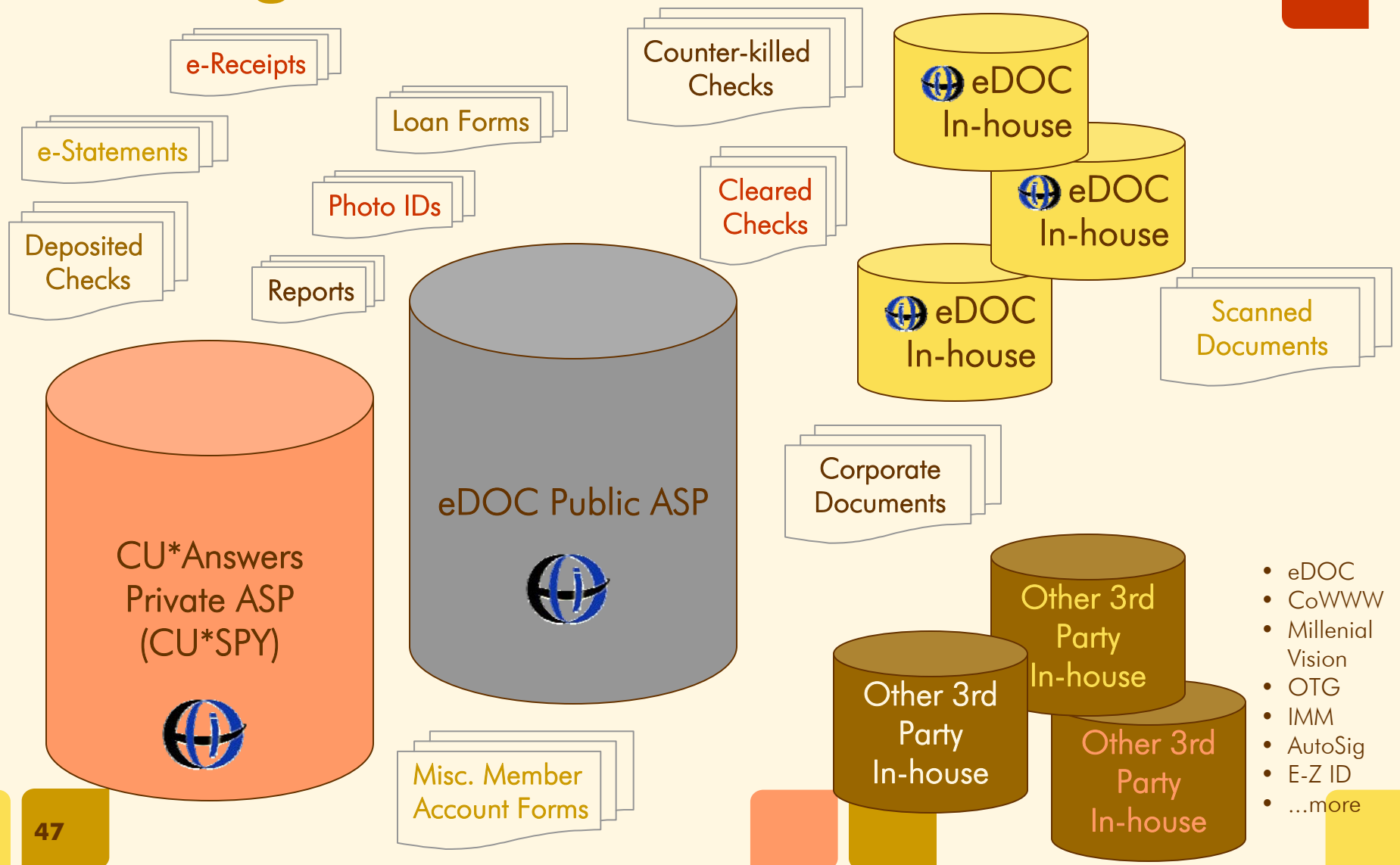
- eDOC
- CoWWW
- Millenial Vision
- OTG
- IMM
- AutoSig
- E-Z ID
- ...more

The Big Picture
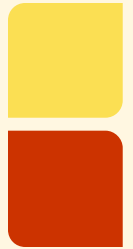
- Vaults are the best way to differentiate the strategies of both the credit union and CU*Answers

- Each vault has its own rules for
  - What can be stored
  - Where the data comes from
  - How long data will be stored
  - From where can data be retrieved
  - Who is responsible for infrastructure and reinvestment

- Rules are set by the vault architect/manager

- Your strategies depend on the best fit of services and expense…and this may change over time

The hard thing is that the price that you pay can range from $0 to $100,000+

eDOC Innovations and Our Network

- **CU*BASE credit unions using the eDOC ASP solution (CU*Answers ASP vault):**
  - e-Receipts / Photo ID capture: **45**
    - **13,520,938** receipt images and **122,878** ID images on file
  - e-Loan Forms: **2**
    - **2,403** loan form images on file
- **CU*BASE credit unions with an eDOC In-house solution:**
  - e-Receipts and photo IDs: **14**
  - Reports and statements: **17**
  - Loan forms: **11**
  - Scanned documents: **13**

In 2009, we are moving online clients from CoWWW to the eDOC solution for CU*SPY reports, statements, and archived credit reports

49

Understanding Emerging Tactics

- Evolving from "what is possible" to what we are actually able to do on a day-to-day basis

CU*SPY Replacement

Easy Google-type search options

Search by category or search all reports

Record permanent notes by report line

Merge multiple reports to view/print

See all report lines that match search criteria

A New Way to View Daily Reports

Windows Internet Explorer

http://172.23.0.35/reports.php?SID=23DAFE796EF34767B60C7C5B96E9DFBA

View   Favorites   Tools   Help

Reports

Page ▾ Tools ▾

All Reports | Account | Audit | Draft

LGLACT1

8,740.81

05/26/2009

05/26/2009

Descending

50

☑ Reports ☑ Notes

Search

New Search

Found 2 items.

☐ Select All Reports   Show [All ▾] lines of the report.

⊟ May 26, 2009

  ⊟ ☐ LGLACT1 E-G_L TRIAL BAL VERIFICATION.GL

    0   01   15   8,740.81   8,740.81

    This is the amount.\n8,740.81

○ TXT
○ PDF

8,740.81   Search   << < > >>

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1
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   RUN ON   5/24/09                      MEMBER TRIAL BALANCE
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                                                LOAN ACC

CORPORATION -01 WESTERN DISTRICTS CREDIT UNION
 G/L                                       # OF
 #       D E S C R I P T I O N         BRANCH  ACCTS      B
                                         01     492    1,102.79    4,
                                         02     234    2,985.94    2,
70101  AUTO/REC VEHICLE                  **     726  6,774,088.73  6,
                                         01     15    8,740.81   8,740.81    .00
                                         02     18          9,340.33
03     CHRISTMAS LOANS                    **     33       18,081.14
                                         01     210  1,035,399.61    1,
                                         02     153     655,605.76
04     MISCELLANEOUS CLOSED END          **     363  1,691,005.37    1,
                                         01     781     667,934.97
                                         02     171      99,675.13
70108  OVERDRAFT PROTECTION              **     952     767,610.10
0                                        01     39   1,084,986.53    1,
                                         02     42   1,063,253.33    1,
70111  HOME EQUITY CLOSED END            **     81   2,148,239.86    2,
0                                        01      7     266,626.36    2
                                         02      4      41,564.29
70115  HELOC                             **     11     308,190.65
0                                        01     12   1,484,838.69    1,
                                         02      8     812,858.49
70117  MORTGAGE LOANS                    **     20   2,297,697.18    2,
                                         02      1       1,248.96
70121  INHOUSE VISA LOANS                **      1       1,248.96
                                         02      4     120,086.97
70152  OAK HELOC                         **      4     120,086.97
0                                        01     158     691,483.98
                                         02     32     101,876.86
71900  WRITE OFF LOANS                   **     190     793,360.84

          ** TOTAL ALL LOANS                 2,381  14,919,609.80   13,
```

Done

Internet   100%

CU*SPY

eDOC Investment Payoff: Our Vendor of Choice
CU*SPY Replacement
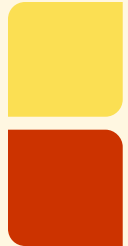
Statements from CU*BASE

Special look for Member e-Statements from It's Me 247

Teller Receipt Analysis

A New Perspective on Statements
Responding to Diversity

- ◼ Diverging printed from e-Statements
  - ▪ Printed statements will no longer look exactly like e-Statements…ever again
- ◼ New "flat file" method for delivering statement data
  - ▪ Allowing for multiple e-document relationships/strategies
  - ▪ Taking advantage of Sage Direct capabilities to offer multiple printed formats
    - ▪ Through your CU*Answers relationship
    - ▪ Potentially controlled by the member
    - ▪ Through a direct relationship with Sage
  - ▪ Increased flexibility for non-Sage vendors for printed and for e-Statements
  - ▪ Print beta-test currently underway for 2 CUs
  - ▪ e-Statement beta-test of the flat file 3rd Qtr '09

A New Perspective on Statements
Responding to Diversity

2-column layout

2-column with onsert

Other onsert options

Large print

A head-on collision waiting to happen: printed statement options selected via an electronic channel??

A New Perspective on Item Processing
Clearing From Electronic Check Images

- In the past year we have transitioned our IP department from paper checks to electronic item clearing

- Checks from **anywhere** can now be processed by CU*Answers in Grand Rapids

  - We are now responding to RFPs for item processing from New York, Wisconsin, and Ohio...should you be next?

- What does this mean to current IP clients?

Super Savings!!

Effective 10/1/09, return fees will be slashed by 30%!

CU*Answers
Check Processing
Goes National!
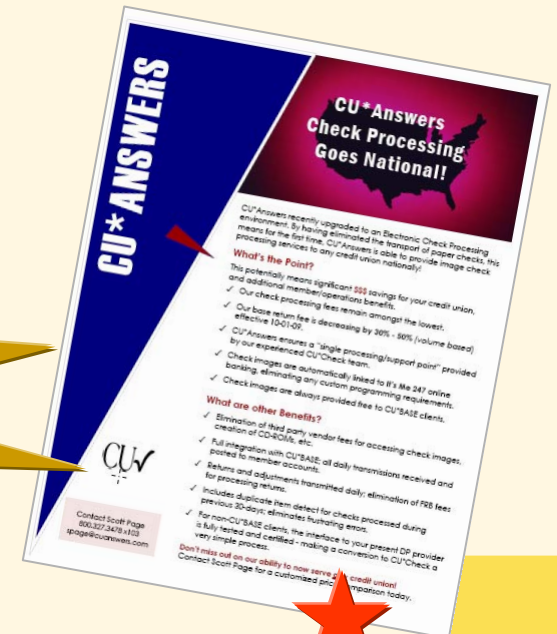
Marching Forward from 2008

Celebrating the New CU*BASE GOLD

We did it!
(And by "we", I mean all of YOU too!)

- Remember how last year at this time we were anticipating the New GOLD Standard (NGS) rollout?

- Thanks to an amazing effort by everyone in the network:

  - 266 branches upgraded in 18 days *(averaged 14-15 branches a day)*
  - Most branches in a single day: 29
  - 4,425 workstations
  - 21 new GUAPPLEs (14 CUs)
  - 6,300 panels *(recreated from scratch!)*
  - 5,700 hours development
  - 2,800 hours testing *(QC and Systems)*

  - 300 new on-screen tips
  - 2,200 help topics refreshed
  - 130 booklets updated
  - *Coming: updated online courses, more booklets, marketing flyers, etc.*
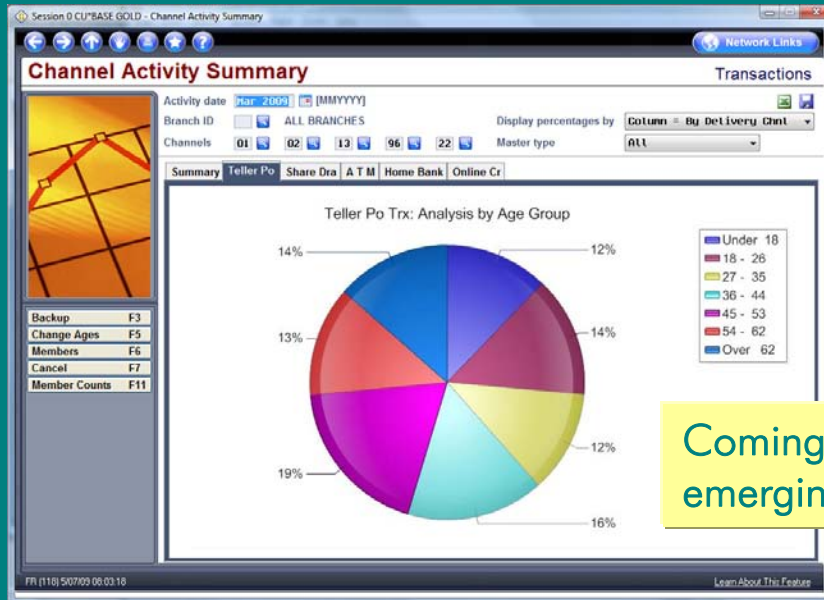
Take pride in the fact that our network can make a transition like this...we'll be doing this sort of thing again in the future, in many different ways

Now We're Into the Evolution
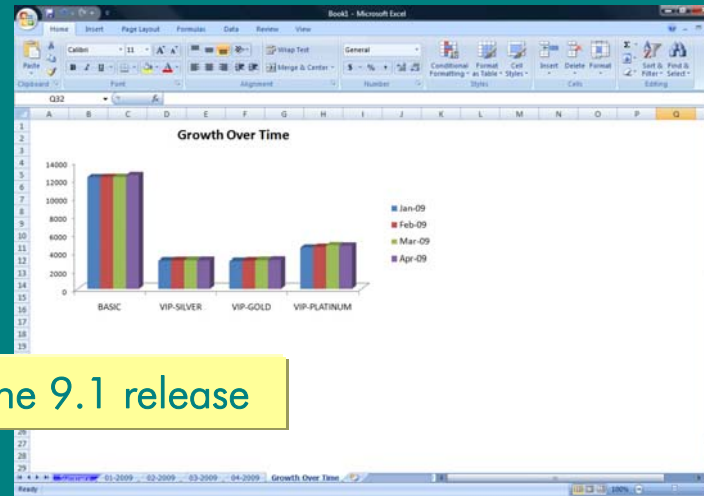## And since a picture is worth a thousand words...
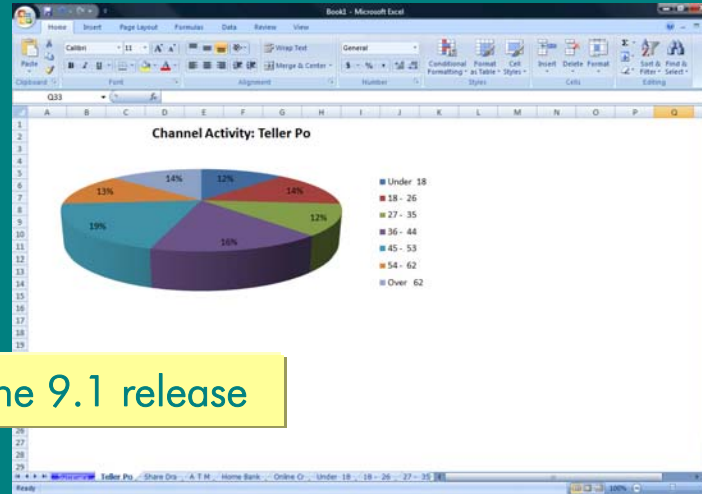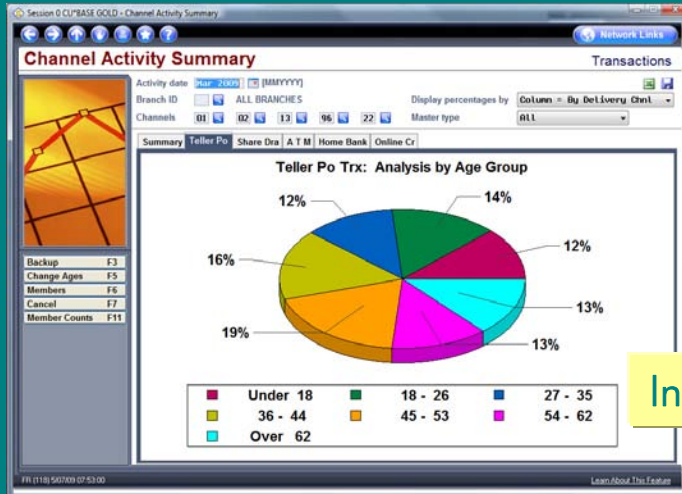
In the 9.1 release

Coming down the road with emerging new tools

Now We're Into the Evolution
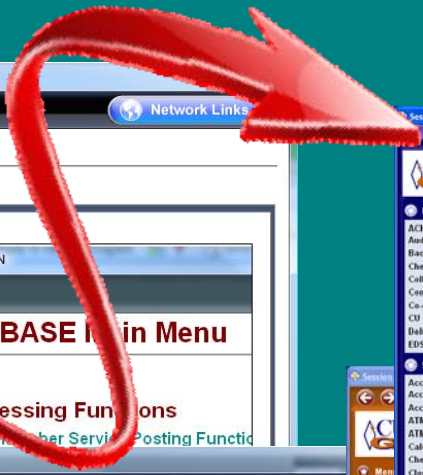## And since a picture is worth a thousand words...

In the 9.1 release

Coming down the road with emerging new tools

Now We're Into the Evolution
And since a picture is worth a thousand words...

- The return of GOLD Favorites!
  (9.2 release, August '09)

Now We're Into the Evolution
And since a picture is worth a thousand words...

■ GOLD Branding
(coming soon)

- ▪ Your logo can appear on the login screen and all CU*BASE menus
- ▪ Will be controlled by your credit union, requiring manual action on each workstation
- ▪ Will require a GUAPPLE
- ▪ We'll be publishing instructions and file specifications...stay tuned!
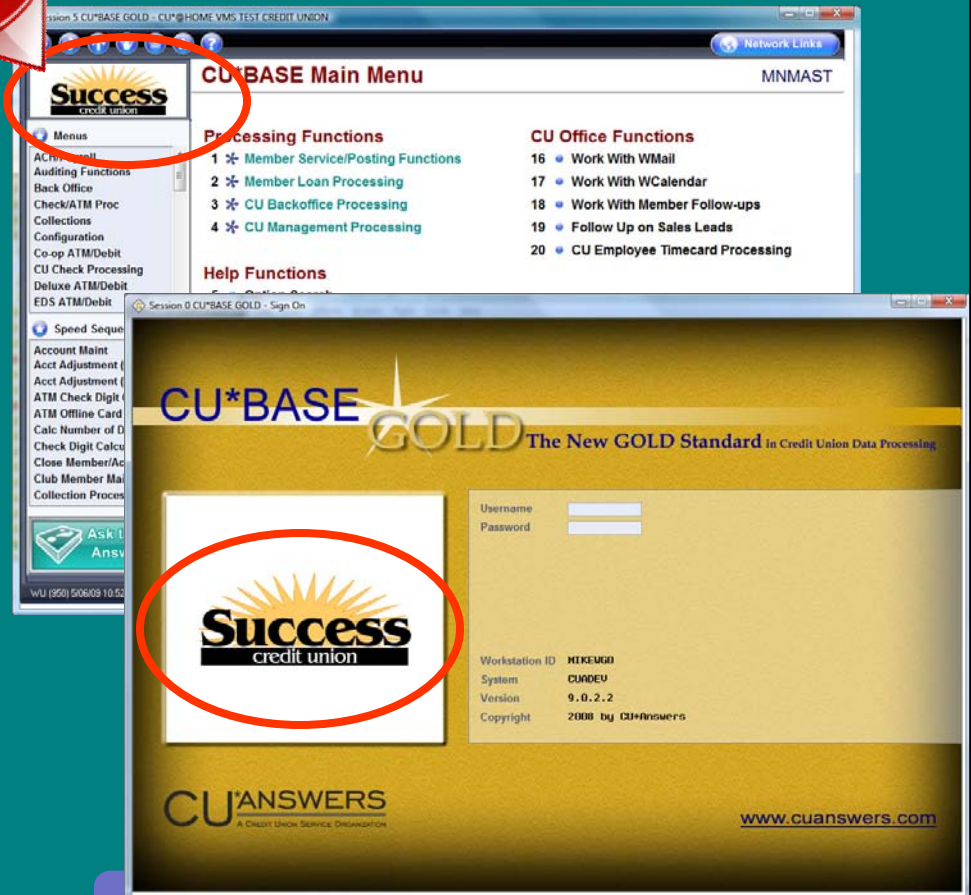
Now We're Into the Evolution
And since a picture is worth a thousand words...

■ Custom graphics on select CU*BASE screens
(coming soon; also requires a GUAPPLE)

Managing Your Brand at CU*Answers

- New Focus Group this fall
- Coordinated effort for how to manage your brand in all of the services CU*Answers delivers
  - Custom graphics on select screens
  - Logos on GOLD, It's Me 247, statements, forms, etc.
  - New series of development projects and a new vision for extended branding
- Look for more in the coming months and keep your eye on the Kitchen

If you have the budget, you could have a private look and feel for It's Me 247 in 2011!

Increasing Our Investment in Network Execution

Whose investment?

- Credit Union Organizations
- The CUSO
- Credit Union Professionals

Building a Playbook
Franchising Ideas for Credit Union Operations

- The way we all interact in our network should naturally yield the specifications for the projects that will take us forward into the future…**playbooks** for operating credit unions

- Building a playbook:

  - Organic playbook where the network shares its content interactively with users (automated CU*BASE toolkit)

  - Building a consulting portfolio on products, services, and ideas for operating a credit union – a project team to interact with your leadership team (CU*Answers Management Services)

> You'll recall that last year we launched new "get the work done" teams (Collections, Audit Link, etc.)
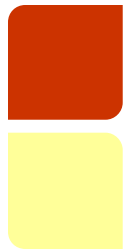
Building a Playbook
Franchising Ideas for Credit Union Operations

- Have you thought about marketing your own "get the work done" team to the network?
    - Think about NMS and our "Place to Be" mentality
- In 2010, the cuasterisk.com teams will work on writing their playbooks and presenting them to the network
- Are you ready to improve on these playbooks and start a cycle of evolution for network businesses?

AuditLink

Xtend Member Reach

Xtend SRS

Lender*VP

Xtension call center

I've said it many times: we want YOU to sell to your peers, even if that takes us out of the game

Building a Playbook
Franchising Ideas for Credit Union Operations

Case Studies from the cuasterisk.com Network Playbook

- A new series of network communications related individual peer insights for everyone in the network

- Here's our first one...
  - Check out United Advantage NW FCU's experiences and look for more from CU By Design in the future

A CASE STUDY
from the
cuasterisk.com network
Playbook

United Advantage NW
Federal Credit Union

SURVIVING AND THRIVING
IN THE NEW ECONOMY

An interview with Evie Rasmussen

"This is not 1980. Times have changed, and we have to adapt to the new operating conditions if we want to survive. We have to work smarter, more efficiently and effectively."

The "Get It Done" Team of 2010
Has Xtension Caught Your Eye?

Yesterday's specialty is tomorrow's expectation for every user...the Call Center is changing how we teach users and ourselves

Building Our Products Together
Idea Forms

- Idea Forms are the real deal
  - In the period May 1, 2008 through May 1, 2009 there were **1,083** page views of the Idea Form Web Form
  - They average visitor spends **6 minutes** completing this form
  - Every form hits my inbox and I work them in groups of 30-50
  - It's a team effort, and it often starts email trails as long as 20 conversations
  - Add these to the **1,748** project sheets reviewed by the team this year, and you have a rich contribution of users and clients, changing the way we do things (this year's **approval rate: 78%**)

Coming in 2010: A new contest that will reward the designer in you: $1,000 for the best complete <u>specification</u> (not idea) submitted in the next year

Building Our Products Together
Interactive Education
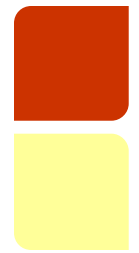
Education

Since last year...

- 242 classroom or individual events
- 436 web conference sessions (up 17%)
- 395 days of conversion training/support (up 44%)
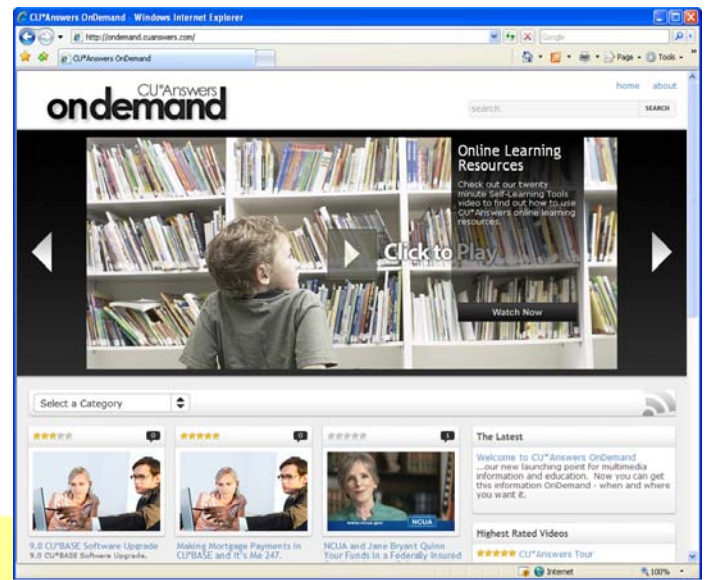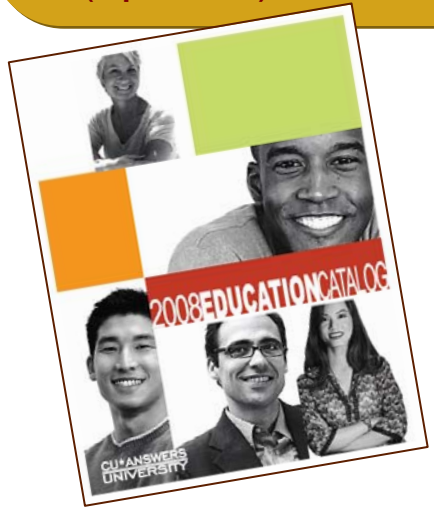
On Tap for OnDemand

Coming soon...

- Series on CU*Check 21
- Series on CU*BASE Cross Sales Tools & Trackers
- Report Builder 1 & 2

Building Our Products Together
Interactive Education

2008 Stats (June 2007 – May 2008)

Top 5 Web Conference Attendees
- 1. Ohio Catholic
- 2. Affinity Group
- 3. Alpena Alcona Area
- 4. Detroit Municipal
- 5. Aeroquip

Top 5 Online Learning Users
- 1. Detroit Municipal
- 2. United Educational
- 3. Glacier Hills
- 4. New Horizons
- 5. Iosco

Top 5 AnswerBook Users
- 1. Northern Hills FCU
- 2. Fox Communities
- 3. Ohio Catholic FCU
- 4. Community CU
- 5. Affinity Group CU and Wauna FCU (tied)

As a thank you, last year these CUs received 10 free hours of Webex web conferences to use any time in 2009

Building Our Products Together
Interactive Education

2009 Stats (June 2008 – May 2009)

- Top 5 Web Conference Attendees
  - 1. Glacier Hills
  - 2. Delta County
  - 3. ATL
  - 4. First Trust
  - 5. Ohio Catholic
- Top 5 Online Learning Users
  - 1. Heartland
  - 2. Superior Choice
  - 3. Allegius
  - 4. Highmark
  - 5. Sentinel Federal

- Top 5 AnswerBook Users
  - 1. Highmark
  - 2. Fox Communities
  - 3. Community West
  - 4. Community CU
  - 5. Ohio Catholic

=repeaters from last year!

Coming in 2010: Look for details on how to win $2,500 toward a custom CU University campus (details in your 2010 Education Catalog!)

Building Our Products Together
Broadcasting to Network Participants
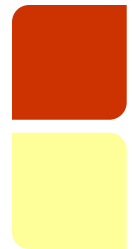
RSS Feeds…Are You Hooked In?

- cuanswers.com - Client News

- cuasterisk.com - Press Releases

- cusecure.org - ID Theft and Phishing News and Information

- edoclogic.com - eDOC Innovations News

- ms.cuanswers.com - CU*Answers Management Services & Gividends

- news.cuanswers.com - Industry News

- ondemand.cuanswers.com - Videos and Demos

- support.cuanswers.com - Internal Site for Support Contacts
  (only accessible via MPLS Network)

- updates.cubase.org/alert/ - CU*BASE and Xtend System Alerts
  (only accessible via MPLS Network)

- wesconet.com - Systems & Network News

- ws.wesconet.com - Web Services News

We're already connected on social networks like Twitter, LinkedIn and Facebook…look for network participants when you are surfing social networks

Building Our Products Together
Broadcasting to Network Participants
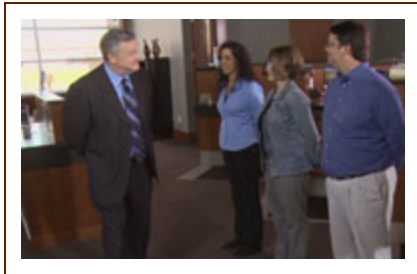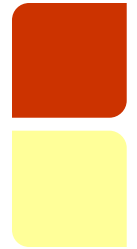
2008 Contest Winner:
"The Owners are Here"

2009 Contest Winner:
"Realizing Dreams Faster"

Self-Service Short

It's Me 247
Online Banking

See these and more at
http://ondemand.cuanswers.com

Will you participate in next year's video contest?

Building Leadership Together
2009 CEO Strategies Event
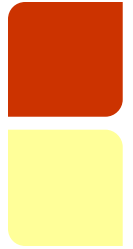
- Lately all businesses have been challenged to earn a return on network events and out-of-office time
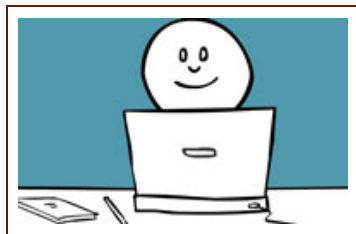
- Have we lost the vision for explaining the return on how hard we work together, as coaches/players, teachers/students, and earning with others?

- CEO Strategies week is a for-profit event for those who do the work

Mark your calendars…

NOVEMBER 2009				
9	**10**	**11**	**12**	**13**
Monday (Afternoon only)	Tuesday (All day)	Wednesday (All day)	Thursday (All day)	Friday (Morning only)
Collaboration Workshop	CEO School	The CEO Roundtable (for CEOs only)	CEO School (repeat of Tuesday)	Collaboration Workshop (repeat of Monday)

Building Leadership Together
2009 CEO Strategies Event
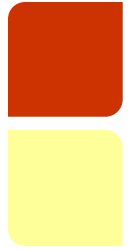
■ An ongoing exchange from the CEO Strategies week:
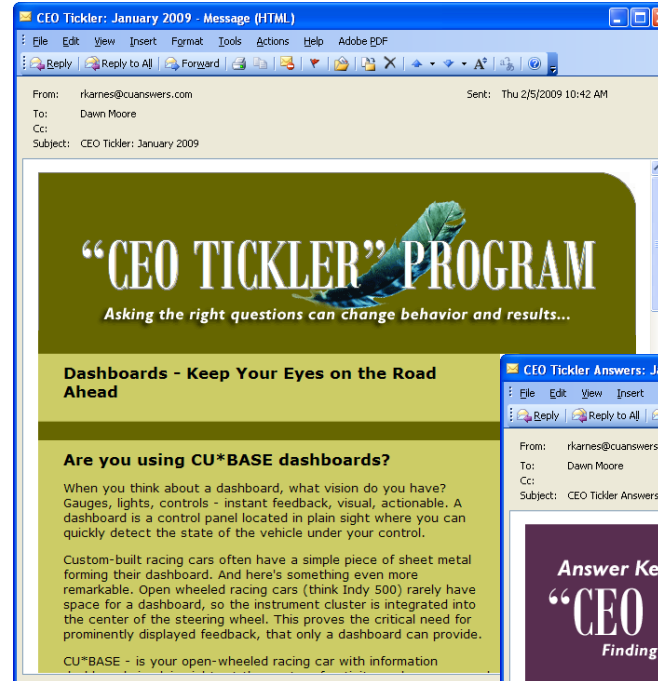
Building Leadership Together
2009 CEO Strategies Event

■ A working project from the CEO Strategies week:

MNCNFD #11 Fee Income/Waiver Analysis

My challenge to you: if you need income, be a monster analyst using this tool...

See you in November!

Building Leadership Together
2009 CEO Strategies Event

- New project to kick off at this year's CEO Strategies week:

Member Checks	Corporate Checks	Overdraft Transfers

Description	Total Amount	Fee Amount	# of Checks
Total member checks received	1,037,793.81		5,161
Member checks posted	1,030,224.87		5,120
Members checks posted to negative balance	10,752.18	2,375.00	94
Exceptions in 1st pass	7,568.94		41
Re-posted	1,372.16	300.00	12
Force posted to negative balance	741.04		9
Returned	6,196.78	500.00	29

- Sharpening our edge via new automated trending tools

What's the lowest this has been over the past year?

What's the average amount for this over the past year?

What's the highest this has been over the past year?

Building Leadership Together
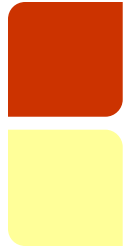
■ It takes network **leadership** to drive network execution

■ And that brings us to the Robert H. Mackay award

"The challenge of leadership is to be strong, but not rude; be kind, but not weak; be bold, but not bully; be thoughtful, but not lazy; be humble, but not timid; be proud, but not arrogant; have humor, but without folly."

Words to live by, shared by Bob Mackay
Taken from a quote by Jim Rohn

Wrapping Up the Morning

Wrapping Up the Morning

- Welcome to our vendors!
- Wondering where is "Christmas in June" this year? Look for some pricing announcements after lunch…

- Enjoy your lunch and check out the gardens…but please be sure you are seated again by 1:15
- After lunch, Randy will share the stage with some wild and crazy guys…

Let's Eat!

Put It Out There for the World to See

In a year when it might seem prudent to keep your head down, how will your members know you are still excited and ready to do business?
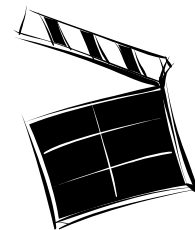
My Credit Union...The Place to Be for Every Generation

Joe Anderson is becoming a standing resource when it comes to CU*Answers video

Here is this year's industry piece

A Place for Every Generation

- They say you can't be all things to all people, but in building a credit union today, you have to be a lot of things for a lot of people

- A credit union must focus on communicating value at **every stage of the member's life** if it is to attract a large enough audience of active members to secure its future

- It starts with being able to identify people along the way, taking the time to build value that matches their needs, and communicate constantly your intent to be a part of their lives

Since I'm still a techno-geek, I'll get to the gadgets soon, but for now let's talk value and knowing your members...

An Aggregator's Mindset
Credit Unions are the Original Network Designers

- Even though we're a niche, we have to have the mindset of an aggregator who builds a significant audience from small groups, who pays attention to the nuances of a membership
  - Have you analyzed your top 10 **products**, ranked by member utilization? (For example, members who have a checking account, bill pay, etc.)
  - Have you analyzed your top 10 **services**, ranked by member utilization? (For example, direct deposit, etc.)
  - Have you analyzed your top 10 **traits that identify members** by % ranking? (For example, # of women, people in key ZIP codes, etc.)

If you were steering the CU based on 30 key member commonalities, what would your list include?

An Aggregator's Mindset
Building a Credit Union, One Small Group at a Time

An Aggregator's Mindset
Building a Credit Union, One Small Group at a Time

Check out these tools on menu MNMGMA

Are You Connecting the Dots?
New CU*BASE Features With a Member Audience

Know Your Member Enhancements in 2008-2009

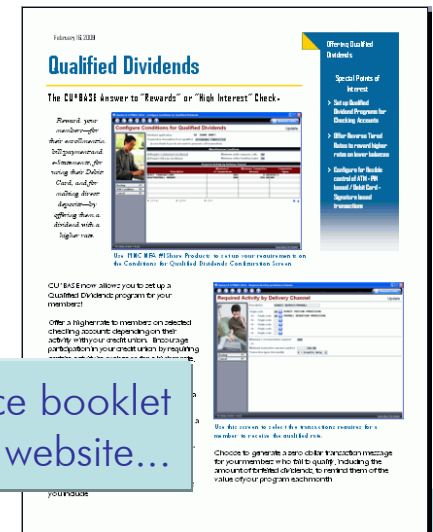|	
■ Contingent Liability Analysis	*People who have available lines of credit*
■ Improved Channel Activity Analysis	*People who use your teller line, based on age*
■ New Relationship Analysis tool	*People by Membership type and age*
■ Enhancements to List Generator	*People who do not have one of your top10 products*
■ New Sales Tracker	*People who represent qualified leads*
■ Personal Banker enhancements	*Members who take the time to build services their way*

Every year, we add features that have an insider's title...can you translate those into external "reach the right member" tactics?

e.g., **Checking Accounts**

■ Qualified Dividends: the CU*BASE answer to "Reward" or "High Interest" checking

- Set two flexible rate schedules

  - **Qualified** schedule – multiple ranges for regular or reverse tiers

  - **Base** schedule – rate for non-qualified accounts (or even 0%)

- Configure qualification parameters and transaction requirements and the system will automatically group members and pay according to the appropriate schedule

- Connect with both groups of members via a Member Connect file

Flyer and reference booklet available on our website…

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e.g., A2A

■ Every year, we try to add new bricks to the foundation of CU*BASE/It's Me 247 capabilities; things we know CUs will build services on

■ A2A is one of those foundation bricks, on which things like switch kits and pay day lending are built

- It also stands on its own:

  - Flexible configuration options, fees, and waivers
  - Member enrollment via CU*BASE to set up **relationship accounts** at other financial institutions
  - Transfers via **It's Me 247** and CU*BASE Phone Op
  - PIB controls for member security and peace of mind
  - Settlement via your normal ACH channel

Flyer and reference booklet available on our website...

e.g., Age Demographics

■ Chrome for Young Adults: Franchise Branching for Membership Growth

- Chrome is a credit union retail delivery concept that has been percolating at the Filene Research Institute for several years
- The Chrome concept is based on Filene's long-term priority for large-scale collaboration
- 3 main components:
  - Branch look and feel
  - Consistent electronic delivery
  - Marketing
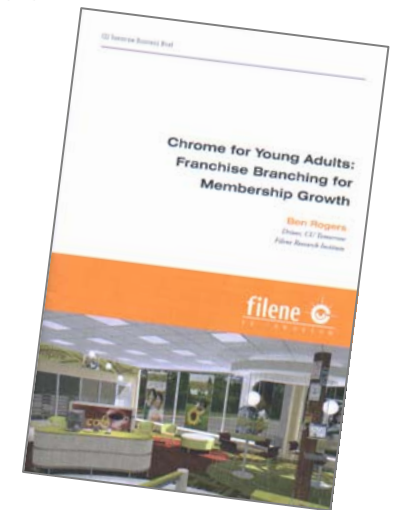
Interesting reading from two standpoints: franchising concepts and what people think young people are looking for in products and services

Closed Accounts Dashboard

■ This will be my favorite Know Your Member dashboard project for 2010: both a member service tool and a leader's window into what's happening with members

- Show a list of memberships and accounts closed for a date range
- Allow follow-up on closed status things like GAP insurance, paperwork, refunds, etc.
- Give a data analysis of the number, demographics, types, etc.
- *(Remember Member Service Rewrite Phase 2?)*

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Speaking of small demographic groups...Sunday Lobby Hours

■ An excerpt from an email I received from a CEO:

"Members have really liked us being open on Sundays. The feedback has been pretty much word of mouth and we did receive a thank you note because we helped a member in need of cash one Sunday. I know with all the technology and electronic means of transacting business it would seem that people would have less and less reasons to actually visit their financial institutions, but we are not seeing the numbers decline that much. It must be our area or the membership in this area...I was floored when I did a study on the Sunday traffic and I saw that five shared branch credit union members used the service."

Award
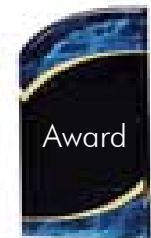
Responding to the Network Technologies That Are Changing Our World

Sometimes it feels like the world is full of inventions waiting for a business...waiting for a credit union model that makes bottom-line sense

Inventions, Gadgets, Must-Haves
Making Real-World Cases for Credit Unions

- "To win at the new game, you must not be losing at the old"

- This is how one my coaches sums up the problems with new technology and ideas that seem to have an overwhelming appeal to future generations, but sometimes leave today's credit union leader wondering how to get there

- This is where I believe our collaboration as developers and shared investors in new technologies shines for everyone to see

- The following slides outline some 2010 strategies for building a future based on the promise of network technologies that are changing our world

Check out the CU Journal
June 1 issue

Introducing: e·info

A Partnership Between Xtend and It's Me 247

- Since the creation of e-statements, marketers have been trying to emulate the process of a member opening their statement envelope and doing a flyby on everything else inside
  - Marketing inserts
  - Mandated disclosures
  - Member newsletters
- Most CUs have adapted by using their websites, email teasers, and independent mailings…but there continues to be a push on how to capture the e-Statement reader's attention at the point of contact
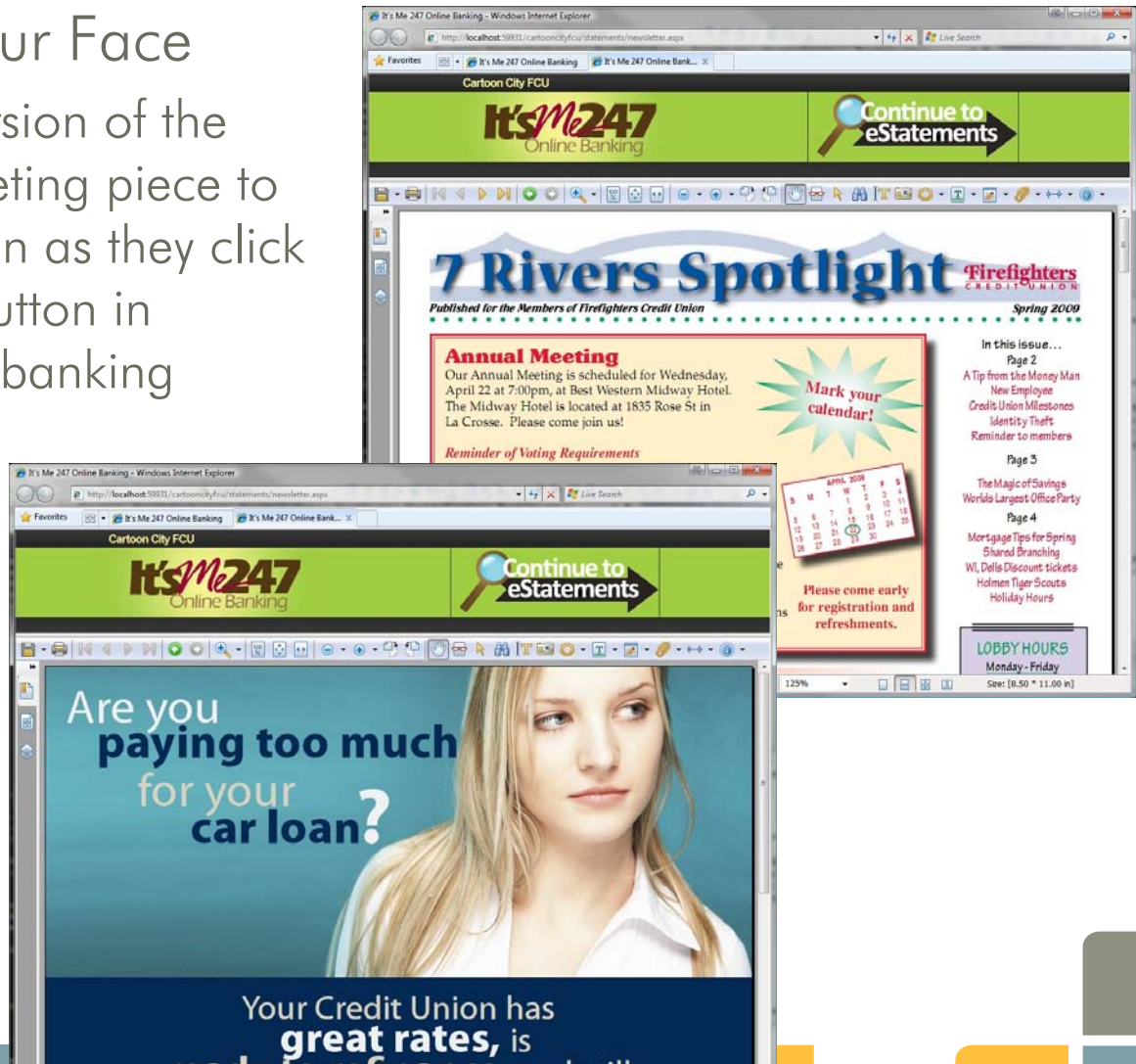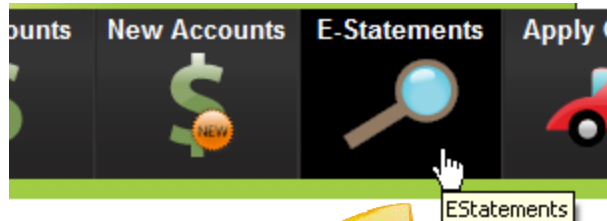
Two Primary Strategies

- **First strategy: In Your Face**
    - Presents the full version of the newsletter or marketing piece to the member as soon as they click the e-Statements button in **It's Me 247** online banking

Two Primary Strategies

- **Second strategy: Teaser**
  - Member's choice to click for more information or continue immediately to e-Statements
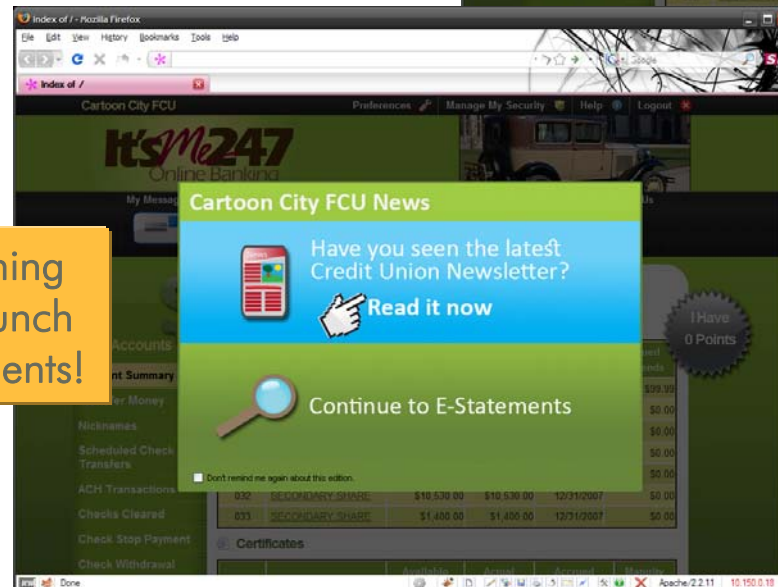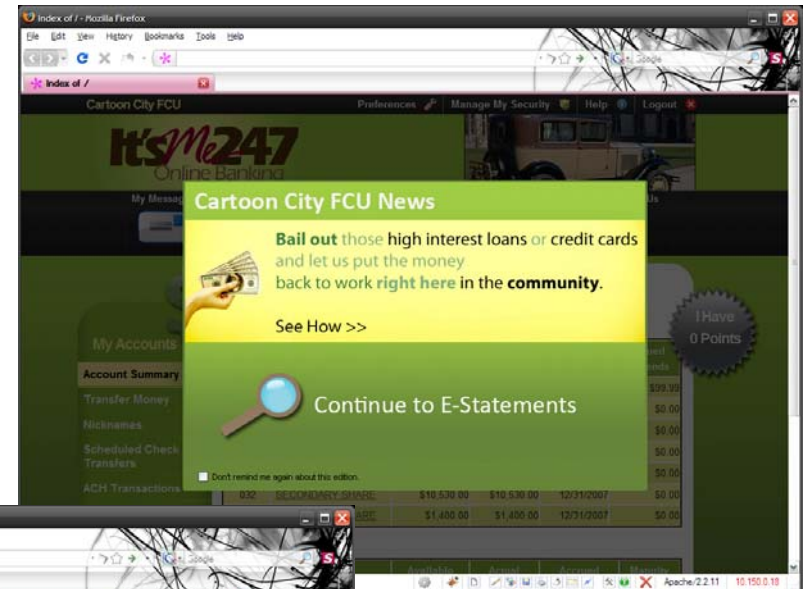
Watch for more info coming soon...we're targeting launch for your December statements!

Driving Members to e-Statements

- Success with e-Statement members is gaining momentum; we hear from many of you looking for ideas and sharing success stories

  - The case study on Services Center FCU is one example of a success story...give it a read

- Services Center FCU is a past winner of the Callahan Performance Award for driving member penetration of electronic services

- This year's winner used the politically-correct color green to drive home their point...

Award

Online Banking Community
New Strategies for 2010

e·info

- Few services have been both well received and irritating to credit union marketers like the OBC
  - Everyone recognizes the value of communicating with this audience and how CU*Answers automatically adds to whatever the credit union is doing on websites and through direct marketing
  - OBC was a key tool in meeting the risk-assessment guidelines for e-commerce services
  - OBC has speeded up the development of **It's Me 247** by offering direct communications on pending changes and highlighting new services
- But there are still a few things about the OBC that aren't always as popular

Online Banking Community
New Strategies for 2010

- Coming in 2010, a new service from **e-info** will let CUs have more control over the published content on the OBC

  - Optional service (read: $$)
  - Special content plus the standard 3 articles

- Also working on a new infrastructure to allow for a library of articles, rotating automatically, with "opt out" flags for a CU to choose which articles should be used

Online Banking Community
New Strategies for 2010

- Announcing the return of direct member access to **It's Me 247** via a credit union web page
  - Beta 1st Qtr 2010
  - Will be some website security requirements to use this feature
- Starting on your CU home page, a member will enter their user name or account base and click Next
- Then the regular OBC password/security question page will appear
  (this page cannot be bookmarked)
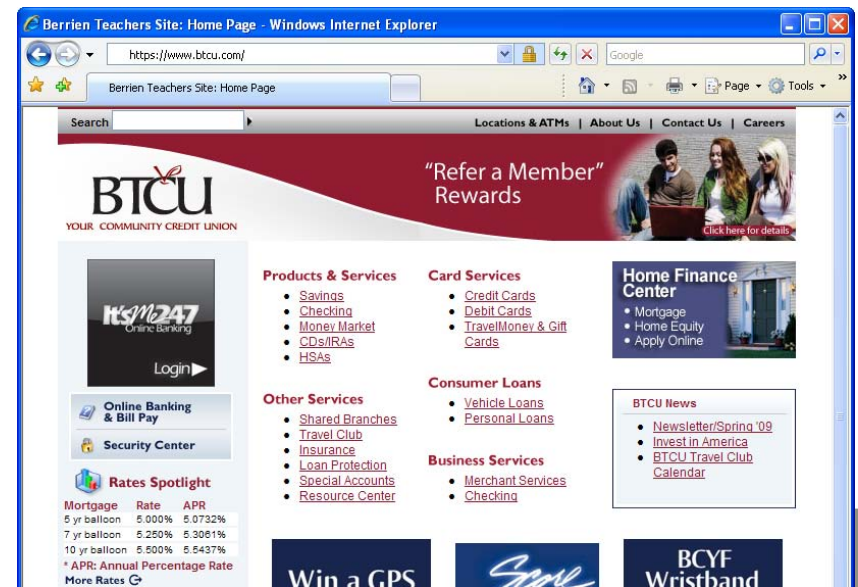
Online Ballots
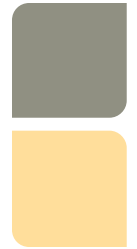
- ◼ New configuration for setting up a credit union ballot
    - ▪ Active voting period
    - ▪ URL links to your website to read about the candidates/issues
    - ▪ General eligibility rules (age, par value/aggregate bal, excluded Membership Designations, one vote per SSN or acct)

- ◼ Members can vote via online banking, or you can grant authority to select employees to enter paper votes via CU*BASE

- ◼ Not just for electing Board members…online surveys
    - ▪ Up to 99 "questions" with 99 possible "answers" each, which means you could even use this as a short-term, mini-survey on any subject

Check out the Kitchen page on our website for the latest design specs!

It's Me 247 Development Initiative for 2010
Delivering Forms & Documents

- The other side of the coin from our e-document strategies: it's not about archival and retrieval, it's about putting a document image in a member's hands

- Besides e-Notices, e-Alerts, and e-Statements, what other types of printed materials could we deliver to members electronically?
  - Loan coupons
  - Escrow analysis statements
  - Misc. Member Acct Forms (TIS disclosures, fee schedules, etc., when opening an account)

- What else? What could we deliver through It's Me 247 so that you could stop printing it in other channels?

It's Me 247 Development Initiative for 2010
Delivering Forms & Documents

- **Still working through the questions**
  - What's the trigger for producing them — member request, or member takes some other action (like opening an account), or CU does something manually (like printing notices, producing escrow analysis)
  - What's the delivery method? Via PDF? Web page form (like e-Notices)? Link to another website?
  - Are they stored for later use or one-time, on-demand?
  - Is a Tracker record created? Is a record needed to record member acknowledgement?

- **Don't make light of this: these projects will save money for every credit union in the future (just like e-Notices)**

It's Me 247 Development Initiative for 2010
Switch Kits

- Many of you are using switch kits on your website and have been asking when CU*Answers will get involved and help automate some of this process

- In 2009 we have laid the foundation with the A2A and Experian AS1 identify verification product

- In 2010, CU*Answers and Xtend Member Reach will develop a program to bring it all together
  - It's Me 247 will start with product switch kits
  - Next phase: Membership switch kits

- Watch the kitchen for more…

Product Switch Kits for It's Me 247

■ Credit card balance transfers – coming soon, driven by Lender*VP

It's Me 247 Mobile Banking
Mobile Banking for Every Member in 2010 at $0 Cost

- Mobile Banking represents the next major application development area for our **It's Me 247** team
  - This continues to be the "must have" tool for the future, but with little current up-side for member penetration or revenue models
- The popularity of the iPhone and the Blackberry browser phone have changed the game in the past year
  - What was once a third-party vendor model now appears to be an application developer's dream
  - Our CUSO can invest in our own development, control the adoption curve, and adapt our revenue models over time once we succeed with members

Think about the evolution of online banking and what it has meant to our CUSO

Check out the CU Journal May 15 issue

It's Me 247 Mobile Banking
Moving 300,000 People to a New Channel

iPhone

Blackberry

Use mobile banking features even from your PC

Mobile phone users are curious about the potential of doing everything on their phone...this process will scratch that itch

It's Me 247 Mobile Banking

- We will walk before we run…this first version of mobile banking will include
  - Mobile banking features (emulator) available even from It's Me 247
  - Automatically sense the mobile phone and offer standard login or mobile login
  - Check account balances
  - View last 5 transactions
  - Transfers within your own accounts
- As we build an audience and a way to pay for all that is possible with mobile phones, we'll be off to the races

Text Services Through Your CU
Connecting via Text with Your Members

- On the heels of our mobile banking rollout, our teams will be moving quickly into a beta-test for text messaging
  - One-way text for e-Alerts
  - Two-way text for interactive banking via SMS text messaging
- Once again, the investment and the return related to this service are at odds with what seems to be a "must have" future for all credit unions
  - Vanity short code services approx. $1,600/month
  - 4¢ per message
- What will start as a CUSO investment in 2010 will have to develop into a paid-for service down the road

Text Services Through Your CU
Connecting via Text with Your Members

- To make text services successful in the future, we need to revisit our current e-Alert processes and crack the code on reaching more members and delivering value that future members may pay for
  - Debit warnings through text messages (ACH and checks)
  - MBAL for services when members are making purchases
  - Making current balance e-Alerts real-time
  - What else can you come up with?

- We need your ideas for the marketing promotions that are going to excite members about text messaging and help the CU earn a buck in the process

It's Me 247 and e-Marketing
Update on Current Projects

From last year…

Making It's Me 247 Online Banking a Richer Link to Your Members

- Handling bad email addresses
  - Will be adding a new "Wrong email address" flag in the MASTER record
    - Automatic pop-up message in **It's Me 247** requesting an updated email address from the member
    - Automatic pop-up message to CU staff from various CU*BASE screens
- Marketing opt-outs
  - Will be adding two new Y/N flags:
    - 3rd party marketing contacts
    - CU marketing/education contacts
  - Will allow members to opt out via **It's Me 247** or via CU*BASE
  - Member Connect and other CU*BASE tools will use the flags
- Preferred contact method

Do you get the feel of this? We want members to *elect* e-notices, to *elect* e-statements, *elect* e-alerts…and we want to do everything possible so they elect *us* as a trusted partner when it comes to electronic communications and marketing

68

- Wrong email address handling was added last November (rel. 8.3)
- Still to come this year: new tools we are adding now to reduce our blacklisting at ISPs
- Ultimately this new technology will also enable us to send a file back to CU*BASE to **set the wrong email address flag automatically** when emails are returned

It's Me 247 and e-Marketing
Update on Current Projects

- The **opt-out** project is slated for the 9.2 release (August '09)

Other It's Me 247 Development
Update on Current Projects

CD Maturity Management

- We recently released more configuration options so you can set up online certificates using any combination of renewal options

- Next up: allowing members to change their **certificate renewal options** in online banking after receiving a maturity notice

- Also working on adding helpful **links from e-Notices** to related pages (maturity e-Notice → CD renewal options, delinquency e-Notice → loan details/pay now page, etc.)

Miscellaneous

- Showing breakdown of **interest and principal** amounts on loan payment transactions

- Changing new account opening so that **joint owners** are selected from existing joint owners and/or the Transfer Control list

June 11, 2009: Microsoft announces that it will discontinue MS Money products in 2010...what does this mean to you?

It's Me 247 Development Initiative for 2010

Still on the Drawing Board

- Multiple signons to the same account (husband and wife both signing on separately but to the same account base)
- One member accessing multiple accounts (jumping from my account to my daughter's account)
- Multiple users on the same membership with different authorities for **It's Me 247** features (business accounts, what can each person see, whether they can do a transfer, etc.)
  - Controlled via PIB
- Business accounts are adding a new wrinkle to this old debate...in 2010 we'll move beyond the discussion and into action

PIB Personal Internet Branch ✱protected

A Changing Perspective

- How your members connect with you through the web has pushed disaster and business recovery planning beyond a tipping point
  - Traditional DR was related to getting your branch back on line, and your web services were secondary
  - Today CUs are more worried about getting members back online even before the branch is reopened – CUs use the online channel as a DR strategy
- CU*Answers has always had an aggressive disaster recovery and high availability focus, but today's web world has us looking to make big changes in 2010

It's Me 247 Initiative for 2010
A Changing Perspective
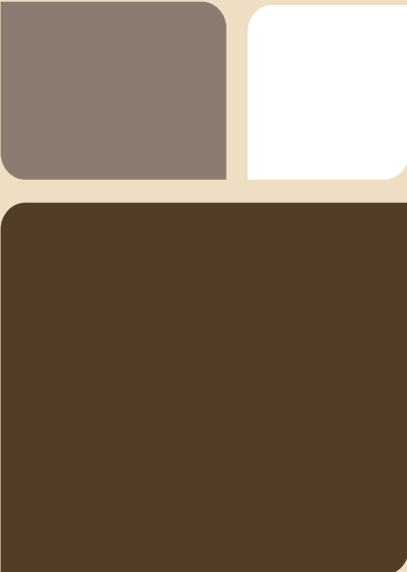
- During 2010 CU*Answers will open a new data center in Muskegon, Michigan
  - Immediate focus: Declare **It's Me 247** a "critical" service and update our disaster recovery plans to include online banking
  - Mid-term focus: Relocate the CU*BASE High Availability system further away from our Production center
  - Long-term focus: Create a center that is ready for additional services to become part of our critical support (e.g., your web page)
    - Go the rest of the way and eliminate our need for our IBM level DR

- Although we have not increased our online DR pricing since 2006, we anticipate **a price increase on January 1, 2010, of $0.005 per member/month** (for a 6,000 member CU, this is an extra $32.50 per month)

Upping Our Game:
Introducing CU*Answers Management Services

- Lender*VP
- Gividends
- Audit Link
- cuasterisk.com

CU*ANSWERS Management Services

Why CU*Answers Management Services?

Building the New Model While Winning at the Old

- For years, our collaboration has been evolving way beyond our original roots as a tool provider

- Today, we are an operational network; along with tools, we need a collective power to manage projects, dig deeper into every concept related to a credit union, and provide nuts-to-bolts solutions to reach members

- Remember this statement from this morning…

    - Building a consulting portfolio on products, services, and ideas for operating a credit union – a project team to interact with your leadership team (CU*Answers Management Services)

CU*ANSWERS Management Services

- CU*Answers Management Services is the umbrella brand for our emerging management and consulting specialties
  - Lender*VP…
    everything lending
  - Audit Link Advisor…
    everything auditing
  - Gividends…
    everything savings
  - CMS General Consulting…
    everything else

- CMS will be the bridge between the concepts and the execution, the vision for new a generation of solutions

http://ms.cuanswers.com/
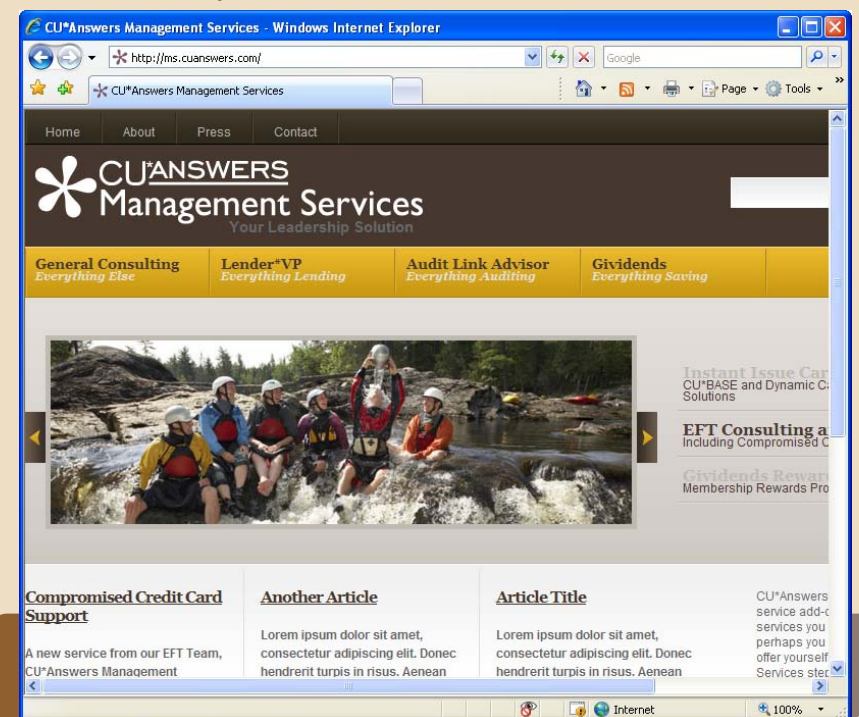
CU*Answers Management Services
At the Core of Getting Things Done

Lender*VP	Gividends	Audit Link
■ General lending consulting	■ General savings consulting	■ General compliance consulting
■ Mortgage services	■ EFT products and services	■ Internal audit process design
■ Collections	■ Tiered Services and rewards program support	■ Risk assessment services
■ Credit Cards		■ Forensic research and analysis
■ Pay Day Lending	■ Checking account consulting	■ CU*Answers support
■ Retailer Direct	■ IRA program services	▪ Client support
■ CU*Answers support	■ CU*Answers support	▪ Development support
▪ Client support	▪ Client support	▪ Sales support
▪ Development support	▪ Development support	
▪ Sales support	▪ Sales support	

CU*Answers Management Services:

Lender*VP

Geoff takes his team's passion for lending and is able to blend it with everything we're doing at CU*Answers

From tools to people, this team is driving hard

Lender*VP
A Foundation for Everything Lending

So far this year (Jan.-May 2009)

- Pay Day Loans: **1,118**
  - Outstanding as of 05/09: 467
- DealerTrack Loans: **2,407**
- Retailer Direct Loans: **526**
- 247 Lender Decision Model pulls: **13,389**
- Prime Alliance Apps: **1,854**
  - Closing docs for the year: 591
- Experian AS1 pulls: **441**
- Credit cards: **71,151**
  - Member balances: $139 million

Visit our vendor booth today!

Skip-A-Pay
Batch for Online Credit Cards

- Already introduced a batch skip-a-pay feature for online credit cards
  - Ran last fall for several credit unions
  - Released March 2009 as a standard CU*BASE tool you can configure and run yourself
  - No-fee, batch program that automatically moves next due date ahead on all eligible online credit card loans
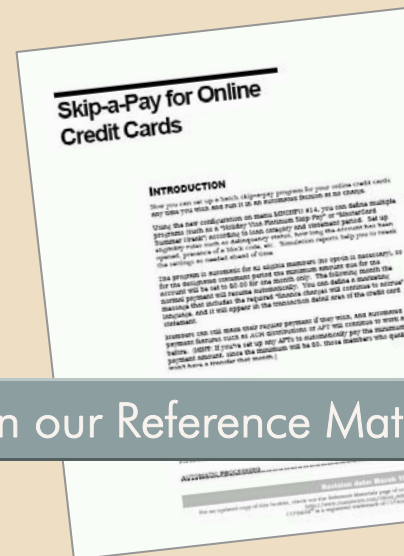
Check it out on our Reference Materials page...

Skip-A-Pay
Next Up: On-demand Skip-Pay for Loans/LOCs

Lender*VP

- New configuration so you can define skip-pay "programs" by loan category
  - One-time date range or every year from mm/dd to mm/dd
  - Eligibility criteria (delinquency, loan open date, balance, etc.)
  - Optional fees
- Will track # of times the member takes advantage of a program and allow up to your configured cap
- Member can also elect the skip-pay via **It's Me 247** as well as through a CU employee using CU*BASE

- New skip-pay "post" program will:
  - Advance the next due date
  - Force interest payment (CU config)
  - Identify all relevant maintenance (ACH distributions, payroll, AFTs) and either do the update or prompt user for a decision
  - Post a $0 transaction record (providing a record on member statements, etc.)
  - Add a note to the XX Collection Card Tracker

Project is still in the design phase... we'd love to hear your ideas!

Shared Lending
A feature looking for a buyer...

Lender*VP

- Introduced at last December's CEO Strategies event
  - If we can create an environment where CUs can exchange value without an expensive middleman layer, can we achieve an eBay effect?
  - Let's consider an automated shared lending capability within CU*BASE and the cuasterisk.com network

What if you could pick partners to share lending opportunities, and those apps could seamlessly interact with your CU*BASE loan origination system today?

**CU*Answers
Management
Services:**

Gividends

Savings products can seem so staid, almost to the point of a commodity without any flair or flash

We have the tools, but now we need the panache to make our credit unions stand out above the rest

An Emerging Team

Gividends

- We've been busy since we announced Gividends at the 2008 CEO Strategies event in December
  - From outlining a management job description to building an office to developing products and services, today Gividends is off the ground running
  - Accomplishments since last year:
    - Released the automated dividend donations tools ("save the whales")
    - Released the qualified dividends tools
    - Released patronage/ownership dividends tools
    - Ran new bonus savings/loan interest dividends programs
- A ton of work…the primary goal for 2010 is to develop the same passion and presence for savings as Lender*VP has for lending

Managing EFT Vision for CU*Answers

Gividends

- Gividends has been given the responsibility of developing a new EFT Team
  - This team will be the liaison for both credit union program managers and CU*Answers EFT vendor support
  - The EFT team will lead the way on developing new services related to ATM/Debit and Credit Card programs
  - Four of my favorites:
    - Compromised Card support
    - Instant Issue
    - Customized authorization and member controls

    - And the new standard ATM/Debit Card Platform…

New Standard ATM/Debit Card Platform

Gividends

- The infamous ATM/Debit "Pause for a Cause" is now reality!
- The new standard ATM/Debit Card platform is going to be called…the **new standard ATM/Debit Card platform!**
  (aren't we clever?)

  - Already processing live every day for 4 CUs on three different ATM/Debit switches
  - Additional vendor certifications are underway now and we're starting to schedule the next round of conversions

New Standard ATM/Debit Card Platform

Gividends

- Card-based system: attach different account bases to a single card (husband and wife, no problem!)

- Unlimited cards per member

- Standard screens and configurations
  - Shorter learning curve when switching vendors
  - Complete documentation and online help (finally!)
  - Standardized settlement recon and exception reports

- One-stop-shopping for card maintenance and inquiries

- If supported by your vendor…
  - Set daily limits at the card level
  - Immediate transmission of "hot card" status changes
  - Custom card stock
  - Hold days (Misc. Secured Funds) by BIN
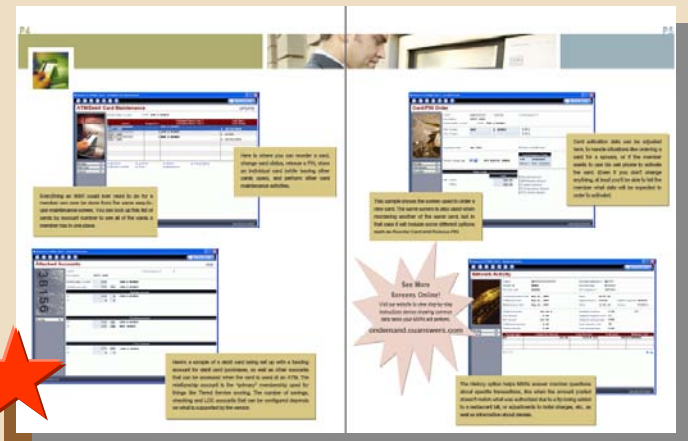
Remember this?
"...network shares its content interactively..."

- New inquiries that communicate your EFT setups
  - Your vendor, other vendors
  - Your BINs and other options

Coming in 2010: RFP support to help credit unions evaluate plastics vendors

Front-Line Answers for Everything that Happens with Plastics

Gividends

- Along the way, we opened a can of worms...but now we're really excited about a new feature for keeping in touch with network activity

Yesterday's specialty is tomorrow's expectation for every user...informed answers for every member question

New Standard ATM/Debit Card Platform

Gividends

■ Watch your email and keep an eye on the Kitchen for updates and instructions when it's your turn to move

Keep your eye on the Kitchen for the latest!

www.cuanswers.com/kitchen

Conversion Calendar & Schedule of Events

As stated previously, conversions will be scheduled during the week and there will be no service interruption for members.

Switch	# CUs	Vendor Certification Status	"Go Live" Date for CUs
PEMCO	2	Completed	LIVE April 2009
Shazam	1	Completed	July 2009
Fifth Third	10	Completed	August 2009
PSCU-STAR	2	Completed	September 2009
STAR	5	TBD	September 2009
Co-Op	60	In process	October 2009
Elan	2	TBD	TBD
Fiserv-EFT	2	TBD	TBD
Fiserv-EDS	2	TBD	TBD
Metavante	13	TBD	TBD
FIS	7	TBD	TBD

As of May 2009; all dates are subject to change. Refer to our website at **http://www.cuanswers.com/kitchen/pause.php** for the most current schedule of events. Your CU will be contacted via our normal email channels with more specific instructions when your conversion has been scheduled.

Keep your eye on the kitchen for the latest schedule changes!

www.cuanswers.com/kitchen

CU*ANSWERS

CONTACT A CLIENT SERVICE REPRESENTATIVE
PHONE 800.327.3478
LEARN MORE: WWW.CUANSWERS.COM/KITCHEN

Taking the Lead on Member Rewards

Gividends

- Gividends will be the lead team for helping credit unions with their Tiered Services programs in the future
  - Coming soon: Tiered Services start-up kit (CU*Perks)
- Driving a comprehensive Member Rewards program from CU*BASE:
  - We've picked a fulfillment center partner for cashing in points
  - We've completed the first phase of Tiered Services via It's Me 247
  - We are beginning work on earning points beyond Tiered Services
  - In 2010, we will complete the links between standard MSR functions and cashing in points

Stay tuned for lots more coming soon from Gividends!

CU*Answers Management Services:

Audit Link

For the sake of compliance, many credit union leaders will bankrupt their earnings model

Audit Link is more than a service or a way to make money for the CUSO...it is a think tank on how to defend our operations from the growing burden of regulations, oversight, and proving the quality of our actions

Magnifying Opportunity

Audit Link

- It was apparent from this morning's presentation that Audit Link kicks over a lot of rocks and gets us all thinking about the potential for new businesses, new efforts, and new products and services

- In the coming years, we see Audit Link as an opportunity to connect with our clients, regulators, consultants, and many partners yet to be identified

- Audit Link is going to take us into new initiatives and businesses…

That leads us to the 5300 Call Report project…

A Major New Collaboration Led by CMS

- The 5300 project is one of the most central business designs we've ever done…it's important to every department and how they work with you and your examiner
    - Audit Link: *How do we achieve the lowest cost of compliance?*
    - SRS Bookkeeping: *Can I complete a 5300 for a credit union?*
    - CU*Answers Client Services: *How can I answer a credit union's question about the 5300?*
    - CU*Answers Conversions: *How should I set up a CU's products and configurations to make it easy to fill out the 5300?*
- This is a major new effort, and potentially one of the biggest things we can do to lower the cost of compliance and improve your ability to work with your regulator

Tackling the 5300
Project Goals / Development Phases

Audit Link

- As a network, it is all of our responsibility to understand how the 5300 fits into credit union success
  - From my office to your office, from a CSR to your accounting department, from you to a Board member...the culture of the 5300 needs to shine through

- Discovery and Documentation
  - In March we published our first-ever comprehensive booklet explaining what the 5300 is, how a CU goes about tackling the project, and how CU*BASE tools can be used in the process
  - This is a work in progress and your input is needed! (send your tips to CallReport@cuanswers.com)

The 5300 Call Report & CU*BASE® Tools

➤ Getting Ready: Preparing The Data
➤ Using the CU*BASE Call Report Application
➤ Field-by-Field Tips for Completing the NCUA 5300 Call Report
➤ Uploading Data from CU*BASE to the NCUA
➤ Reviewing Call R...

Check it out on the Kitchen page...
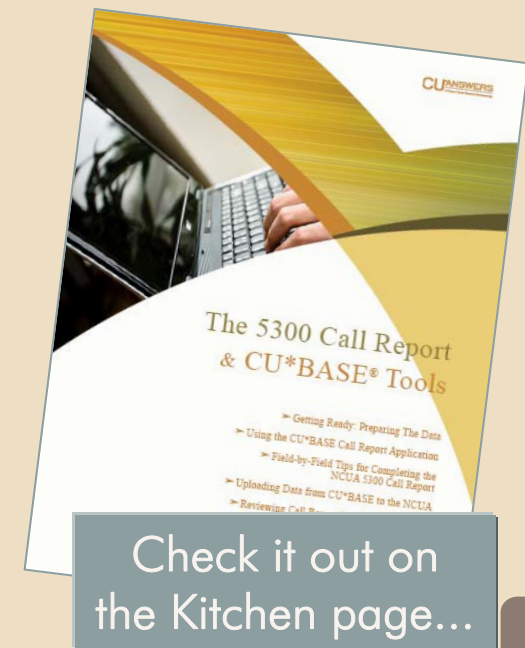
Tackling the 5300
Project Goals / Development Phases

■ New CU*BASE Database for 5300 Call Report Data

    ■ Included in the 9.1 release - Online CUs can use this for their 2nd Qtr Call Report, Self Processors for their 3rd Qtr report

One of the most powerful screens we've ever created...learn more on the Kitchen page!

Tackling the 5300
Project Goals / Development Phases

■ Automation Routines for the 5300 Call Report Database

- We call them "auto-pops"… mini-programs that calculate data from your CU*BASE files
    - Copy from the previous quarter's Call Report
    - Tally G/L balances
    - Loan counts/balances by Purpose Code or Security Code
    - …and many more being added regularly from now on!

Tackling the 5300
Project Goals / Development Phases

Audit Link

- Integration with Third-party Tools
  - Upload to the NCUA web product (still a moving target)
  - Integration with Callahan & Associates CU Analyzer

- Analyzing 5300 Trends Without Leaving CU*BASE
  - New CU*BASE tools for trend analysis using 5300 data
  - Across-the-network peer analysis tools in CU*BASE

- A new awareness for every dashboard, report, or database created in CU*BASE (be aware of the 5300 implication)

The 5300 project is improving CU*BASE in other ways also...

Completed:
- Changes to the Reg D Stats Report
- NCUA Insured Savings Report

In Process:
- Investment Maturity Analysis (select by Maturity Date, Investment Type, FASB Code) 25037
- Investment Trial Balance (select by Investment Type or FASB Code) 25038
- Selective Loan TB/Loan Info Rpt (fix for selecting delinquent loans) 25279
- Member Trial Balance (add Membership Designation to the selection criteria) 25355

- Participation Loan Trial Balance (add process date selection and selection by a range of participation loan types) 25506
- Dealer Delinquent Report (add process date selection) 25503
- Share Certificate Maturity Report (add number of accounts for each maturity range) 25566

Next Up:
- Loan Delinquency Analysis enhancements
- New and Refinanced Loan Disbursements (new report)
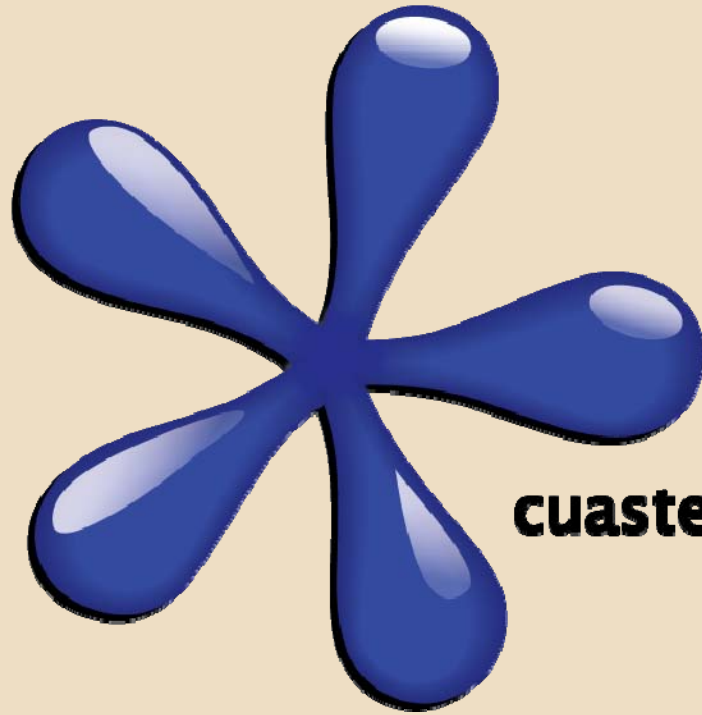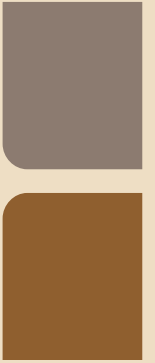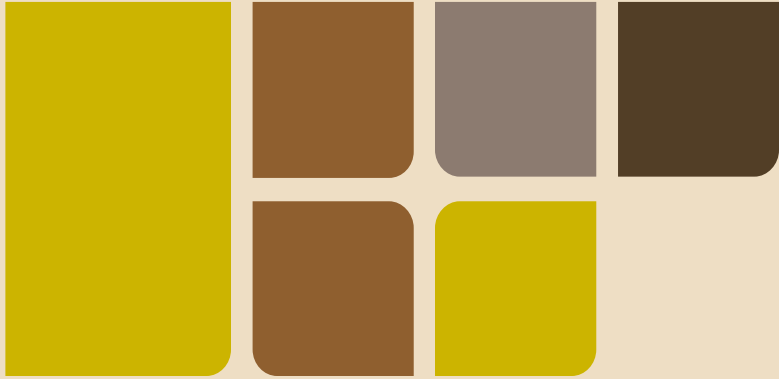
cuasterisk.com

The Fourth Pillar in CU*Answers Management Services
Building a Network Retail Sales Machine

As CUSOs, can we build a template for how credit unions would co-market themselves to a network of members?

The Power of the Network
CU*BASE As the Common Factor

of CUs by State

161 CU*BASE Credit Unions in 21 States
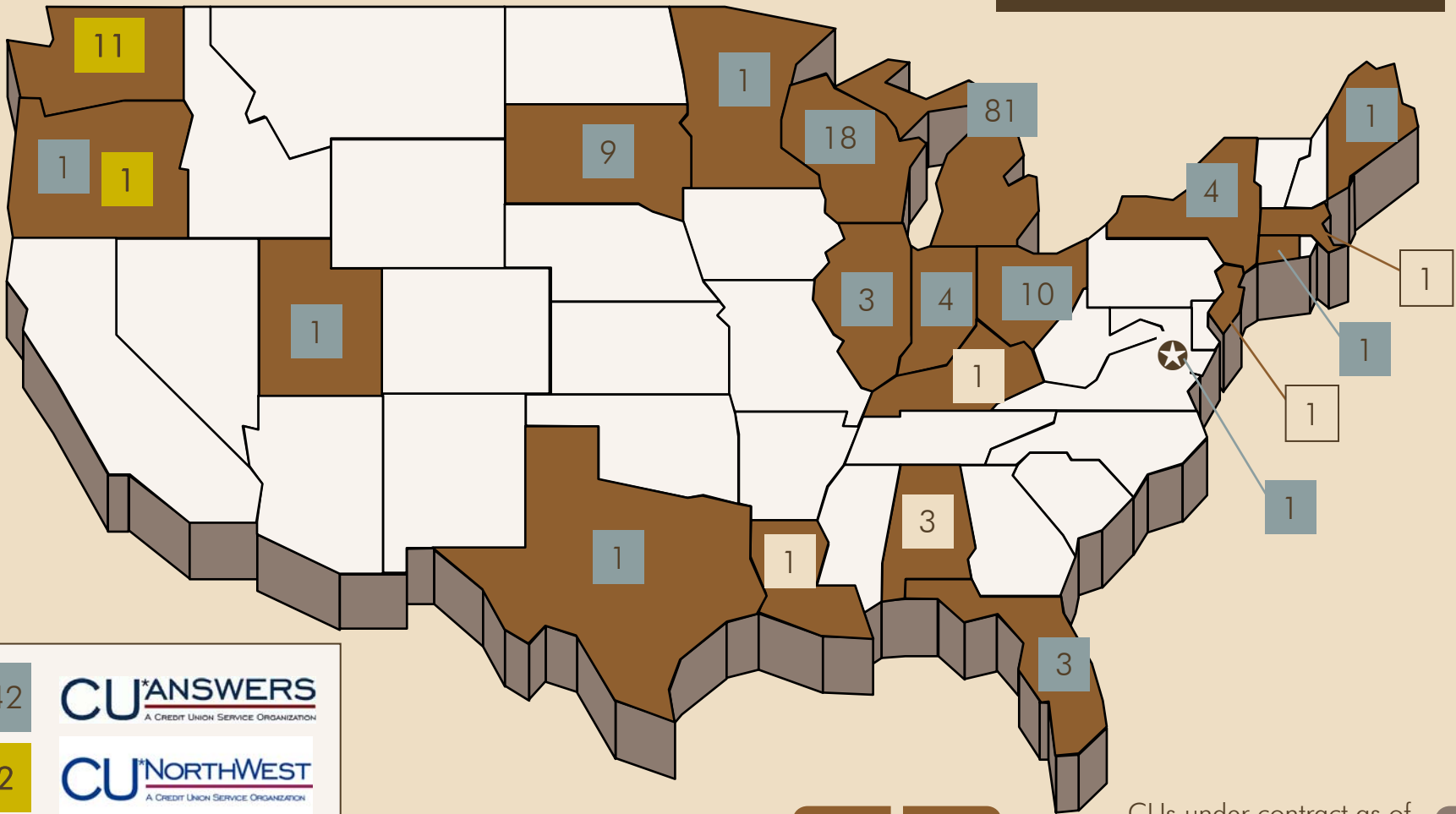
142	CU*ANSWERS — A Credit Union Service Organization
12	CU*NorthWest — A Credit Union Service Organization
7	CU*South — A Credit Union Service Organization

CUs under contract as of May 2009

cuasterisk.com

The Power of the Network
CU*BASE As the Common Factor

cuasterisk.com

# of Mbrs by State
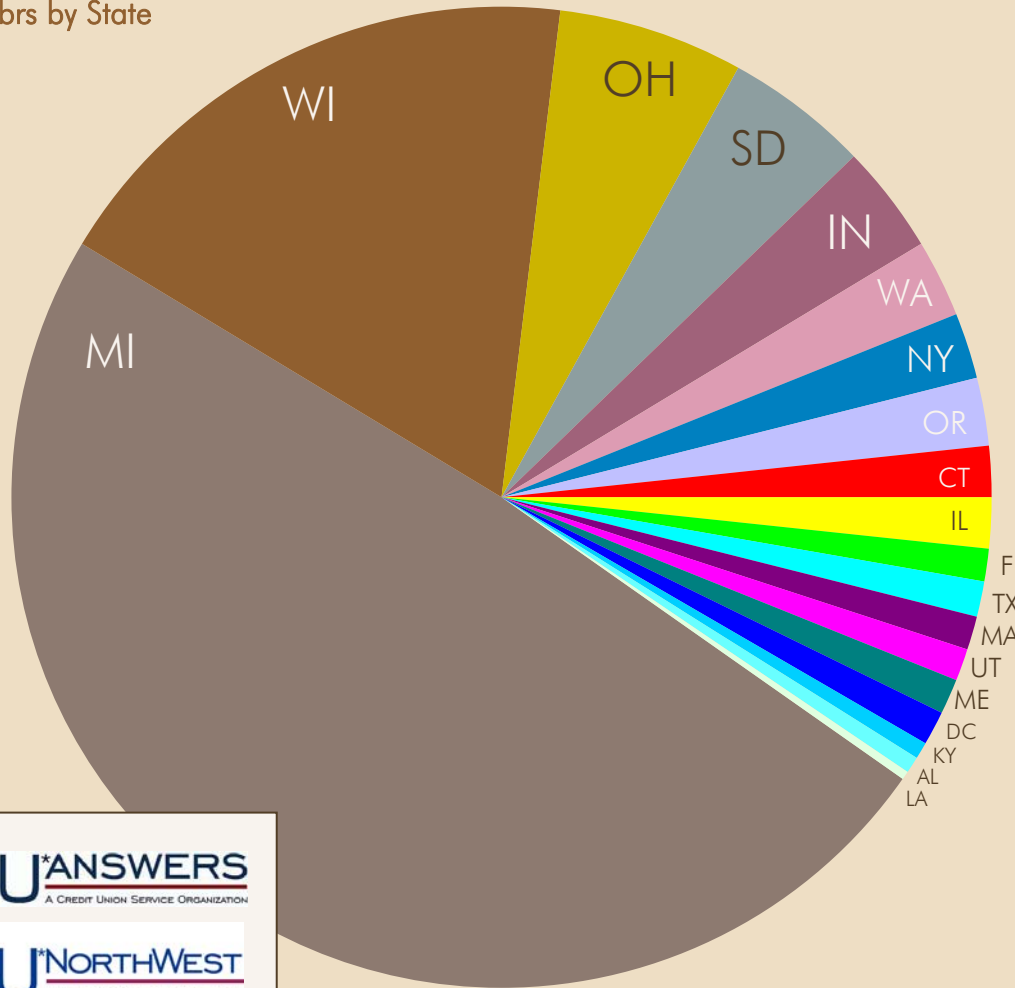
CU*BASE Credit Unions: 161
Total Members: 1,248,400

Pie chart labels: WI, OH, SD, IN, WA, NY, OR, CT, IL, FL, TX, MA, UT, ME, DC, KY, AL, LA, MI

- Michigan (612,000)
- Wisconsin (228,400)
- Ohio (76,400)
- South Dakota (56,500)
- Indiana (46,600)
- Washington (30,400)
- New York (28,100)
- Oregon (26,400)
- Connecticut (21,500)
- Illinois (20,500)
- Florida (15,000)
- Texas (14,900)
- Massachusetts (14,300)
- Utah (14,000)
- Maine (13,700)
- District of Columbia (11,200)
- Kentucky (8,200)
- Alabama (8,200)
- Minnesota (1,600)
- Louisiana (300)
- New Jersey (200)

CUs under contract as of May 2009

142	CU*ANSWERS — A Credit Union Service Organization
12	CU*NorthWest — A Credit Union Service Organization
7	CU*South — A Credit Union Service Organization

The Power of the Network
A Network of Owners

87 Owners
in 12 States

7

1

2

56

8

3

8

1

3

3

1

1

1
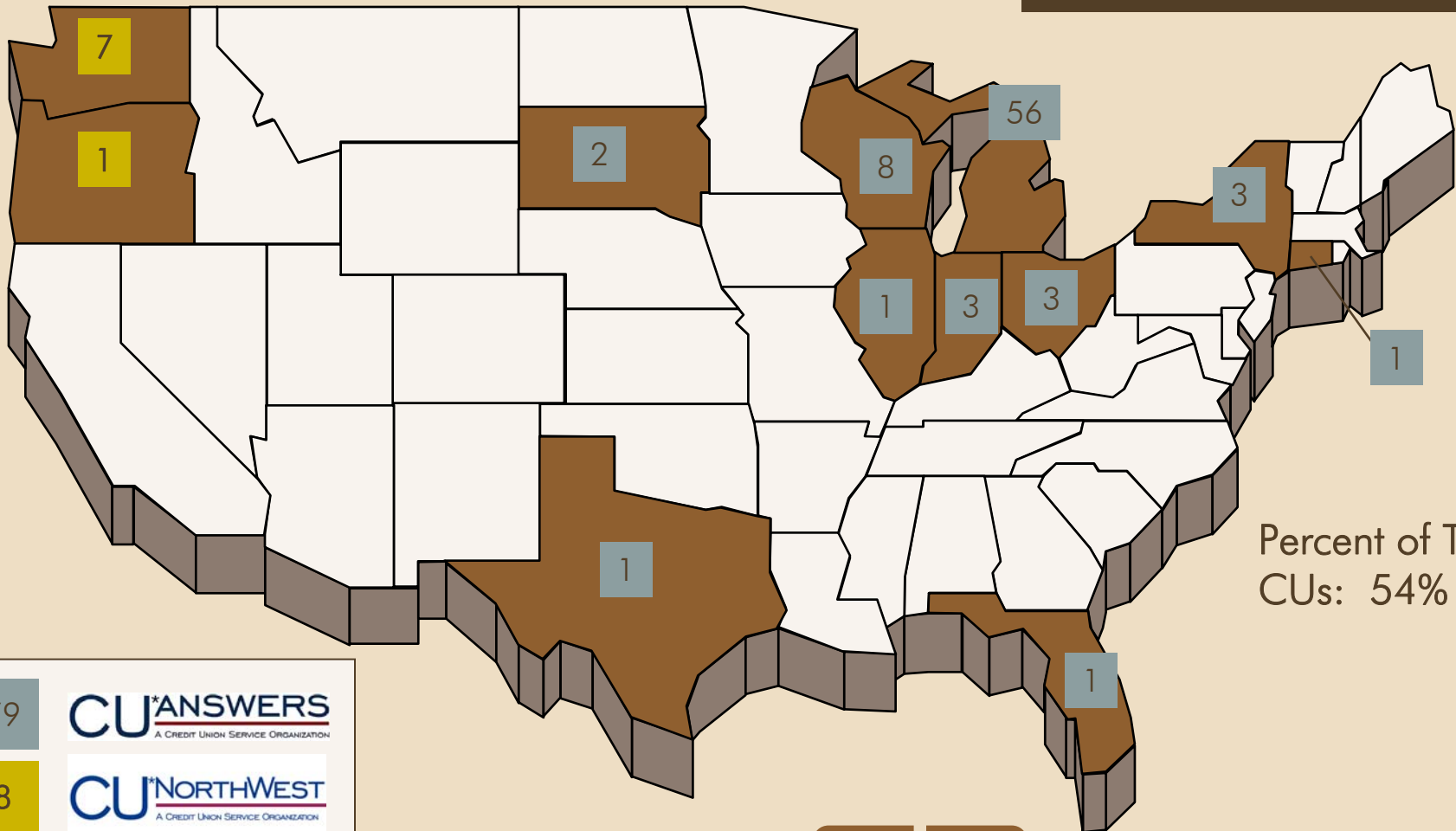
Percent of Total
CUs: 54%

79	CU*ANSWERS — A Credit Union Service Organization
8	CU*NorthWest — A Credit Union Service Organization
0	CU*South — A Credit Union Service Organization

cuasterisk.com

Your New Partners
New CU*Answers Clients Since Last Time

Michigan

- **Community Schools CU**
  Muskegon, MI
- **Community West CU**
  Kentwood, MI
- **Lake Huron CU**
  Saginaw, MI
- **Meijer CU**
  Grand Rapids, MI
- **ROME CU**
  Royal Oak, MI

Indiana

- **Allegius CU**
  Burns Harbor, IN

Illinois

- **First Financial CU**
  Skokie, IL

Wisconsin

- **Firefighters CU**
  LaCrosse, WI
- **Heartland CU**
  Madison, WI
- **Superior Choice CU**
  Superior, WI (Self Processor)

South Dakota

- **Highmark FCU**
  Rapid City, SD
- **Sentinel FCU**
  Box Elder, SD

Washington, DC

- **District Governmental Employees FCU**
  Washington, DC

Ohio

- **Bay Area CU**
  Oregon, OH
- **Franklin County CU**
  Columbus, OH
- **PEF FCU**
  Highland Heights, OH (Sept. 09)

Florida

- **Sentinel Graphics FCU**
  Ft. Lauderdale, FL
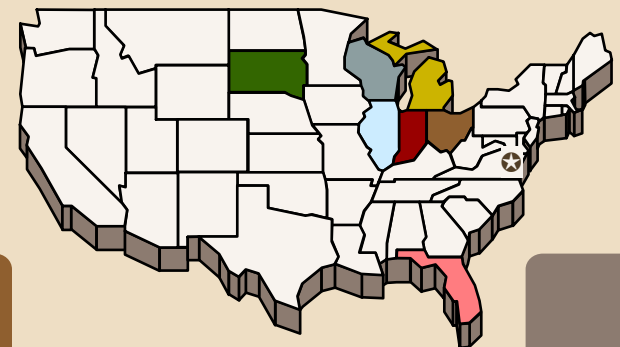
Wrapping Up the Day

Drinking from a fire hose in an attempt to start a fire at your credit union

What else is in your packet?

What else is in your packet?

- Remember last summer (release 8.1) when we added a feature to CU*BASE Accounts Payable?
  - A neat way to link incoming ACH debits to A/P Vendor history – like bill pay for credit unions
- Now we're ready for the next step: pay your CU*Answers invoice via ACH!
  - In June we'll run our first test with a live CU, then live for other CUs yet this summer
  - Interested? Fill out the form and give it to any CU*Answers staff person today, or fax it to our Accounting team

The Place to Be
One Last Thought

- As I tell the CU*Answers story to the credit union industry, I continue to have to outline the principals of a network

- Here is one of my favorites:
  - In a network, participants can easily move from consumer to supplier, from supplier to consumer: *value creation is a two-way street* – create opportunity for all

- In other words, in our network, *everyone* can earn
  - Can you list the things you heard about today where *you* can earn personally?
  - Can you list the things you heard today by which *your organization* can earn in 2010?
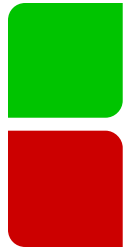
That reminds me...
what about Christmas in June?

Christmas in June!
Savings for Your 2010 Business Plan

- Beginning with your August invoice for July bill pay activity, prices will be immediately reset to
  - Active members: from $2.65/mbr to $2.25/mbr (down 15%)
  - Inactive members: from $1.50/mbr to $1.25/mbr (down 16.6%)
  - Bill pay transactions: from $0.40 ea to $0.38 ea (down 5%)
    (remember that transactions sent via mail are still subject to postage)
  - Based on May 2009 volumes, CUs will save $17K/month

- As mentioned earlier, Item Processing return fees are being slashed by 30%-50% depending on tier

- We do not anticipate a COLA increase this year, but will guarantee it will not exceed $0.01/member month
  - COLA was waived for 2009, and 35% of our client saw a decrease

Today's Event

- Remember this from earlier:
  - "Have we lost the vision for explaining the return on how hard we work together, as coaches/players, teachers/students, and earning with others?"

- Today's event is designed to be the precursor to your writing an exciting business plan that highlights your promises to your Board and your membership–projects you will do, new concepts you will introduce, and a commitment to earn from the time we spent together today

Let me know if I can help you prove this point in your plan

Today's Event

■ Same as last year, all materials related to this week's events will be posted on our website!

http://cuanswers.com/lc2k9/

Tonight's Stockholders Meeting
For Our Owners

We'll see you downtown at the B.O.B. (cocktails start at 5:00)

Hop on I-96 W and follow the directions on your map to the B.O.B. in downtown Grand Rapids

Annual Stockholders Meeting
Wednesday, June 17, 2009
5:00 pm cocktails, 6:30 dinner
at The B.O.B.

Directions to the B.O.B. from the Hilton:
- Take I-96 W towards Grand Rapids/Muskegon
- Keep LEFT to take I-196 W via Exit 37 toward Downtown/Grand Rapids/Holland
- Take the Ottawa Ave exit (EXIT 77C), toward downtown
- Keep LEFT at the fork in the ramp
- Stay STRAIGHT to go onto Ottawa
- Follow Ottawa south as shown on this map; several parking ramps and surface lots are nearby the B.O.B.