



Program Overview

MCUL AC&E
Friday, July 10, 2009

Agenda



- Invest In America (IIA) Overview
 - Mission/Vision
 - Results
- Current Offers
 - Chrysler
 - GM
 - Ford
 - Sprint
- Lease Program Overview
- Why Support IIA?
- Best Practice Showcase
- Q & A

Mission



- To develop and promote exclusive credit union member discounts on products and services offered by American owned corporations to provide a stimulus for stronger financial results for the U.S. economy, increase credit union membership and member satisfaction
 - Develop an extensive program with domestic automakers that generates incremental vehicle purchases and credit union loans
 - Identify and expand member rewards by partnering with larger Fortune 1000 companies

IIA Vision



Invest in America is our brand for credit union membership enhancements in order to drive growth and retention

IIA Results

	Metric	Program to Date (Dec 08-July 6, 2009)
Automotive	League Participation	45
	# Supporting Credit Unions	1,802
	% CU membership Opt-Ins	47%
	# of Top 500 CU Opt-Ins	239
	New CU Members	274,240
	# CU Loans	90,797
	# Vehicle Sales	139,323
		(Jan 06-May 09)
Sprint	League Participation	23
	# Supporting Credit Unions	455
	Amount saved by members	\$25.2 Million

Chrysler

- Contract extended through year end
- July 1 – July 31, 2009 Up to \$1,000 discount on top of the member's best deal on the following 2009 models:

\$500 Incentives

- Dodge Journey
- Dodge Grand Caravan
- Dodge Ram (1500/2500/3500/4500/5500)
- Dodge Dakota
- Chrysler Town and Country
- Chrysler Sebring Convertible
- Jeep Grand Cherokee (inc. SRT8)
- Jeep Commander

\$1,000 Incentives

- Dodge Nitro
- Dodge Charger (inc. SRT8)
- Chrysler 300 & 300C (inc. SRT8)
- Jeep Liberty



GM

- Supplier pricing continues through year end
- July 6 – July 31, 2009 Supplier Pricing Plus. Members receive an additional \$250 discount on top of supplier pricing.



GM Lease Program

- July 1 – December 31, 2009
- NY, NJ, PA, FL and MI markets.
- Program will start with select 2009 models from the four core brands and expand as 2010 models are launched

2009 Models

Malibu

Traverse

Acadia

Enclave

CTS

2010 Models

Equinox

Terrain

LaCrosse

SRX



Ford Lease Pilot



- August 1- October 31, 2009
- Florida and the Northeast market areas.
- Pilot will include select Ford and Mercury vehicles.

Ford Models

- Focus
- Escape (Non Hybrid)
- Taurus X
- Mustang (excl Mustang Shelby GT500 and KR)
- Explorer Sport Trac
- Explorer 4 Door
- Ranger
- Econoline
- Transit Connect
- Expedition
- F150
- Super Duty

Mercury Models

- Grand Marquis
- Sable
- Mariner (Non Hybrid)
- Mountaineer



Sprint



- The 2009-2010 Contract Year begins in October.
- Credit unions must schedule at least one mailing during the contract year.
- Enrollment and renewal forms must be submitted by September 1.
- Member Discounts
 - 10% off most regularly priced service plans
 - Waived activation fee on new accounts
 - Waived upgrade fees
- Business Discounts
 - 15% discount on most corporate recurring charges
 - Waived activation (new accounts) and upgrade fees
 - Equipment discounts
 - 20% off accessories

Leasing Program Overview



- Ford/GM and Lease Partner will fund a residual escrow account equal to 10% of ALG (Automotive Lease Guide) residual value to cover end of lease losses.
- Lease Partner will obtain residual value insurance to cover losses exceeding 10% of the ALG residual value.
- **Lease Partner guarantees credit union full ALG amount at lease end.**
- Lease Partner will handle all unique lease processes for the credit union (tax, systems, vehicle disposition, etc.)
- Ford/GM will market lease payments to general public to increase dealership traffic.
- Dealers will direct lease financing to participating credit unions.

Residual Escrow Account Example



Vehicle MSRP	\$30,000
Residual value	50%
Lease-end balance	\$15,000
Manufacturer/Lease Partner contribution	\$1,500



Scenario 1

Vehicle sells for	\$16,000
Deficiency amount	0
Paid to escrow account	\$1,000
Paid from RVI insurance	0
Amt paid to credit union	<u>\$15,000</u>

Scenario 1

Vehicle sells for	\$12,500
Deficiency amount	\$2,500
Paid from escrow account	\$1,500
Paid from RVI insurance	\$1,000
Amt paid to credit union	<u>\$15,000</u>

Lease Process - Origination



- Dealer directs current or potential member to participating credit unions via Route One, DealerTrac, AppTrac or other systems
- Credit Union makes credit decision, if necessary, sends Adverse Action letter to lessee
- Credit Union charges member the established acquisition fee
- Dealer prints lease agreement from their Dealer Management System (DMS) or Lease Partner web site
- Dealer closes the lease and processes the title
- Credit union charges dealer for manufacturers lease subvention as an "administrative fee"
- Dealer is reimbursed by Ford/GM for "administrative fee"
- Credit union forwards "administrative fee" and acquisition fee to lease partner
- Lease Partner deposits "administrative fee" along with Lease Partner contribution into escrow account

Lease Process – Life of Lease



- Credit union receives and posts payments to principal, interest and sales tax
- Credit union remits sales tax monthly to Lease Partner
- Lease Partner files sales tax reports and remits tax to government entities
- Credit union provides normal collections and repossession activities for non-payments

Lease Process – Lease End



- Lease Partner manages member education at lease end and remarketing (vehicle disposition) process
 - Member has first opportunity to purchase the vehicle
 - Originating dealer has second opportunity to purchase the vehicle
 - Vehicle sold through national network of dealers
 - Credit union has no responsibility to dispose of returned vehicles
- Lease Partner sells the vehicle and uses the sales proceeds plus the Residual Escrow Account (If applicable) to pay off the ALG residual with the credit union.
- Credit Union is guaranteed full ALG value payout at end of lease.

Benefits to Members and Credit Unions



- Member receives lower monthly payment than on a purchase
- Member is able to drive new car with latest features and safety equipment
- Lower cost of ownership since warranties generally cover the lease period
- Credit unions will not be competing with captives and banks for lease business
- Credit union earns a higher rate of return than on auto loans
- Credit union assumes a credit risk that is similar to auto loans
- Ford/GM promotes to the general public providing opportunity for membership and auto loan growth
- Dealers will direct consumers to participating credit unions

The Invest in America Lease Program – Not Your Traditional Program!



Traditional Lease Program	Invest in America Lease Program
•Up to 3% reserve for residual losses	•10% reserve for residual losses
•Reserve provided by lease partner and taken from Acquisition Fee	•60% of reserve provided in cash by Manufacturer •40% of reserve provided in cash by lease partner
•Credit Union bills member for lease end wear and tear. If wear and tear is not collected, it is a credit risk	•CULA waives the first \$1,000 of the wear and tear at lease end •Credit unions responsible for collecting excessive wear and tear amounts from member
•Catastrophic Residual Value Insurance designed to pay claims only after 100 basis points of loss has occurred	Residual Value Insurance designed to pay claims after the 10% reserve has been used
•Indirect, dealer-driven	•Indirect, dealer and manufacturer driven
•Inherent, calculated risk, with great growth and profit potential	•Low risk, and with great growth and profit potential
•Enhanced residual values	•Conservative residual values
•Strong bank & captive finance company competition	•Little to no bank & captive finance company competition

Credit Union Requirements



Enroll in and agree to program terms:

- Complete enrollment form on www.lovemycreditunion.org
- Offer leases on all eligible models from Ford/GM
- Offer 39 month lease with advertised payment or lower
- Offer a lease rate that is not higher than any other lease rate offered to other manufacturers
- Collect acquisition and administrative fees and forward to Lease Partner
- Accept new qualified members through the dealership

Why Support IIA?



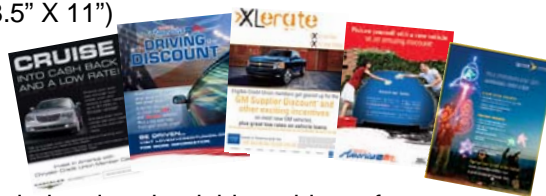
- **Free marketing Kits, including production and printing.**
- Get the latest program updates sent directly to the credit union point person.
- Access to special offers and discounts that can be extended to your members on top of base program benefits.
- Free turn-key marketing materials.
- Access to credit union level sales data.
- E-mail addresses of those members who have requested an authorization code that have not yet purchased a vehicle for use as follow-up and cross marketing purposes. (available upon request)

Partner center is password protected and accessible only to credit unions and leagues that have signed up in support.

Marketing Materials Provided



- Supporting credit unions have access to a complete line of marketing materials.
- Five complete campaigns with partner approved materials including:
 - Suggested Web Site Home Page Layout
 - Posters (22" X 28" & 8.5" X 11")
 - Statement Inserts
 - Web Banners
 - Newsletter Articles
 - E-Blast Message
 - On-Hold Message
- Additional informational includes downloadable webinars for implementation details, marketing guidelines, PR tips and FAQ's.
- All materials are available to supporting credit unions in the Marketing Materials page in the www.lovemycreditunion.org Partner Center.



Getting Started Is Easy



- Recommend steps for getting started:
 - Chose one of the available marketing campaigns.
 - Incorporate the “Suggested Web Site Home Page Layout” on your Web site with the appropriate web banner that links to www.lovelmycreditunion.org, where your members can learn about the program details. (see following examples)
 - Place posters and statement inserts in your branches.
 - Send your members e-blast messages.
 - Use the prepared newsletter article in your next mailing.
 - Record an on-hold message with the provided copy.
 - Include a statement stuffer with your next quarterly statements.
 - Consider issuing a press release.

Best Practice Showcase – Catholic Federal CU



Catholic Federal Credit Union has IIA prominently located on their home page with a banner that links directly to the LMCU website

Best Practice Showcase – Catholic Parishes CU

Invest in America 
www.lovemycreditunion.org



Catholic Parishes Federal Credit Union is running a radio spot. They are also running newspaper ads and have a banner on their website that links to the LMCU website and ran an article in their April 2009 newsletter.

April 2009

Quarterly Notes

Providing serving the Catholic community by helping its members get ahead. *lovely*

36111 Five Mile Road • Livonia, MI 48154 • (734) 432-0212

Invest in America  **With DRIVING the DISCOUNT**

BUY NOW Save Money!

Over 95,000* credit union members nationwide have already received special pricing and cash back deals on new vehicles from GM or Chrysler.

Visit our website for details: www.catholicparishesfcu.org

*As of March 31, 2009 based on data from www.lovemycr.com

We'll keep those deals rolling...

Get an additional .25%** rate reduction!

• Buying a new model year 2009-2010 Ford, GM, or Chrysler vehicle and will finance our ability 20%.

• Finance your new model year 2009-2010 vehicle loan from the dealer or other lender within 90 days of purchase and will reduce our rate by .25%**

Our membership is growing!

Catholic Parishes Federal Credit Union would like to welcome Dr. Mary Miley Hospital Employee and Board Member, Diocese of Detroit to our membership. We would like to see to some of our members that your faith in us is growing – make others to grow with us!

Thank you, Jamie, for your years of service!

James (Jamie) Griffin, Jr. has announced that after more than seven years of service, he will be leaving from the credit union's Board of Directors to re-join his other professional career, and spend more time with his family. Mr. Griffin was first elected to the Board of Directors in 2007. During his tenure, Mr. Griffin served as board vice chairman, secretary, and as a member of the strategic planning and financing committee.

Pete Bogdanoff, CEO of Catholic Parishes Federal Credit Union said: "Jamie's vision and business acumen have been crucial in guiding the direction of our credit union as a key member of our Board. We have been blessed with the service of our organization and will continue our success and much happiness."

Invest in America 

with DRIVING the DISCOUNT

Credit union members that drive with best great deals. A terrific discount on most new GM and Chrysler vehicles. Plus a low loan rate from your credit union!

For more information call: (734) 432-0212

Receive a 25% rate reduction on new car loans with Catholic Parishes Federal Credit Union.

NCUA Credit unions are not FDIC. Member FDIC.

Three convenient locations in Livonia, Plymouth and Redford:

New Branch: 36111 Five Mile Road, Livonia, MI 48154 | Plymouth Branch: 4777 Plymouth Road, Plymouth, MI 48170 | Redford Branch: 14500 Redford Road, Redford, MI 48240

BE DRIVEN. Find out more at: www.catholicparishesfcu.org

Invest in America 
www.lovemycreditunion.org



Tuesday, June 23, 2009 36111 Five Mile Road • Livonia, Michigan 48154 • Phone: 734.432.0212 • Fax: 734.432.5018 • Routing Number 272462420

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Credit Union Members get great discounts and incentives on most new GM and Chrysler vehicles.

Plus low vehicle loan rates from your credit union.

Catholic Parishes Federal Credit Union web banner.

Best Practice Showcase – Delta County CU



Delta County Credit Union reached out to its local Chrysler and GM dealers providing these banners and listing them on their website.

Best Practice Showcase – Genisys CU



Genisys Credit Union is promoting Invest in America on their outdoor electric sign

Best Practice Showcase – Team One CU



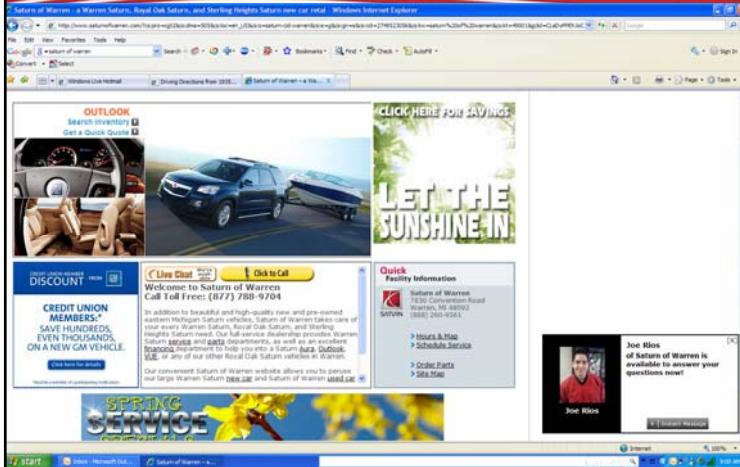
Team One Credit Union has both the GM and Chrysler tiles on the lending page that link to an internal page explaining the program.

Best Practice Showcase – Wysouth CU



Wysouth, a part of the Affinity Group Credit Union, partnered with a local dealer to create a flyer advertising the program, dealer and credit union.

Best Practice Showcase – Saturn of Warren



Many dealerships such as Saturn of Warren shown here have included the Invest in America discounts on their site.

Q & A