Electronic Loan Payments:
How One Wave Rippled Throughout Our Organization

May 19, 2011
Why Change?

- Our Economy in 1999
- Competition from Banks and Credit Unions
- Our Organization as a Whole
- The Electronic Payment Process as a Whole
Our One Wave--Automatic Loan Payments

- How It’s Processed
- Requirement of New Loans
- Incent Existing Loan Members
- Loan Coupon Choice
Implementation

- Resistance from Staff and Board of Directors
- Resistance from Members
- How We Addressed It
Operational Efficiency

- Less Staff Needed to Process Payments
- Increased Payment Processing Accuracy
Delinquency and Collections

- Autopilot Feature
- Early Warning Indicator
- Collecting in Unlikely Situations
Fraud Prevention

- Checks and Balances
- Lending Department
- Accounting Department
Other Benefits to the Credit Union

- Automatic Savings Deposits with Loan Payments
- Automatic Savings Deposits Once Loan is Paid
- Less Expensive Method of Payment Processing
Benefits to the Member

- No Late Payments
- Better Credit Score
- Automatic—Sign Up and Forget About It
- Numerous Payment Options
- Easy Budgeting Tool
- Monthly Statements
In Hindsight

- Members and Employees Find Loopholes
- Ensure Staff Buy-In
- Quarterly to Monthly Statements
## Our Credit Union Today

<table>
<thead>
<tr>
<th>Category</th>
<th>1999 Details</th>
<th>2010 Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>$48 Million</td>
<td>$113 Million</td>
</tr>
<tr>
<td><strong>Outstanding Loans</strong></td>
<td>$31.5 Million</td>
<td>$100.7 Million</td>
</tr>
<tr>
<td><strong>Loan-to-Share Ratio</strong></td>
<td>74%</td>
<td>108%</td>
</tr>
<tr>
<td><strong>Number of Delinquent Loans</strong></td>
<td>208 Loans, 0.94% delinquency</td>
<td>12 Loans, 0.18% delinquency</td>
</tr>
</tbody>
</table>
## Our Credit Union Today

### Salary and Related Expenses
- **1999**: $877,000
- **2010**: $896,000
- **2010 Peer**: $4,062,000

### Non-Interest Expense
- **1999**: 3.97%
- **2010**: 1.63%
- **2010 Peer**: 3.85%

### Net Worth to Assets
- **1999**: 12.20%
- **2010**: 17.21%
- **2010 Peer**: 10.28%

### Return on Average Assets
- **1999**: 1.28%
- **2010**: 1.78%
- **2010 Peer**: 0.32%
Credit Unions In the United States

- In 1999, there were 10,858 Credit Unions
- In 2010, there were 7,776 Credit Unions
- A Decrease of 28%
Credit Unions in the Milwaukee-Area

- In 2010, there were 65 Milwaukee-Area Credit Unions
- In 2010, there were 30 Milwaukee-Area Credit Unions
- A Decrease of 54%
Thank You

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