

September 2008

Network NEWS



Montana CU Advocacy *Putting the Pieces Together*

The Pieces of Advocacy • Free to Choose • MCUCD Recognized

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From My Perspective

Credit unions say that they are not for profit, but for people. And, I totally agree. Credit unions certainly have always been there for me.

When I was a single mom, struggling to raise four kids, my credit union stepped in and gave me a much-needed car loan. They knew what my finances looked like, but they also knew me and were willing to help me. Needless to say it made a difference in my life, and (in case you were wondering) I paid off the loan.

Now that I'm a full-time advocate for Montanans who are low-wealth and a two-term legislator, I have a better view of how credit unions are stepping up to the plate all around the state. Not just with their everyday operations, but also through the programs and partnerships that Montana Credit Unions for Community Development (MCUCD) have forged. Those programs that couple financial education with

the chance to build wealth through IDAs give people a hand up to climb out of poverty. The programs like VITA sites and payday loan alternatives protect people from predatory lending practices.

My dad always said, "Mary, it isn't what you say you're going to do that counts, it's what you do that matters most to people." Credit unions are incredible organizations that help people every day. You have an amazing story to tell. Make sure you tell it.

Mary Caferro is the executive director of Working for Equality and Economic Liberty (WEEL). She is also a Montana State Legislator representing House District 90.



Mary Caferro

HOT Flashes

TRACIE: This issue is about advocacy...

LESLIE: I think that sometimes "advocacy" is a tough concept to wrap your head around.

TRACIE: I agree...so I looked up the word "advocating" and found that Webster says it is "to plead in favor of."

LESLIE: What a passionate description!

TRACIE: Perfect for us...

LESLIE: Especially as we're about to kick-off our Credit Union Advocates Program...which I'm really interested in hearing more about.

TRACIE: Well, it came about because we wanted to create a direct pipeline to lawmakers from their credit union constituents.

LESLIE: So Advocates will come from across the state...

TRACIE: Yes, and the League will provide training and messaging opportunities for Advocates to feel more comfortable about their role.

LESLIE: And what exactly is their role?



Tracie Kenyon



Leslie Hunter

TRACIE: We hope that Advocates will take legislative and regulatory information from us, pass it along to their official family members, and contact their individual lawmakers as necessary.

LESLIE: Sounds like a big job...

TRACIE: It's an important job, but really shouldn't take a ton of time. We're excited to roll this out and support this grassroots initiative.

LESLIE: I've really seen the power of grassroots lobbying in my years at the credit union, from "Operation Grassroots" to the passage of H.R. 1151.

TRACIE: Let's not age ourselves again (and we did that last issue—grin).

LESLIE: I can agree to that; but I can also agree that this Advocates Program is a perfect fit for a passionate organization like ours!

Advocacy: Putting the Pieces Together

by TRACIE KENYON, PRESIDENT/CEO of the MONTANA CREDIT UNION NETWORK

There is an amazing talent in quilting where seemingly unrelated fabrics are stitched together to create an intricate design. When you examine one or two of the pieces individually, you may not see their relationship to the whole, but once the pattern is established, it's a gift for the eyes. Advocacy is like a quilt; activities that some might view individually as unconnected are knit together to promote and enhance a vibrant credit union movement. There is a collection of activities at the Network, which, when interwoven, create a strong advocacy program for Montana's credit unions.

Lobbying

Certainly one piece of advocacy is lobbying—which is often viewed as an activity between paid “talking heads” and policy makers. Many of our visits to Washington, D.C. (“Hike the Hill” and Governmental Affairs Conference visits) are like this—but effective lobbying includes grassroots mobilization. Lawmakers want to hear from their constituents and that's where the CU Advocates Program will connect. In the credit union system, we are fortunate to have several layers of lobbyists—full-time paid professionals engaged at your League and CUNA, credit union management and staff, credit union volunteers, and members. Just as a quilt is more attractive with different colors and patterns, we are more successful when we design messages that connect all four levels of lobbyists.

Fundraising

No discussion of advocacy is complete without a discussion about the importance of fundraising. Conversations about political contributions make many people squeamish; however, it's expensive to get elected and difficult to enact campaign finance reform, so it's likely that we're stuck with the current situation for a while. We have successful Political Action Committees (PACs) at both the state and federal levels that assist credit unions to elect credit union-friendly lawmakers. And most of the contributions to credit union PACs are less than \$25. View it like a quilt with different sized pieces, the PAC is a network of individuals combining various sized contributions for one common goal.



After an afternoon of Advocacy Training, a few members of the newly minted Montana Credit Union Advocates Program took a tour of the State Capitol.

LEFT: Connie McNamara and Christa Sandoval (EnerGComm FCU) sit in the Old Supreme Court Chambers.

Messaging

There is no purpose to advocate if there isn't a message. The League coordinates many activities that assist with messaging including outreach, development, and cooperative awareness campaigns. Through Montana Credit Unions for Community Development (MCUCD), Montana leads the nation in outreach and development projects with matched savings accounts, free tax filing services, alternatives to predatory lending, and financial education available in many communities through a not-for-profit financial cooperative—a credit union.



ABOVE: Scott Colvin (Butte Community FCU) and Heidi Knudson (Avanta FCU) smile while standing in the Capitol's Rotunda.

Additionally, a cooperative campaign extolling the structural uniqueness of credit unions has been targeting messages to the general public. This campaign reinforces what credit union members should already know about their credit union and educates others about the credit union difference. And like our quilt with various colors that may appear dissimilar until they're stitched together, credit union stories (from our distinct nature to our amazing development projects) blend to create an amazing message.

So, just as individual pieces of a quilt may be beautiful (lobbying, fundraising, and messaging viewed alone can be interesting) but woven together like quilt pieces, they create a compelling design that enhances and underscores the very reason credit unions exist—service to members.

As the charitable arm of the Network, MCUCD's mission is to improve the social and economic well-being of Montanans through credit unions. MCUCD programs are consumer/financial education, matched savings accounts, free tax services, and combating predatory lending.

MCUCD and AmeriCorps: Getting Things Done

Your credit union couldn't exist without your volunteer board of directors, and MCUCD programs wouldn't exist without VISTA members (Volunteers in Service to America).

The 2008 AmeriCorps outreach campaign exclaims "Get Things Done!" and MCUCD's AmeriCorps*VISTA members are certainly doing

that. This summer we say goodbye to three amazing women—Carin McClain, Amita Patel, and Joanne Martonik—all who have fought poverty with a passion through Montana's credit unions.



Amita gave up a life in New York City and a lucrative career in finance to be an AmeriCorps*VISTA in Missoula working on BSAFE—Building Security through Assets and Financial Education. Joanne chose AmeriCorps and the Montana Students Save project over her job at Georgetown University.



ABOVE: MCUCD's 2007-08 VISTA members Amita Patel, Carin McClain, and Joanne Martonik.

BELOW: MCUCD's new VISTA members Abby Wolf and Michael Park.

Joanne says, "I have really enjoyed working with MCUCD on their Individual Development Account programs. It's been very rewarding helping people throughout Montana learn skills that will last the rest of their lives."

Welcome Aboard

In July, MCUCD welcomed two new VISTA members to its team: Abby Wolf and Michael Park. Abby is from the Boston area and majored in economics and creative writing at Oberlin College in Ohio. Until she applied to work on MCUCD's VITA project, she was unfamiliar with credit unions. Abby recently noted, "The more I learn about credit unions, the more I come to believe that, much like Montana, they are the financial world's last best place on earth."

Michael joins us from California where he received his law degree from Stanford in January. He joined AmeriCorps, and the BSAFE project specifically, to prepare for a career in nonprofit law with a focus on family issues. "I want to use my law degree to address social issues that have affected the lives of people I care about, issues such as unequal access to education, gender inequality, and economic injustice," said Michael.

As MCUCD celebrates its fifth year in existence, we say thank you to Montana's credit unions and MCUCD's VISTA members—you're getting things done!

MCUCD AND THE COMMUNITY INVESTMENT FUND

Helping Credit Unions Advocate Through Action

The Community Investment Fund is the primary fundraising tool for Montana Credit Unions for Community Development. Without it, MCUCD would not have been able to double the number of Montanans using free tax filing services at credit union VITA sites across the state in 2008. Or, build a matched savings account program for women survivors of domestic violence. Or, reach over 27,000 Montanans through the *MontanaFreeFile.org* web site.

MCUCD's activities complement nicely the advocacy efforts of the Network. And they certainly promote

and enhance a thriving credit union community, as our definition of advocacy suggests.

Consider the Volunteer Income Tax Assistance program in Butte, supported by five local credit unions collaborating on the project. 2008 was the second year for the free tax program, and the Butte sites saw a 26% increase. Another example is the BSAFE Program—with four credit unions in Missoula and three credit unions in Helena working together with local community groups empowering women to survive and thrive after a history of domestic violence.

Free to Choo\$: Partnerships in Action by LIL DUPREE

A lack of financial literacy is an enormous barrier for people trying to build economic independence. The consequences include poor credit, high use of predatory lenders, higher insurance premiums, lack or loss of mainstream financial access and even bankruptcy. These problems are epidemic among low- and moderate-income families, who generally have few choices when it comes to accessing mainstream financial services.

Free to Choo\$ is the result of an incredible partnership between Park Side FCU and Northwest Montana Human Resources, Inc (NMHR). It is the agency's newest program and is designed specifically to empower people to take charge of their economic future and lead financial lives of choice, not necessity, or even desperation. The program has three critical components: education, support, and access to credit.

Two classes have graduated from Free to Choo\$. The third session began in July, and the September class is almost full. Of the 28 graduating families, 27 have chosen to work with a mentor for the next 12 months and have also opened accounts and revolving credit lines at Park Side FCU. Outcomes that are being measured include: attendance, graduation and mentor partnering rates, current/late payments on credit lines, increase in credit scores, decrease in debts/collections, and self- and mentor reports on perceptions of financial well-being.

Today, it's not just credit unions and their members advocating the credit union difference. Thanks to MCUCD's programs, a thriving credit union community now includes numerous state-wide community organizations, serving side-by-side with Montana's credit unions on a variety of programs.

For example, Montana Legal Services Association includes credit union resources on their *MontanaLawHelp.org* Web site. Rural Dynamics, Inc.

HELPING CREDIT UNIONS ADVOCATE (continued on page 9)



ABOVE: Participants in Free to Choo\$'s first adult class pay close attention to Lil Dupree at one of their first sessions.

It is too soon to begin to predict long-term results, but initial anecdotal information is very encouraging. Families demonstrated an incredible commitment to and investment in the program. Participants pursued make-up sessions for missed classes at a high rate, which was particularly encouraging as there was no consequence for missed classes. People offered stories at graduation of changes they had already made as a result of the classes, including initiating direct deposit, opening savings accounts, and discarding offers of predatory credit.

As with any new program, partnerships have been crucial to Free to Choo\$'s success. Park Side FCU has offered tremendous financial, volunteer, and moral support. On a recent Washington, DC trip, NMHR staff briefed Montana's senators and congressman on this exciting initiative. All three officials were as impressed by the agency/credit union partnership as they were by the participants' excitement and early successes, and have requested program updates.

In 2009, NMHR plans to double the size of Free to Choo\$ in Flathead County, and expand it to Lake, Lincoln, and Sanders counties. Program staff is documenting all the steps in developing and implementing the program to assure replicability in other areas.

Lindley (Lil) DuPree is the Development Director for the Kalispell Human Resource Development Council (HRDC), responsible for program research and development as well as funding. She is currently the program manager and an instructor for the adult class.

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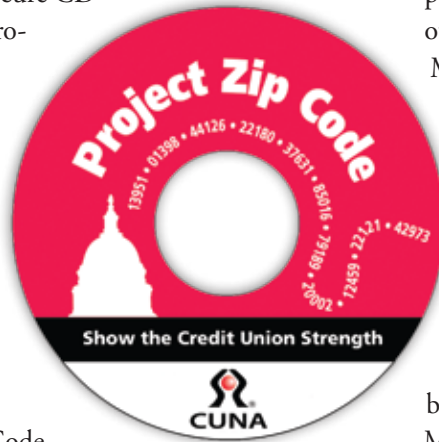
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PROJECT ZIP CODE An Important Tool in Advocacy

What is Project Zip Code (PZC)?

According to CUNA, “Project Zip Code is a user friendly, privacy secure CD-ROM computer program that counts your members and matches them with state legislative districts as well as congressional districts. These counts are then uploaded to CUNA’s Project Zip Code



Web site and combined with data from other credit unions nationwide.” The Network sends out PZC CDs to all our credit unions once or twice a year depending on frequency of updates.

If Montana only has one representative, why do we want to know how many members are in a particular district?

The information provided is not only for use at the federal level, but at the state and (as of version 8.0) county levels. It is wonderful (and powerful) to be able to have a conversation with a state senator or representative and mention, “did you know that you have over xxx constituents who are credit union members?” It makes credit union issues much more real to them and gives a voice to our industry.

Does the information include only Montana credit unions?

The membership numbers aggregate for all participating credit unions across the United States. Any out of state credit union that has a member living in Montana—and there are several of them—would show up in the figures. That is a good thing because as a movement we are often working toward the same goals!

What other uses does the program have for our credit union?

Credit unions report that they are using the information they gain from PZC to make marketing, branch, and even growth decisions. Tyler Disburg of Montana First CU reported that Project Zip Code is an easy, *and free*, way to get a snapshot of where your members live. “We’re a small credit union and can’t afford a Marketing Customer Information File (MCIF), but we can combine Project Zip Code numbers with census data to crunch data in a lot of similar ways. In fact,” he said, “that’s how we decided where we should build our newest branch.”

How do I get started?

Contact Clyde Dailey at the Network for the latest version of the software, and we will help you get the process started. Most data processors are compatible, and we can even help hook you up with a credit union on your same system who may have experience with the program. It is easy and so rewarding!

SPREADING THE MESSAGE ABOUT MONTANA CREDIT UNIONS

Montana’s credit unions are positively impacting the lives of Montanans, and CUNA has the numbers to back it up. Here are a few facts from *The Benefits of*

Membership for Montana that CUNA’s Economics and Statistics Department published in December 2007.

- During 2007, Montana Credit Unions provided \$27,235,014 in direct financial benefits to their members.
- Montana credit unions offer lower average rates on car loans, first mortgages, home equity loans, and credit cards.
- Montana credit unions pay members higher average dividends on regular savings and money market accounts, certificates, and IRAs.
- Montana credit unions charge lower than average fees on share draft NSF, credit card late fees, and mortgage closing costs.

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Advocacy: Laying the Foundation of our Success

by STEVE GROOMS, GOVERNMENT RELATIONS COMMITTEE CHAIR

Just as Rome was not built in one day, advocacy does not happen in a single action or at a single point in time. Rather, an advocate's work is ongoing and cumulative. Each member of the credit union community needs to help get the word out and build on what makes our not-for-profit financial cooperatives strong, unique... and so beneficial to our members.

This means telling the credit union story of the daily positive impact that we have upon our members' lives, participating in (and broadcasting) the social outreach performed each day both in our branches and by MCUCD, and helping to educate those who shape the legal framework both on a local and national level.

Montana's credit unions are doing amazing things, and we have a large toolbox and a lot of experiences we can use to construct a compelling case and tell our story.

When it comes to legislative and regulatory advocacy, one of the key tools in our toolbox is building a relationship with our local and national representatives. As we get to know them, and as they get to know us, we can help them see how credit unions fill the mission we were established for in serving all members, including those with modest means.

Another tool includes the Government Relations Committee (GRC). The committee's six members play an important role in reviewing and responding to political developments at both the state and federal level. In situations where a grassroots response is necessary, the GRC helps lay out our response plan, and then the members call their peers to action. They also maintain contact with Montana's congressional delegation and staff.

This past April, the committee met and discussed credit union friendly legislation that the banking industry strongly opposed. The committee decided a full action response was warranted and encouraged quick notice to Representative Rehberg, which was received loudly. Shortly after that response, the

Treasury Department released its "Blueprint" with a plan that could have been detrimental to the future of credit unions. Once again, the response was quick, and the message was clear: "Save Our Credit Unions!"

While not everyone is comfortable writing a letter or calling a congressman, these simple actions lay the foundation for a long-term effort that strengthens our



Steve Grooms and Donya Parrish take a minute during the Annual Exposition in April 2008 to ask attendees to contact our congressional delegation to support CURRA.

community of credit unions. Ongoing advocacy is critical to the success of credit unions, and a unified movement results in a stronger, more effective influence on decision-makers at all levels of government.

Thank you for helping us build, strengthen, and enhance our relationships with all your local and national representatives. Please continue to help us note positive examples of service in helping our members and being prepared to share these examples as needed. In addition, we need your assistance in getting the word out to all who will listen of the philosophical differences, which are large, between credit unions and banks. And, finally, we will need your help in the future to help sound the charge when the battles come.

Steve Grooms is the President/CEO of 1st Liberty FCU in Great Falls, Montana. He is also the chair of the Network's Government Relations Committee.

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CEO Corner



Steve Howke, President/CEO

When I was younger, there was a popular trick in which a table was set with fine dinnerware atop an elegant table cloth. The goal, of course, was to remove the tablecloth from the table without disturbing any of the dishes or silverware, leaving them in (more or less) the same spot as before. This was done by pulling the tablecloth out from underneath the dishes at the right speed and angle.

I thought this was pretty neat and something I could master. After successfully replicating the trick a few times with nobody around, I was ready for a bigger challenge and an audience. For some reason, I decided to debut my new talent after a family supper one summer evening. I announced that “I, ‘The Incredible Howke,’ will perform a feat that will be sure to amaze and astound.” Not knowing what I had planned, the reaction from my family was something like, “Yeah whatever, do we have any more gravy?”

After supper, when everyone moved away from the table, I made my second announcement to amaze and astound, grabbed the tablecloth, and focused my concentration. By now, my mom realized what I was up to. She issued a stern verbal warning, but was too paralyzed to physically stop me. I yanked the tablecloth with great force and ... let’s just say I was astounded.

Getting to the point

Now what does my youthful misadventure have to do with credit unions and advocacy? Simple. Credit unions do not rely on parlor tricks and risky behavior to serve their members. Instead, credit unions know their members and exist to serve them.

As a result, we focus on what is best for the member, not what a given transaction will contribute to the bottom line. The credit union business model *by definition* looks at members’ needs and ability—not just current needs and ability, but their future needs and ability as well. Clearly, jeopardizing our members’ future by putting them into a loan that will become unaffordable in three to five years is not good service.

To be fair, the government has exerted considerable pressure to extend loans to individuals with suspect credit for home purchase. And, the credit markets accommodated such loans by developing derivative products that attempted to spread out the risk and make them saleable as investment products; thereby creating a liquid market.

But, when you focus on models and expected cash flows rather than individuals, things can go awry awfully quickly. This is the advantage that credit unions have. Having a relationship with members and knowing them, goes a long way towards serving them in their best interest. We lead by example, but we should also be doing more to spread the word.

And, the moral is ...

So, back to my story. Just like the models that have been developed for pooling subprime mortgages, I found out that an unknown—such as a two pound jar of sticky strawberry jam and a bowl of gravy that spilled down the side—can provide enough friction to mow everything over.

And, just like the credit markets came to a standstill, so did my future 30 (or so) years ago. I, like the current market, surveyed the situation for bailout options. I had no beautiful assistant to blame, so I had to look for other opportunities. Doom was imminent: my dad had headed to the bathroom with his shoulders bouncing up and down, presumably upset that he would be the one to snuff out the life of his youngest son (I found out later he left because he was laughing so hard he felt he had to compose himself for credibility’s sake). And, with my mom paralyzed with horror, I did what any 10 year old would do; I bailed. When I returned 15 minutes later, I learned a valuable lesson. Cleaning up dried and sticky food was no easier because I tried to find an easy way out.

Just like the current situation with the economy, the more avoidance of the situation, the harder the cleanup will be. But credit unions can hold their heads high in knowing that they can maintain the trust from their members and they will be there for them in the future.

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Helping Credit Unions Advocate, CONTINUED FROM PAGE 5

partners on VITA sites and coordinates the Tax Help Montana statewide coalition. Student Assistance Foundation and Rural Employment and Opportunities provide essential services on matched savings accounts.

And even more examples can be found at a local level, such as the successful Free to Choo\$e program in Kalispell with Park Side FCU and Northwest Montana Human Resources (see page 5).

Hearing about how great credit unions are from community partners sends lawmakers a clear message. Credit unions continue to make a positive difference in people's lives—not just through affordable financial products and services, but through innovative and empowering programs and partnerships. Credit union support of MCUCD through the CIF ensures we will be able to continue and expand these programs and partnerships.

For more information on how much money the CIF has raised in Montana and how those funds have been used, please download the Montana CIF Reports on the Network's Web site at www.mcu.org.

In closing, here is an excerpt from a thank you letter written by a student who received an education scholarship at the Student Assistance Foundation's College Goal Sunday event.

"Your support has kept me from worrying so much about the cost of tuition ... and it has made it possible for my widowed mom to take out a lesser amount in private loans," writes Kevin Hoversland from Chester, Montana. He adds, "I look forward to the time that I can help others as you have helped me."

We're looking forward to that too, Kevin. People Helping People—that's what we're all about!

CIF WHYs AND WHEREFOREs

The Community Investment Fund is a unique investment opportunity for your credit union. When you invest, you provide integral support to MCUCD for state outreach efforts and to the National Credit Union Foundation for national outreach efforts.

Treasure State is pleased to play a vital role in the CIF program. Contact Kara for more information on the investment products, which include 90-day and 3-year fixed-rate certificates. She can advise you as to the investment product that best fits your liquidity needs and investment policies.

Here is how the CIF works: One half of the interest earned on your investment, up to 2%, is split between the NCUF and MCUCD, while the credit union retains the other half of the interest. The entire process is seamless to the credit union once the investment is made.

Join your corporate, your league, and the 30 Montana credit unions that have invested over \$4 million in the CIF. Contact Treasure State today!

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Cooperation Among Cooperatives

Seven guiding principles frame the business structure of cooperatives. Comprehensively these principles manage membership, pricing, governance, policies, profitability, and service.

The seventh of these principles is “Cooperatives Helping Cooperatives.” Credit unions are cooperatives themselves and, as such, have the opportunity to advocate for stronger credit unions by forming credit union service organizations (CUSOs). And, CUSOs do not differentiate between asset size or membership.

Can your credit union compete with the big banks?

The economy constantly challenges credit unions to streamline their operations—to use their time and resources more efficiently. The unfortunate reality is that it has become harder and harder for mid-sized and smaller credit unions to respond and invest in new products and services.

CUSource is a CUSO that is owned by Montana credit unions. In a nutshell, the organization enables all credit unions to increase earning assets, generate fee income, develop cross-selling opportunities, and enhance member relationships. By sharing the cost of a data processing platform, Montana’s credit unions are able to purchase new modules and widen the portfolio of services they can offer their members.

CUSource has literally created a multi-credit union network to achieve the wants and needs of credit unions both large and small. In the CUSO environ-

ment, CUSource members have state of the art solutions at their finger tips, with cooperative pricing.

Cooperative purchasing has allowed CUSource to offer modules that respond to member needs like

.....

CUSOURCE’S COLLECTIVE APPROACH LETS US TAKE ADVANTAGE OF ECONOMIES OF SCALE AND PROVIDES A FAR MORE COMPREHENSIVE SOLUTION THAN ANY ONE CREDIT UNION COULD DO ON THEIR OWN.

—SHIRLEY BAILEY

..... PRESIDENT/CEO OF CUSOURCE, LLC.

on-line bill pay, check imaging, and more, including the recent addition of “Business Deposits.” In 2000, CUSource partnered to bring secondary mortgage lending to all credit unions in Montana.

Is advocacy part of your business model?

CUSource is a good example of how education, innovation, and collaboration is abundant and cost effective. The CUSO offers all its credit union clients 16 hours of *free* training yearly at their request, based on their needs. Additional free training is also offered regionally. In contrast to other data processors and third party mortgage lenders, which exist to maximize profit for their shareholders, our net margin above expenses and reserves does not belong to the company—it belongs to CUSource’s member-owners.

Overall, cooperatives serve their members most effectively and strengthen the cooperative movement by working together.



Mortgage Madness

While the media stokes the fires of fear and panic, one can easily argue that credit unions are not caught up in the mortgage crisis.

It's true. Mortgage rates have gone up, loan restrictions have grown tighter, more people have fallen short on their loans, and business has slowed down. Interestingly enough, however, industry numbers are at pace with 2005 levels—when, by the way, media headlines trumpeted that business was booming.

Credit unions have an opportunity

With other lenders in trouble, credit unions have an opportunity to fill the vacuum and increase their market share. But, offering a full-service real estate department can be a daunting task.

SEG FCU never has to turn away a member when they ask for a mortgage loan. Although some may consider SEG a small shop, they offer one of the most important services a member needs—home loans.

How do they do it? Through a partnership with CUsource, SEG FCU is able to compete in the Billings real estate market with a portfolio of loan options.

While credit unions work hard to strategically position themselves to meet all their member's financial needs, many believe they cannot afford to offer a robust real estate loan program that includes the secondary market. They're wrong; a real estate loan program is the one service that credit unions can afford. Even when the market is volatile.

CUsource offers credit unions options

Since its 2000 merger with CUMONT, CUsource has been offering real estate services to credit unions in Montana. This service makes offering mortgage loans an easy task for credit unions.

With a cafeteria of plan options, credit unions can farm out all or a piece of the loan process.

With CUsource, credit unions can process both conventional loans and government loans like VA and MBOH. CUsource's offerings include processing, servicing, escrow tracking, as well as web-based loan-origination through Mortgagebot. And, CUsource's real estate specialists are always on top of the complexities of changing loan products, programs, and regulatory requirements.

.....

CUSOURCE PROVIDES ALL THE EXPERTISE AND KNOWLEDGE, FREEING UP OUR TIME. THERE IS NO WAY WE COULD KEEP UP ON ALL THE REGULATORY CHANGES, ESPECIALLY IN THE LAST 18 MONTHS.

.....

—JANICE LEHMAN
PRESIDENT/CEO OF SEG FCU

Once the loan process begins, CUsource can handle all the paperwork, even ordering appraisals.

It only makes sense

When CUsource members cooperatively share processing and servicing staff, credit unions have access to the knowledge of an in-house processor without the overhead cost associated with an additional employee. This is especially attractive, since the real estate business is not particularly consistent; one month a credit union may fund two or three loans, the next six or seven. With CUsource, a credit union only pays for the software and the actual files they process. Partnering with CUsource allows credit union staff to provide home loans and increase earnings, all without unduly burdening staff or sacrificing internal productivity.

For more information, call CUsource's Real Estate Office in Billings at 406-259-3656 and talk with one of their senior processing specialists.

THERE IS A CLEAR DIFFERENCE IN THE OPERATION OF AN ORGANIZATION WHEN THE OWNERS ARE ALSO THE MEMBERS.

—RHONDA DIEFENDERFER, AVANTA FCU PRESIDENT/CEO and CUSOURCE, LLC, BOARD CHAIR

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UniPro Supports Montana Credit Union Advocacy

UniPro Systems has been the proud sponsor of the UniPro Open Golf Scramble for the past 7 years. It is a wonderful fundraiser for Montana Credit Unions for Community Development—we have raised over \$35,000 to date. It's an accomplishment we are very proud of, and one we couldn't have achieved without the generosity of our Montana Credit Unions and the vendors who attend the meeting each year.

The idea for the UniPro Open came from Luckie Bethel, former UniPro board member, as a way to increase the social networking at the annual conference and make money for a worthy cause. After a few years of development, the tournament came to fruition in 2002. Annual Meeting Chair Frank Allen assisted Eddie Black with incorporating the tournament into that year's Expo in Butte. It was held at the Anaconda Country Club in Opportunity with 50 golfers and raised \$2,100. Today, we average over 70 players and \$5,000 per tournament.

A LITTLE UNIPRO OPEN TRIVIA



Tom Dedman, Ed Gillig, Mary Chapman, and Linda Brunelle do the chicken dance while competing in the 2008 UniPro Open Scavenger Hunt.

- Q:** How many times has the UniPro Open actually involved nine or more holes of golf?
- A:** Four. Teams have also bowled two times, and, in 2008, they competed in a scavenger hunt.
- Q:** What year provided the best weather?
- A:** 2003. After a rollicking bus ride from Missoula, golfers teed off under sunny skies in 80° weather.
- Q:** And, the worst weather?
- A:** Montana credit union golfers are a hardy bunch! In 2004, they turned out to golf in 40° weather in Fort Benton.

UniPro pays for the greens fees and carts for our players each year, but the event would not be possible without the participation of our other vendors. CUNA Mutual, Treasure State Corporate Credit Union, CUsource, League Service Group, and Allied Solutions have generously contributed to the tournament every year since its inception. We want to thank them and all of the other companies who sponsor each year so we can put on a quality event.

As you all know, the weather has been challenging for us at times. We have run the gamut in temps for our golf outings—from 80° in Hamilton to 40° in Fort Benton and everywhere in between, not to mention the snow years. We've been creative at times to overcome the weather—bowling and scavenger hunting when we couldn't golf. Through it all however, we have managed to have a great time and enjoy the experience, no matter what it is. Our golf tournament has evolved into a charity event. Our participants, credit union folk and vendors alike, happily donate their money to the cause and enjoy each other's company. Our cooperative spirit is very much present and is what keeps us coming back year after year.



UniPro Systems is honored to organize the scramble each year and will keep encouraging participation. It's our way to give back to our Montana Credit Union family. So to those of you who have participated in the past, we thank you and look forward to seeing you again. And to those of you who have not joined us yet, please do so. You don't know what you're missing!

In 2002, Jed Hanson, Frank Allen, Steve Steenson, Bob Meredith, and Tracie Kenyon celebrate the end of the first-ever UniPro Open on the golf course in Opportunity, Montana.

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Alternate • Rocky Mountain CU

Tracie Kenyon

Alternate • LSG

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MCUCD receives Herb Wegner Memorial Award

In late July, the National Credit Union Foundation announced that Montana Credit Unions for Community Development (MCUCD), the philanthropic arm of the Montana Credit Union Network, is slotted to receive the prestigious Herb Wegner Memorial Award for Outstanding Organization for its work in helping 50,000 Montanans.

“Working together with many of Montana’s credit unions, we are making a real difference,” said Jeanne Saarinen, MCUCD Executive Director. “In five years we’ve started programs and cemented partnerships that have helped 50,000 people in Montana avoid predatory loans, keep more of their earned income, and open their first savings accounts, and become more financially savvy.”

“This organization really gets it,” said NCUF Awards & Recognition Committee Chair Bob Schumacher, CEO of MountainCrest CU, Arlington, WA.

“For credit unions to truly grow and thrive, we have to partner with other organizations who know the people most in need of credit union services. By following this innovative example, credit unions could reach millions more potential members and serve them for the greater good,” Schumacher said.

MCUCD’s mission is to “implement programs through credit unions that improve the social and economic well-being of Montanans.” Most of its activities are directed toward serving the state’s low-wealth population. Montana’s median household income of

\$33,024 is substantially lower than the national average of \$42,000. A great majority of Montana’s credit unions have the NCUA’s “low-income” designation.

MCUCD’s services are packaged to aggregate resources and create “plug and play” products for credit unions to implement. To grow and sustain these programs, MCUCD forged partnerships with 22 local, state, and national organizations. Partners provided volunteer workers, strategic and capitalization planning, teacher training and consumer education, and \$824,233 in grants.

“Partnerships with MCUCD are about coming together with the resources of all partners and working together to make the best use of the gifts, talents, and resources that everyone contributes,” said Kelly Chapman, Student Assistance Foundation executive director. “Many organizations espouse this philosophy, but too few actually live it. That’s why it’s so refreshing to work with MCUCD,” Chapman added.

Named for late CUNA CEO Herb Wegner, the awards recognize the spirit of “innovative, creative, risk-taking leadership.”

The award will be presented in February 2009 at the 21st Annual Wegner Awards Dinner during the 2009 Governmental Affairs Conference in Washington, DC.



CUAC Trustee Janice Lehman (SEG FCU) reaches into the drum to pull out a winning ticket during the 2008 CUAC Raffle prize drawings. The annual raffle is CUAC’s primary fundraiser and credit unions across the state participate each year.

KUDOS TO MONTANA CUAC TRUSTEES

The Montana Credit Union Advocacy Council or CUAC is a credit union political action committee or PAC registered with the State Commissioner of Political Practices. CUAC’s purpose is to support those candidates who have shown support or willingness to learn about the credit union idea and credit union concerns.

Thanks to the CUAC Board

Montana CUAC is governed by a board of trustees made up of credit union volunteer officials and professionals from across the state. Their efforts to encourage small contributions and campaign volunteerism, while raising and administering

funds for political activism, constitute an important contribution to the credit union movement—a contribution that too often goes unheralded.

Current CUAC Trustees

- Mark Lodine—*Montana First CU (Chair)*
- Dan Dedman—*Lincoln County CU, (Vice Chair)*
- Tracie Kenyon—*MCUN (Treasurer)*
- Janice Lehman—*SEG FCU (Secretary)*
- Connie McNamara—*EnerGComm FCU*
- Tim Zent—*Summit CU*
- Bill Pederson—*Avanta FCU*
- Lael Humble—*Montana FCU*
- Rhonda Diefenderfer—*Avanta FCU (CULAC Trustee and GRC Liaison)*

“THIS ORGANIZATION REALLY GETS IT... BY FOLLOWING THIS INNOVATIVE EXAMPLE, CREDIT UNIONS COULD REACH MILLIONS MORE POTENTIAL MEMBERS AND SERVE THEM FOR THE GREATER GOOD.”

—BOB SCHUMACHER,
CHAIR NCUF AWARDS &
RECOGNITION COMMITTEE



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HIGH PERFORMING OVERDRAFT PRIVILEGE PROGRAMS

Boost Your Non-Interest Income

Current economic conditions, a weakened real estate market, rising non-interest expenses, and shrinking margins have credit unions looking for ways to remain profitable and maintain high levels of service for their members in today's marketplace.

Having an overdraft privilege program in place can be a substantial boost to a credit union's profitability. But like many initiatives for improvement, if it isn't kept up-to-date, it can end up becoming a liability for the financial institution and a stale service that has little value for its members.

It is important to continually monitor industry regulations and operational changes to ensure that your program is in compliance and giving you the results you expect. In addition, employee training and member education

regarding fees and usage guidelines is imperative. Mistakes in implementing and/or monitoring your program can be costly to member relationships and compliance standings.



John M. Floyd & Associates is a profitability and performance improvement consulting firm and a leading provider of overdraft privilege programs. To learn more, please contact Jared Cahill JMFA's National Director of Alliances at Jared.Cahill@jmf.com or 877-510-5603.

If you haven't taken a look recently to ensure that your existing program is in compliance and working effectively to improve your bottom line, or if you don't currently have an overdraft privilege program in place, now is the time to act.

John M. Floyd & Associates (JMFA)—an endorsed partner of Montana Credit Union Network—can assist you with an innovative

Overdraft Privilege Program that can increase your non-interest income by 50 to 300 percent and boost member satisfaction at a time when many credit unions need it most.



CUNA Mutual's corporate affairs team works closely with credit union leagues around the country, leading the charge on issues vitally important to credit unions' core business. Pictured left to right: Chris Roe, Larry Blanchard, and Tim Kovac.

PUBLIC POLICY AND CUNA MUTUAL GROUP by CHRIS ROE

The success of CUNA Mutual Group (CMG) is intertwined with the success of credit unions.

This partnership has existed since CUNA Mutual's founding in 1935. It's no surprise, then, that we are renewing and reinvigorating our commitment to credit unions on many fronts.

For example, our corporate and legislative affairs team has stepped up its advocacy on issues affecting credit unions at the state and national levels. The corporate and legislative affairs team members are Larry Blanchard, Tim Kovac, and myself.

Our team works closely with credit union leagues, leading the charge on public policy issues vitally important to credit unions' core businesses. Most recently, the team worked with the Wisconsin Credit Union League, tackling security issues related to plastic consumer credit and debit cards.

Taking Advantage of CU Advocacy by JON DROGHEO

With many activities going on this year related to the upcoming election, many credit union advocates are looking for additional support from credit union employees.

As manager, you may be asking, “How can I help my employees understand the impact advocacy has on our credit union?” To answer this, it’s first necessary to identify the right advocacy behaviors.

- Staff need to be passionate about credit unions
- They need to be willing to educate members, non-members, and employees about credit unions
- They need to be organized and able to handle the responsibility of their position *and* be an advocate
- They need to have strong communication skills so they can endorse the credit union way and promote your credit union to support business goals

The next step is using the following five activities to coach—and support—employees as they advocate on behalf of credit unions.

- Teaching the business of credit unions
- Demonstrating how advocacy efforts can have a positive impact on your credit union’s business
- Identifying the learning opportunities that an employee’s own experiences offer and using them to illustrate how advocacy can impact the credit

Joe Dillon of CU Protection testified before Wisconsin Senate and Assembly committees in support of the League’s legislation that would hold retailers accountable for security breaches. Successful advocacy also requires employee engagement. Many CUNA Mutual employees used the Wisconsin Web site to write letters to legislators in support of the measure. Our team is now working with at least eight leagues across the country on the plastic card issue.

At the national level, Larry Blanchard is heading up a credit union system task force on the Unrelated Business Income Tax (UBIT), challenging the IRS on this potentially harmful tax proposal. The team is also working to derail a federal proposal known as “Reg Z” that would significantly curtail open-end lending as credit unions know it.

CUNA Mutual also strongly supports the credit union philosophy of “people helping people.” In

union, their co-workers, members, and potential members

- Helping employees develop action items that are directly connected to your credit union’s business goals
- Following up with individual employees by asking them what they learned, how they were able to educate someone about credit unions as well as your credit union, and how they helped another employee make an impact

These efforts are no different than working to develop an employee with their daily job performance and these activities develop a stronger credit union support system. We need advocates who have passion, can communicate well, are organized, and can meet goals. When we are developing our employees, we are also developing advocates. When our advocates can correlate their activities to job performance, we all win.

Jon Drogheo, PHR, MEd., is a Human Resources Consultant with HRValue Group working to assist credit unions with their HR consulting needs.

Washington, DC, the company is a lead sponsor of the credit-union-sponsored Cherry Blossom run, organized by Credit Union Miracle Day, Inc. CMG also proudly supports the National Credit Union Foundation’s (NCUF) REAL Solutions, and America’s Credit Union Museum.

CMG also promotes NCUF’s Development Educators, an educational experience designed to get to the heart of credit unions and their mission. I attended last year and Tim Kovac attended this summer. Other recent CUNA Mutual “DE” grads include Dana Shutters, Gerry Singleton and Jennifer Kuhn. The company has been actively recruiting CUNA Mutual employees to take part in this valuable program.

Whether through legislative or corporate endeavors, CUNA Mutual’s commitment to credit unions is unwavering and vital to the company’s future success.



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Visit **WWW.MONTANACUSYSTEM.COOP** to REGISTER and to see the full list of speakers, topics and events!

The Network also offers many distance learning opportunities covering a wide variety of topics.

Watch for the monthly Education & Events flyers or check out the Events Calendar at www.mcun.org for details.

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