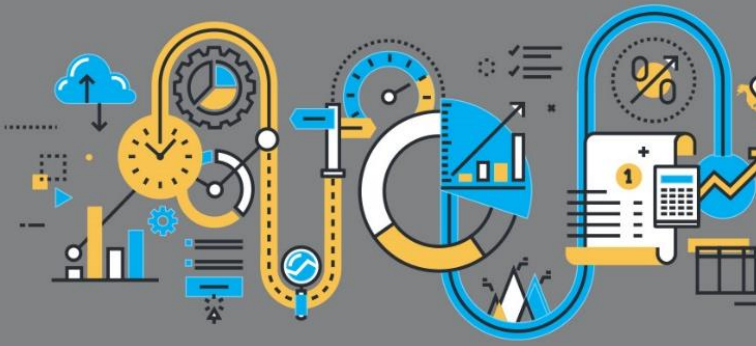


Scribe Notes



Group 1

Scribe - Julie Gessner

Name	Credit Union
Barbara Harper	Cincinnati Ohio Police Federal Credit Union
Kim Kniola	First Trust Credit Union
Russ Dalke	Northern Colorado Credit Union
Todd Powell	Spokane Firefighters Credit Union
Barbara Bean	Cal Poly Federal Credit Union

Group 2

Scribe - Liz Winninger

Name	Credit Union
William Burke	Day Air Credit Union
Charles Papenfus	Inland Valley Credit Union
Randy Gailey	Horizon Credit Union (Utah)
Karen Browne	TBA Credit Union
Janet Borer	Members First Credit Union

Group 3

Scribe - Esteban Camargo

Name	Credit Union
Leo Vaulin	CU*South
Steve Kelly	Metrum Community CU
Patrick Post	Mountain River CU
Scott Collins	Xtend
Kim Hall	Tri-Cities CU
Todd Powell	Spokane Firefighters CU
Russ Dalke	Northern Colorado CU

Group 4

Scribe - Laura Zazakis

Name	Credit Union
Scott McFarland	Honor CU
Greg Smith	CU*NW
Tom Gryp	Notre Dame Federal CU
Adam Johnson	Safe Harbor CU
Carma Peters	Michigan Legacy CU
Karen Browne	TBA CU

Group 5

Group 6

Scribe - Barbara Cooper

Scribe - Keegan Daniel

Name	Credit Union	Name	Credit Union
Jeff Jorgensen	Sioux Empire	Linda Bodie	Element
Michael Abraham	First Financial	Dean Wilson	Focus
Vin Cerasuolo	Century Heritage	Don Mills	Alpena Alcona
Lindsey Merritt	Jordan CU	Kevin Ralofsky	Verve
Kevin Posey	Thinkwise CU	Dennis Degenhardt	Glacier Hills
		Jerry Wise	Greensboro

Group 7

Group 8

Scribe - Marsha Sapino

Scribe - Jim Vilker

Name	Credit Union	Name	Credit Union
Christy Leslie	Bridge CU	Barb Page	Kent County
Barb Mills	Calcite CU	Corrine Coyie	Advantage
Mark Richter	First United	Vickie Schmitzer	Frankenmuth
Kim Bourdo	Service 1 FCU	Matt Jennings	Quest
Charles Papenfus	Inland Valley CU	Janelle Franke	River
Barbara Bean	Cal Poly FCU	Randy Gailey	Horizons
		Steven Janssen	Brewery
		Andy Fogle	Des Moines Police Officers

Group 9

Scribe - Annalyn Hawkes

Name	Credit Union
Mike Brandt	Evergreen CU
Steve Janssen	Brewery CU
Jerry Wise	Greensboro Municipal CU
Jennifer Oliver	South Bay CU
Kris Lewis	Allegan CU
Andy Fogle	Des Moines Police Officers

Group Notes

The following notes are included exactly as taken by table scribes. Scribes were instructed to jot down everything that was discussed at the table, with the idea that reading the notes would be a little bit like eavesdropping on the conversations.

Fraud and Member Payments

At the moment of a member clicking on a payment option, are we ready to try to influence how much of our operating budgets they spend? What should we be thinking about for the future?

- Are you more like Walmart or Bank of America when it comes to taking member payments? What should you be teaching your members about navigating all of your options when they each have a different price and impact on your bottom line?
- When is Bill Pay not the right solution? Should the software try to re-route or re-sell a transaction that costs the CU less and accomplishes the same thing?
- When you transfer a member to a third-party's member experience center, they only sell what's good for the third party. Where do you want member experience centers to go?

Group 1 Notes

- We fund most of account opening with Square even in the branch. Nobody carries money to fund an account these days.
- Charging a fee, the same as par value to close the account. Can escheat dormancy.
- A2A from home banking
- No money for startup costs to launch
- Would gladly play for clearing house type services like Vanco to save time and money

- Members don't always read instructions/fine print. Incentive programs drive the member to action. What motivates the member? Must point out the ease of use, convenience of performing transactions all in one place.
- Train members on the things that creates sticky members. We look at investments as things that buy the members loyalty
- A lot of members are using bill pay to pay themselves at other institutions. We educate other options.
- Educate members on easier options. Not all members understand everything so we need to train them on the things they do. Let that be ok.
- How do we know when a member is using bill pay for things that could be re-routed? How can my credit union be told in an email or text message? How can my dashboard tell me, Next Suggested Product Tell Me. How can cross sales be changed to be more intuitive?
- Options to bill pay may not cost less.
- What else besides bill pay could they use?
- Would CUA monitor our reports for us and provide recommendations?
- Why don't we just ask members, why they are using other institutions? A reason to monitor bill pay it to see lending opportunities to recapture.

Group 2 Notes

- It amazes me that members are willing to pay for things that you would not pay for yourself. Even when you tell them in person how they can drive down the expense. Make it like an Amazon shipping method – how much do you want to pay for this type of transaction? Free, \$0.00. People are used to it, but we are afraid of it.
- What is your bill pay penetration? 12 to 18% of total membership, and about 30 to 40% of checking accounts.
- P2P didn't take off as much as we thought it would, but when they actually understand the experience they love how slick and easy it is. Educating the marketing it necessary here. This is one of those things that fit the issue of paying a family or friend, rather than using bill pay.
- P2P is just as easy as Venmo/Paypal, but people are using those more... why? It is unregulated, uninsured, where are they? What is their security? Why/how can we get an adoption rate with P2P for our members?

Group 3 Notes

- Haven't given this much thought other than to say that bill pay costs too much.
- Metrum does ACH origination, which in turn increases compliance costs, but the benefits have been measurable. But members still like bill pay because they can schedule their payments.
- ACH origination is much cheaper for Metrum than bill pay. They do no extra promotions for bill pay, but they do promote ACH origination. There's more overhead with respect to staff work (~3 minutes to set it up).
- Bill pay is more a service they need to have than something they want to promote.

Group 4 Notes

- **Scott** - Hard to move the needle. Eliminate debit cards entirely, everything runs on the credit channel, then sweep the checking account. Gives the member time to stop the payment if fraudulent. You would have to waive cash advance fee.
- Evaluating the value of ATM alliances

- Bill pay – when is it not the right solution? When the price continues to increase. Adoption of new bill pays is happening at a higher rate than ever before.
- **Carma** - If you use all in-network options, then you could control what you charge for.
- **Adam** – Using bill pay to pay consumers energy instead of set-up of ACH direct out of account. So, counsel members to pay ACH or pay direct on website.
- **Tom** – We don't drive the bus, the member and the marketplace determine. How can we dictate to our members how they pay?
- **Greg** – Would be great if we could get interchange data on a per transaction. Least cost routing approach, we intercept and put through a better channel.
- Venmo – An app – frictionless transactions

Group 5 Notes

- Topics of discussion with the full room: VANCO is a company that allows all bill pay providers to send electronic payments. TBA just signed up for this.
- What methods can a credit union use to manipulate the method a member uses to make a deposit/transfer/payment?
- Why can't the software react to the member request and route the transaction to the lowest cost delivery channel? Or notify the member of the fee – or let them know there is a cheaper way.
- Randy – Does Walmart care how customers pay? No. Start to think like a Walmart for general customer payment services.
- Discussion about PCI compliant? Encryption efforts for PANs, masking SSN, removing data elements that require encryption/masking when not needed.
- Rethink how to understand what's happening to redesign our approach. We are all third-party processors. We need to see what's out there today to design business services for the future.

Group 6 Notes

- We need to get better at training members on choosing "credit" when using their card. (DM)
- Design "bill payment" to present lowest cost rail
- Provide discount based on transaction origin (LB)
 - Reward based on transaction rail (DM)
 - Remain competitive (DW)
- Should we make members pay (DD)?
- We are charging members for A2A (DW)
 - No questions from members
- Authentication code for online services
- We provide a debit card register to our members (LB)
 - Members love it and it encourages members to keep track of what they spend
- We need to use intelligence/leverage points to create offers for members (DW)
- We want the member to feel that they have the control (DW)
- Need to explore how transaction limits may fit into the strategy.
- Do members care (DD)?
- Can we explore our desire for controlling lobby traffic to better understand the roles?

Group 7 Notes

- First United

- Pay Junction – we are using this to accept payments. They can use credit cards to make payments. It's \$5 per transaction but they will use it.
- Make the experience great for the members
- we are using the same service that TBA just signed up to do
- Calcite
 - We are looking into CC payments. Mainly for collections. But want to use it to fund any kind of payment
 - Big banks will find the cheapest path to route bill payments
 - If the members want to pay, then why not?
 - We didn't know there was Paywatch. Must have missed that announcement
- Service 1
 - SWBC was really expensive. \$15 per transaction. They claimed to be more secure.
- Bridge
 - We need to actually look at what we are paying for our products (per transaction) and see what is costing the most
 - They use USA Epay to accept payments
 - How do we mitigate the process to shut down an account and restart (contact billers, etc)

We want to charge our members but we don't want to get charged interchange fees

Group 8 Notes

- Discussed ACH distribution vs. bill pay
- Is there a way to analyze the data and determine how much members are costing. JV look at the existing weights and costs on the system
- Discussed how you apply fees for managing behavior and what fees, or lack thereof, they actually charged
- Question was how do you re-route the transaction if you don't charge a fee.
- Barb said the system should maybe tell the member this is the best way to do it. Where the member experience is "tell me what the best way to do this is"
- Vicky wants to do it without the member knowing it is going on
- Staff needs to know and be trained on what payments systems cost and subsequently educate
- Vicky said "ask what the big guys are doing" and copy them
- Barb said you give the member a certain amount of credits for the month and then charge them for them for all transactions with intuitive logic to tell them how best to spend it
- Janelle brought up service centers as an example as well that should be considered
- Educating the member to stay inside "don't go out there"

Group 9 Notes

Fraud on Bill Pay

- I don't have time to work those myself. So for extra cost to have someone else doing that, I am willing to pay more for someone else (my bill pay provider) to review and make calls on those. (Mike)

Retailer Experience

- The retailer machines forces you to put in a PIN. They just make that choice for you and if you want to a Signature option you really have to look for it. (Jennifer)

- Did you know that if it's less than \$50 Walmart will run it their cheaper way (debit) as PIN-less, even if you have chosen the signature option?

Payments via Phone

- We do offer the ability for members to give us their card information over phone or go input it online. \$2 fee. (Jennifer)
- We do it just for our collections department at the moment and it's all online unless it's a cash advance (Kris)
- Do we put a limit on how much of a payment to take because of interchange? Yes (Mike)

Intelligent Processing

- Do we make the system figure out what type of transaction it is based on what information they put in? (Jennifer)
 - I think we really need to get into letting the system tell you what it will do based on what you say you want (as member and/or CU). (Jennifer)
- It's about convenience to the member – They are not going to change the way they initiate a payment just because it's better for the CU. They are going to continue doing it the way they've been doing it all together. Instead of 2 different screens in It's Me 247, just one where (Jerry)
- Artificial Intelligence is all about this. It's all programmed on the back-end to do a routine on one single command. That's the world we're going to. (Jennifer)
- Intuitive (Kris)
- The system is super complex because we have so many different ways we're trying to say yes to our members. (Jennifer)
 - Amazon Prime Model – What about offering the options with price quotes so they get to the decision point and can say I can either do it this way for free, or this way which costs me \$2.00 (because it costs the CU). (Andy)
- That's the upsell-downsell idea. Make it seem like you're giving them something good, when really, they're helping you out. (Mike)
 - Just re-routing automatically without asking there won't be pushback from anyone because they trust us to know the operations back-end. When member only cares about the convenience and getting it done (Jerry)

Presentation

- *How do you present it and how do you price it?*
 - Slower, but cheaper for the CU vs. Faster, but more expensive for the CU. (Jerry)
- Just eliminate the choice and make the call based on the cost of the transaction. The member trusts the transaction to go through and doesn't care how it is working on the back-end. (Jerry)
 - There's no PFI anymore, so how to manage the multiple relationships? I think the answer is the experience. Again we want to be the aggregator of data. That data is valuable for both the CU and for the member. (Jennifer)
- Simple and easy. This is what the member wants (in their transactions) (Kris)
- On there not being any PFI's anymore, in my area it's just a matter of which CU is getting the products which earns the most money. (Mike)

How much is something like this going to save?

- I don't know what it's costing me today, so how do I know how much it's going to save. Need to find out what that cost is (Jerry, Kris, Steve)

- The data mining is really what I'm interested in. That transaction data can help me do analysis on my member activity (Kris)

Actually have low bill pay penetration for several CUs – Members for these CUs (smaller asset size) seem to be more cash-based