

Starting a Credit Union with CU*Answers - Cost Benefit Summary

Discover more!

CU*Answers

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Introduction

*CU*Answers Delivers its Financial Clout to Assisting De Novo Efforts*

As industry peers and partners, we must determine cooperative ways to assist new, start-up credit union ventures, and help facilitate their early efforts. As a cooperative CUSO, CU*Answers believes this philosophy is a core principal to which each of us must commit ourselves, especially if we hope to see our industry numbers and overall viability to potential members grow, and turn the tide of steadily shrinking numbers. After all, each of us has a significant, vested interest in motivating our industry to achieve greater success. CU*Answers has crafted a unique program that is specifically targeted for new, start-up credit unions. This plan is aggressive, and delivers a strong message to the industry that CU*Answers is financially committed to assisting every de novo effort, by providing free data processing services for an initial 2-year period. In addition to sending a strong message, CU*Answers is openly challenging other industry vendors to “step up to the plate” and design a similar plan for financially assisting these start-up ventures.

This Starting a Credit Union With CU*Answers document is intended to provide sample (only) pricing for potential startup credit unions, in order to better understand the deep level of financial participation by CU*Answers. While this document is not intended to list every product and service for which CU*Answers provides within its CU*BASE processing suite (see CU*Answers Pricing Guides), it should help to provide an overview of the potential value of this program. Final pricing will be determined as per each credit union’s specific requirements.

Simply put, the Starting a Credit Union Program is to cover core data processing services at no charge for a two-year period. It does not cover every CU*Answers available service, or product, or out-of-pocket third party fees such as data lines, equipment, postage or required custom programming which will be determined on a case-by-case basis.



Starting A Credit Union With CU*Answers Cost Summary *(Sample)*

This is a preliminary pricing model for starting a credit union with CU*Answers, as based upon the terms and conditions of the program. Final pricing will be provided pending a detailed client survey and proposal presented. Pricing is subject to periodic change without notice.

CU*BASE Initial Startup Costs				
Conversion and Training	Standard Price	Startup CU Cost	Years 3-4	Year 5
Conversion Programming to Core CU*BASE System <ul style="list-style-type: none"> Includes CU*BASE license fee Standard conversion of data from core processing system only Does not include any applicable deconversion fees from current processor or third party vendors Incorporates standard CU*BASE history retention; more optionally available 	\$1.00 per member	CUSO Funded	n/a	n/a
CU*BASE Project Planning, Training/Systems Assistance <ul style="list-style-type: none"> Estimate; actual cost will be based on actual T&E cost incurred Includes CU*BASE training assistance of staff at Main Office location only Additional CU*Answers branch support may be provided for an additional charge 	Client responsibility	Client responsibility	n/a	n/a
CU*BASE Conversion Support <ul style="list-style-type: none"> Several training and support packages to choose from as best suited for your staff 	Client responsibility	Client responsibility	n/a	n/a
Hardware and Systems				
LegaSuite Application Software License <ul style="list-style-type: none"> Pricing based per site, unlimited devices per office location 	Client responsibility	Client responsibility	n/a	n/a
Communication Equipment <ul style="list-style-type: none"> Per Main Office location 	Client responsibility	Client responsibility	n/a	n/a
Additional CU*BASE Hardware <ul style="list-style-type: none"> Actual cost TBD per final configuration desired Network routers and equipment must meet CU*BASE specifications A variety of e-document management solutions (online and in-house) optionally available Multiple TCD/TCR integration options available (priced separately) 	Client responsibility	Client responsibility	n/a	n/a

CU*BASE Initial Startup Costs (based upon then current CU*Answers Pricing)

Data Line	Standard Price	Startup CU Cost	Years 3-4 (20% discount)*	Year 5 (10% discount)*
Data Line Installation / Connectivity <ul style="list-style-type: none"> Assumes data connectivity from Grand Rapids to Main Office location (various options available) 	Client responsibility	Client responsibility	n/a	n/a
Custom Programming (common services)				
ATM Card/ Debit Card Interface - (processing set-up & testing) Assumes online options; CU*Answers supported vendor)	\$3,500 - \$5,000	CUSO Funded	n/a	n/a
Check Processor (assumes CU*Answers)	\$1,500	CUSO Funded	n/a	n/a
Check Image Interface (assumes CU*Answers)	\$2,000 - \$3,500	CUSO Funded	n/a	n/a
Laser Print Setup and Test - (CU*BASE corporate checks, starter checks, money orders)	\$950	CUSO Funded	n/a	n/a
Electronic Custom Documents (including custom loan forms)	Custom T&M	Custom T&M	n/a	n/a
Digitized CU Logo Setup for Statements, Online Banking, etc (assumes Sage Direct)	\$175	CUSO Funded	n/a	n/a
Statement Transmission Services (third party - non Sage Direct, Bridgestone Printing)	\$750 + \$100/per occurrence	\$750	n/a	n/a
SRS Bookkeeping Services (initial 90-days)	\$4,000	CUSO Funded	n/a	n/a
Total Initial Startup Costs				
Initial Startup Costs - Other Notes (following Part 2 - Monthly Recurring Costs Section)	TBD	TBD	n/a	n/a

- Depending on your specific credit union application, a Preliminary Pricing Proposal will be provided.
- May be small third party fees quoted by project

CU*BASE Monthly Recurring Costs (based upon then current CU*Answers Pricing)

Description	Standard Price	Startup Years 1-2	Years 3-4 (20% discount)*	Year 5 (10% discount)*
CU*BASE Base Member Processing Fee <ul style="list-style-type: none"> Assumes standard Start-up Services Agreement; normal contract COLA is applicable Includes standard CU*BASE history; more optionally available 	\$0.58 (5 yr) \$0.60 (3 yr)	CUSO Funded CUSO Funded	\$0.464 \$500 min yr 3 \$1,000 min yr 4	\$0.522 \$1,500 min yr 5
Closed Member History Data Retention - Current Year	\$0.24	CUSO Funded	\$0.192	\$0.216
Closed Member History Data Retention - Previous Years	No charge	No charge	No charge	No charge
Disaster Recovery Fee (layered DR strategy including High Availability)	\$0.0225	CUSO Funded	\$0.018	\$0.0203
Credit Bureau File Transmission <ul style="list-style-type: none"> Assumes 3 bureaus reporting (TransUnion, Experian, Equifax) 	\$250 (one time set-up) \$45 / month	CUSO Funded	No discount - 3rd party pass thru	No discount - 3rd party pass thru
Loan Insurance File Processing and postings or file processing (only if required)	\$30 per occurrence	CUSO Funded	\$24	\$27
Payroll File/Tape Processing (assumes ACH or paper)	No charge	No charge	No charge	No charge
CU*SPY Data Archival Retention (reports & statements only) <ul style="list-style-type: none"> Daily/month-end reports 90-day on-line optical; variety of image archive options available Member statement 18 months on-line optical; variety of image archive options available 	One-time - n/a Monthly - TBD	One-time - n/a Monthly - CUSO Funded	One-time - n/a Monthly - TBD (per volume)	One-time - n/a Monthly - TBD (per volume)
Custom Reporter Resource/Query	No charge	No charge	No charge	No charge
Resource Utilization Fee <ul style="list-style-type: none"> Includes CU*Answers Platform Technology Upgrades; Disk Storage; Statement Laser Processing and Print (Assumes Sage Direct) Price shown does not include statement envelopes, mailing services, postage or Selective Inserts/Onserts (separate pricing available); third party statement provider downloads CASS certification, statement onserts, alternate member statement style options available 	\$0.01 per EFT (Pin/Signature) Transaction \$150 minimum	\$0.01 per EFT transaction/tiered \$75 monthly minimum	\$0.01 per EFT transaction/tiered \$100 monthly minimum	\$0.01 per EFT transaction/tiered \$125 monthly minimum

CU*BASE Monthly Recurring Costs

Description	Standard Price	Startup CU Years 1 - 2	Years 3-4 (20% discount)*	Year 5 (10% discount)*
E-Commerce Fee (includes unlimited online banking with PIB layered security, CU*TALK usage, It's Me 247 Mobile Web Banking, eStatements, eNotices, eAlerts and more. Optional self service branding options (separate fee) are available - see CU*Answers pricing guides)	Tiered by members min \$150/mo	CUSO Funded	Tiered by members min \$120	Tiered by members min \$135
E-Direct Mail (monthly messages sent directly by CU*BASE)	No charge	No charge	No charge	No charge
Discounted WATTS Line Fee - Shared with 100+ CU*BASE clients (Spanish call flow option included)	\$0.025/min	\$0.025/min	No discount - 3rd party pass thru	No discount - 3rd party pass thru
Dedicated Audio Line Number Fee (optional)	\$25/month	\$25/month	No discount - 3rd party pass thru	No discount - 3rd party pass thru
EasyPay Bill Payment and Presentment - Transactions per month (assumes Fiserv cooperative model; iPay options plus BillPay vendor misc. fees)	\$0.625 - \$0.682	\$0.675 - \$0.682	No discount - 3rd party pass thru	No discount - 3rd party pass thru
Mobile Web Banking - via It's Me 247	No charge	No charge	No charge	No charge
Mobile Text Banking - via It's Me 247 (free until 10/1/15)	\$0.0325 per one-way/round trip	\$0.0325 per one-way/round trip	No discount - 3rd party pass thru	No discount - 3rd party pass thru
It's Me 247 Mobile App (CU*Answers selected partners)	Quote provided	Quote provided	Quote provided	Quote provided
Internal Service Charge Program Runs (e.g. Dormancy; minimum balance)	\$20/run	CUSO Funded	\$16/run	\$18/run
EFT (PIN/Signature-based) • See Pricing Guide for tiered Pricing Model (including online credit card servicing options)	\$0.0608	CUSO Funded	\$0.0486 Online	\$0.0547 Online
Online Credit Card Transaction Posting (per supported CU*Answers vendor - options available)	\$0.09	\$0.05	\$0.072	\$0.081
AnswerBook CU*BASE Documentation Guides and Reference Materials (Free service via Online Help and cuanswers.com)	No charge	No charge	No charge	No charge

CU*BASE Monthly Recurring Costs

Description	Standard Price	Startup Years 1-2	Years 3-4 (20% discount)*	Year 5 (10% discount)*
Online Credit Bureau Access (via Zoot)	\$0.75 (plus normal bureau fees)	\$0.75 (plus normal bureau fees)	No discount - 3rd party pass thru	No discount - 3rd party pass thru
On-line Decision Model	\$0.50 (per qualified decision)	\$0.50 (per qualified decision)	No discount - 3rd party pass thru	No discount - 3rd party pass thru
Web Hosting Services <ul style="list-style-type: none"> Optional - hosting of credit union web site; optional WordPress w/ SiteControl Web Design/Development available 	\$100 one-time \$25/month (Base)	\$25 (Base)	\$25 (Base)	\$25 (Base)
FIDM - Financial Institution Data Match run	\$42/month	CUSO Funded	\$33.60/month	\$37.80/month
ChexSystems (qualified risk assessment)	\$500 one-time set up \$.50/report	\$500 one-time set up \$.50/report	No discount - 3rd party pass thru	No discount - 3rd party pass thru
Experian Authentication (Service Level 1)	\$0.75/trans.	\$0.75/trans.	No discount - 3rd party pass thru	No discount - 3rd party pass thru
OFAC Data Match Run	\$10/month	CUSO Funded	\$8/month	\$9/month
Off-Trial Balance File Exchange (batch member balance uploads - assumes supported provider) misc. file transmissions to 3rd party vendors quoted separately	\$500 one-time \$100/month	\$500 one-time CUSO Funded	One time - n/a \$80/month	One time - n/a \$90/month
ACH NOCs & Returns (Assumes CU*Answers processes NOCs & Returns)	\$0.80/item	CUSO Funded	\$0.64	\$0.72
ACH Base Monthly Processing Fee	\$50/month	CUSO Funded	\$40	\$45
CU*Answers Vault Online Document Image Solutions & Archiving	Client responsibility - quote provided	Client responsibility - quote provided	Client responsibility - quote provided	Client responsibility - quote provided

CU*BASE Initial Startup/Monthly Recurring Costs - Other Notes

Prices shown are estimates and a final proposal will be developed.

Prices shown do not include miscellaneous costs such as paper, supplies, certain mailing costs and optional services offered by CU*Answers.

Total monthly costs are contingent upon final configuration/services implemented by the credit union.

Client responsible for all third party vendor fees.

*Actual discount prices based upon then-current CU*Answers Pricing Guides.

CU*BASE Monthly Recurring Costs

Description	Standard Price	Startup CU Years 1 - 2	Years 3-4 (20% discount)*	Year 5 (10% discount)*
Shared Branching <ul style="list-style-type: none"> Xtend Shared Branching (CU*BASE participating clients) 	Quote provided	Quote provided	Quote provided	Quote provided
CO-OP Shared Branching Network				
Issuer - one-time set-up transaction fee (plus co-op network fees)	\$1500 n/c	n/a n/c	n/a n/c	n/a n/c
Acquirer - Monthly branch acquirer process - fee (unlimited branches)	\$250	\$250 No discount - 3rd party pass thru	\$250 No discount - 3rd party pass thru	\$250 No discount - 3rd party pass thru
Data Line - Monthly fee (for either issuer or acquirer)	\$75	\$75 No discount - 3rd party pass thru	\$75 No discount - 3rd party pass thru	\$75 No discount - 3rd party pass thru
Web Conference Pass-Thru	\$40/hr (per PC)	\$40/hr (per PC)	\$40/hr (per PC)	\$40/hr (per PC)