

Helping
Credit Unions,
Their Staff,
& Members
Reach Their...

... Potential



Issue No 11

Summer 2011

Young Credit Union Members Apply in Record Numbers to Vie for \$11,000 in Scholarships

Applicants representing over 50 MD & DC-based credit unions wrote essays and produced videos based on credit union values. The winners and more...

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Stately Oakland Mansion Site of 2011 Donor Appreciation Reception

Foundation donors gathered recently at the Oakland Mansion in Howard County where Foundation Board and Staff showed their appreciation for the donors' support...

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Foundation Develops, Launches LINX Online Forum To Connect CU Professionals

Free exchange site launched, coupled with iPad™ giveaway incentive...

Page 4



Foundation Invests \$150,000 In Grants & Programs; Expands Offerings To Assist MD/DC Credit Unions

LINX Online Resource Forum, Roycroft Masters Advisory Team, Millionaire's Club Expansion Added To Program Offerings

Credit Union Foundation Directors have approved the largest pool of grant funding in the organization's history, budgeting \$150,000 for established "signature" programs and adding new initiatives to benefit Maryland and D.C.-based credit unions.

College Scholarships, Training & Financial Literacy Programs Renewed

Among the Foundation's existing programs receiving renewed funding are the popular Credit Union College Scholarship. Total scholarship funding for 2011 was increased to \$13,000 due to the volume and caliber of this year's applicants (see accompanying story, page 3). The growing Staff and Volunteer Training Grants Program was renewed with funding increased to \$15,000 for 2011, and funding for credit unions' financial literacy efforts was renewed.

Applicants interested in detailed information on the scholarship, training and financial literacy grant opportunities should visit the Foundation's website at www.cufound.org.

The Foundation continues to support Credit Union Finder™, the industry's first

New Directors Join CU Foundation Board

The Credit Union Foundation of MD & D.C. has announced the appointment of three new Board Directors who are filling vacancies created by term limitations.

Newly appointed to the nine-member volunteer Board at the charitable foundation are Maggie Fielding, President, Visions, Ink; Mike Mesta, President/CEO, Johns Hopkins FCU; and Jacqueline Smith, Vice President/Treasurer, Ft. Meade Community CU.

The new appointees assume Board positions formerly held by Directors Bert Hash, Jim Higbee, and Lisa Jester.

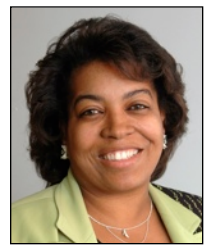
Recently elected to leadership positions on the Foundation's Board were Donald Tynes, Chair; Paul Torbeck, Vice-Chair; Joan Moran, Treasurer; and Jo Ann Talbot, Secretary.



Maggie Fielding



Mike Mesta



Jacqueline Smith

mobile app for the iPhone™, iPad™ and iPod Touch™, that allows users on the go to find and connect with their credit unions and search, map and connect using NCUA's global database of credit unions and branches.

The Foundation is expanding its Millionaire's Club school financial literacy pilot

with plans to add more credit union / high school partnerships in the 2011/12 school year. A grant from the National Credit Union Foundation is assisting in expanding the innovative franchise. Details on the Millionaire's Club are available at www.cufound.org/literacy.htm.

Grant Overview - Continued on page 3

Foundation Launches Roycroft Masters Pilot

A new program designed to provide professional advice and guidance to emerging credit unions has been launched by the Foundation. The pilot effort, known as the "Roycroft Masters Program" aims to pair small credit union leadership with credit union professionals who have recently left day-to-day operations.

Lindsay Alexander, former CEO at NIH FCU and Tim Carney, former CEO at Security Plus FCU, are the charter advisors in the new program.

Credit unions with assets of \$75 million or less may apply for the free advisory program. Once accepted and paired, the participating credit unions will benefit from the experience, advice, and coaching provided by the Roycroft Masters. An initial on-site meeting at the credit union may be followed by further site visits, telephone contact, or other ongoing collaboration between the Roycroft Master advisors and the credit union leadership.

"We know that many small credit unions will benefit from this *pro bono* advisory service," said Foundation Chair Donald Tynes. "We are grateful for our initial advisors' volunteer involvement and hope to grow the Masters roster over time."

Interested credit unions should visit www.cufound.org/leadership.htm for more information or to download the advisory request form.

Board of Directors

Donald Tynes — Chair
Paul Torbeck — Vice Chair
Joan Moran — Treasurer
Jo Ann Talbot — Secretary

Fred Caprio
Carla Decker
Maggie Fielding
Mike Mesta
Jacqueline Smith

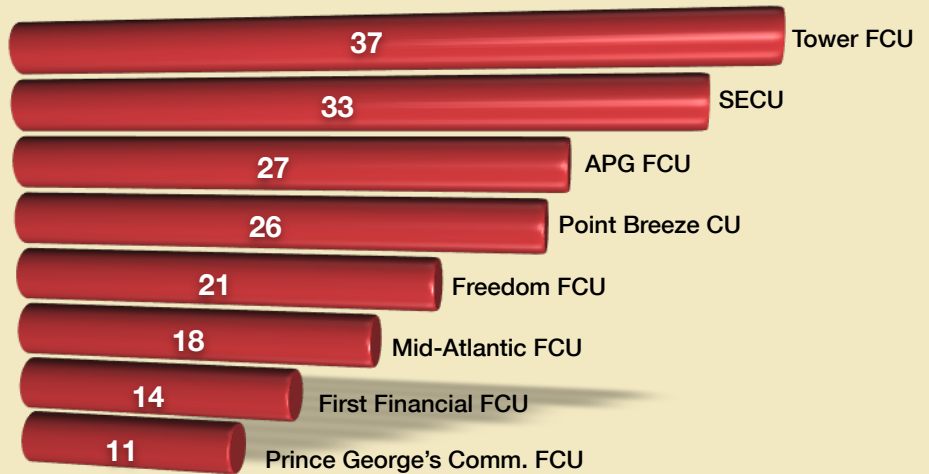


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Top Credit Unions' College Scholarship Member Participation



College Scholarship Participation Swells; Members From Fifty-Three CUs Apply

Fifty judges scored essays, videos to determine award recipients; Foundation Board extends scholarship awards to top thirteen applicants

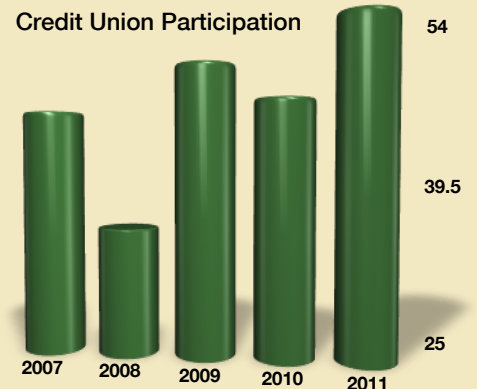
College-bound members from a record number of MD & DC-based credit unions applied to the 2011 \$13,000 College Scholarship Program. Three hundred five essays and eight videos were submitted this year from members representing fifty four credit unions.

"The credit union scholarship program is presented so that credit unions can promote the program as their own," noted Kyle Swisher, Foundation Executive Director. "We provide the funding, lobby posters, newsletter articles, statement stuffer art, on-line applications, and volunteer judges. If a credit union wants to offer its young members a scholarship opportunity, this is a great way to get started."

Fifty judges reviewed the essays and videos to arrive at the top twelve essays and top video entries.

Many credit unions recognize their members' entries even if they fall outside the top award winners.

View all of the winning essays and link to the winning video by going to www.cufound.org/scholarship.htm



Animation Nabs Top Honors In Scholarship Video Category

Brooke Basta, a member at Freedom FCU, was the 2011 college scholarship recipient in the Foundation's video category, part of the popular \$13,000 program that also attracted 305 essay-based applications.

The winning 2011 video can be seen on the Foundation's website at www.cufound.org/scholarship.htm



Grant Overview - continued from page 1

A new programs added to the Foundation's roster of offerings is the Roycroft Master's Advisory Program. This 2011 pilot is available to emerging credit unions with \$75 million or less in assets.

Roycroft Masters Provide Free Management Advisory Services

Participating credit unions may request free advisory sessions with credit union professionals who have recently stepped away from their day-to-day careers but who can still provide valuable advice, mentoring, and coaching. The Roycroft Masters can help address management's issues and concerns drawing from their career experience.

Lindsay Alexander, former CEO/President of NIH FCU and Tim Carney, former CEO/President of Security Plus FCU, have agreed to serve and others are being recruited for the pilot program. More details and advisor request procedures are available at www.cufound.org/leadership.htm.

LINX

In an effort to address requests that the Foundation find a way to facilitate collaboration among credit unions, a new online exchange forum, LINX, has been developed and launched.

This free site offers registrants the ability to post questions within a variety of focused topics and receive responses from colleagues. Users can also search the growing archive of posts and responses. The site allows for documentation storage and exchange. *(see related story page 4)*

Register To Win An Apple iPad™

Register at LINX, the Foundation's new, free credit union exchange site and be automatically entered to win an iPad or \$200 cash.

Experience the power of community via LINX.

Post your questions, search the growing archive or share your knowledge.



www.cufound.org/linx

Foundation Donors Gather For Recognition Reception At Historic Oakland Mansion

Foundation donors gathered at the historic Oakland Mansion in Columbia, Md. for a recognition reception sponsored by Allied Solutions; Burns-Fazzi, Brock; and Pentegra. The reception provided the Foundation the opportunity to thank those who have made its charitable works possible.



Helping MD & DC-Based Credit Unions Serve Their Members & Communities

Your 2011 Support Gift Is Greatly Appreciated!

Recognition Levels	Chairman's Club	Leadership Circle	Benefactor	Donor
Credit Unions As a % of Assets*	.0025% (Minimum: \$300)	.001% to .0024% (Minimum: \$200)	.0002% to .001% (Minimum: \$100)	<.0002%
Businesses & Organizations	\$1,000+	\$750 - \$999	\$500 - \$749	Up to \$500
Individuals	\$300+	\$200 - \$299	\$100 - \$199	Up to \$100

* Use the on-line Recognition Calculator at www.cufound.org/contribution.htm to easily calculate donor recognition levels

Yes, I am proud to be a sponsor of the Credit Union Foundation of Maryland and the District of Columbia!

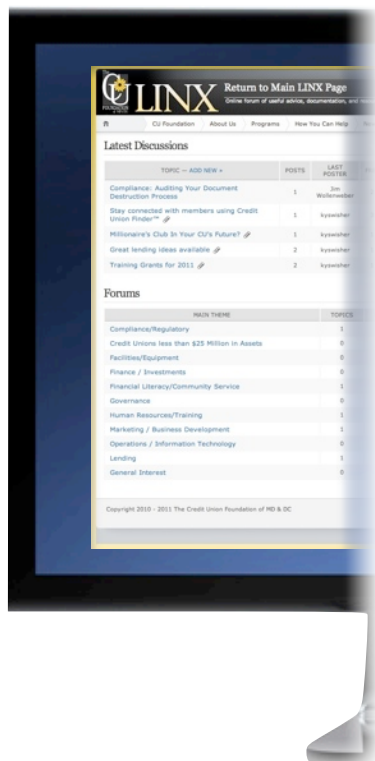
Enclosed is my donation: \$ _____

Apply my gift: Where The Need Is Greatest
 Direct Grants To Help Credit Unions
 Endowment Fund For The Future
 CU Staff Training Scholarships
 Small Credit Union Development Programs
 Financial Literacy Initiatives

Please mail to: **CU Foundation of MD & DC**
PO Box 190
Glenelg, MD 21737-0190

Contact me about the Community Investment Fund

Foundation Launches LINX Online Forum To Facilitate Idea, Documentation Exchange Among CU Professionals & Volunteers



The Credit Union Foundation of MD & DC has developed and launched a free online forum for credit union professionals. The forum, known as "LINX," was designed to enable idea and documentation exchange among credit union staff and volunteers.

"LINX was designed to allow users to focus posts into specific areas of interest," said Foundation Executive Director Kyle Swisher. "Users post questions, respond to posts, exchange documents, and search an archive of past posts." Unlike some "bulletin board" services where users are flooded with multiple emails, LINX users access the free service and choose only those posts they want to receive updated information on. LINX users can also search an archive of past topics to find answers to their questions before they start a new post.

LINX topics include compliance, finance/investments, governance, training, marketing, lending, small credit unions, financial literacy, and more.

To introduce the new program, the Foundation will be giving away a new Apple iPad™ to a randomly selected registered LINX user.

"The more users we can attract to LINX, the better the service is for all of its users," said Swisher. "That's why we introduced the iPad giveaway. We believe that once users register and begin to visit the LINX forum, they will see the benefit and use the site regularly."

To view the LINX site go to
www.cufound.org/linx

Win An Apple iPad - Earn One Entry Per LINX Post!

New registrants on the free LINX site are automatically entered in a drawing to win an Apple iPad™*. Registrants receive one entry for every post made on LINX until December 1, 2011.

Visit
www.cufound.org/linx



(*or \$200 cash, drawing 12/1/11)

TURN KEY



An Innovation Exchange

Summer 2011



Helping Young Members Safely Establish Credit

When It Comes To Establishing Credit, You Have To Start Somewhere. Destinations CU Says, "Why Not Here?"

Credit unions have long held the high ground on protecting young members from predatory lending practices. And members need to establish their credit rating so they will be ready when it's time for an auto or home loan. Protecting members while preparing them for future credit responsibilities can be a tricky balancing act. At Destinations Credit Union in Baltimore, they've established a credit card program designed to do exactly that.

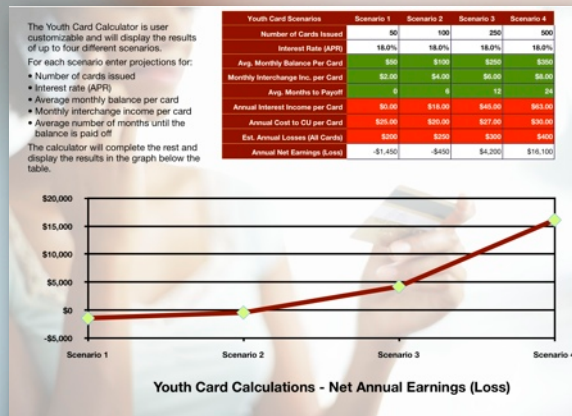
Destinations' "Credit Builder MasterCard™" was developed for young members without a credit history. The program combines a low credit limit, no annual fee, and a competitive rate to help members establish credit while avoiding excess debt. And to sweeten the deal, Destinations includes a rewards program that allows users to use accumulated points for gifts and travel while they establish credit. It's a new program, and one worth sharing.

Members begin the application process online and once established they can view their Credit Builder activity and balances via Destinations' website.

A Q&A with Destinations CU's Marketing Director Carol Szaroleta appears on the reverse of this sheet. Visit the Foundation's Resource Page for tools and marketing ideas on this and other great programs. Go to www.cufound.org/resources.htm

Want to view projections for your own youth credit builder program?

Go to the Foundation's free Resource Page: www.cufound.org/resources.htm and download the projections calculator.



Q&A

DESTINATIONS CU'S CAROL SZAROLETA



What was your motivation to create the Youth Credit Builder Program?

Long before the credit card reforms of last year, we were concerned about the easy access to credit for young adults. In most cases, they don't truly understand getting and keeping a good credit rating, and the ramifications throughout their lives. College students were graduating with enormous amounts of credit card debt in addition to student loans. The credit card reforms have gone a long way toward limiting access to credit for students and we felt it was an opportunity to offer a product that will help them establish credit reasonably and responsibly.

How do you control the credit limit on the card?

We set the initial limit at \$500. We will review that periodically (at their request) to see if they qualify for more under our standard underwriting guidelines.

What will happen if the young member doesn't show responsible use of credit?

We counsel them at the time they apply for the card. They clearly understand that access to the credit card is tied to responsible use of the card. If they are late on a payment, we will restrict use of the card immediately.

How will you promote the new program?

We have plans to send a postcard to our young adult members and will target a segment of our membership who are likely to have children in that age group. Parents are the key to influencing where their children do their banking. We will also send out e-mail blasts and statement inserts. We have material available on our website, in our lobby (Inlighten screens, posters, take ones) and our MSR/loan officers are trained to offer the product if appropriate.

What challenges have you faced?

In structuring the program, we wanted to make sure that the young adult received some education about responsible use of credit prior to issuing the card. We struggled with how to accomplish that and ensure that the applicant had indeed read the information. We finally decided to use our young adult financial literacy site, "On Your Way," (a service offered through the Credit Union Foundation of MD & DC) to provide the educational component. We selected specific articles and videos from that site and require our applicants to read/view those and comment on the article or video. They can print out their comments (or we can check online). Once they have completed the education, we will issue the card.

Any advice to credit unions planning a similar youth credit card program?

My number-one piece of advice is that if you plan to offer a similar program, you need to make sure it is compliant with all the new credit card regulations. It has gotten a bit trickier to offer credit cards to those under 21 years old – if they are a student, they will need a parent to cosign. The card should be attractive to the young adult – studies show that these people will be loyal to the institution that gives them their first credit card. We offered our very best rate and a rewards program (available on all of our credit cards).