

Michigan Credit Union Financial Counseling Impact Report

Background and Objectives:

In 2010, MCUL implemented a guided financial counseling training program for credit union staff that enhanced the CUNA self-study FiCEP program with live group support and additional training. The goal of the program is to increase the number of credit unions providing financial counseling and education services with an end result of assisting more Michigan residents to successfully manage their money and avoid problems such as bankruptcy, foreclosure and loan defaults. Seventy-nine credit union staff members from 33 credit unions participated in the training program. Participants who successfully completed the course and testing received the CUNA designation of “Certified Credit Union Financial Counselor” or CCUFC.

MCUL received a grant from the National Credit Union Foundation that allowed one person from 21 credit unions to participate free of charge. One objective of the grant was to measure and report the impact of the training and the level of credit union involvement in financial counseling activities. All of the sub-grantees agreed to report usage activities of the training and the impact as far as the number of consumers reached.

With input from the training participants, impact reporting parameters were identified and reporting began at the end of the first quarter in 2011.

In 2011, a similar training program is being conducted in Michigan with an additional 101 participants from 26 credit unions participating. This year, a grant from the Michigan Credit Union Foundation has enabled the use of NCUF’s REAL Solutions to conduct the group portion of the training. Participating credit unions have also agreed to report their usage activities.

Impact Results Reported:

Year-to-date totals as of end of March, 2011 (First Quarter) with 22 credit unions reporting.

Financial Educational Seminars, Workshops and Group Presentations

Total number of financial education seminars/workshops/presentations: **41**

Total number of people attending presentations: **372**

Number of credit union staff conducting financial education presentations: **25**

Presentations by topic:	# presentations	Total # attendees:
Credit/credit repair:	11	161
Budgeting/general money management:	23	124
Homeownership:	1	22

Credit union account management:	2	2
Saving and investing:	2	12
Other topics:	7	102

List other topics: Basic Economics/business skills, NEFE High School Financial Planning Program

Individual Financial Counseling Conducted by Credit Union Staff

Number of credit union staff conducting counseling activities: **45**

Total number of individual counseling hours by all credit union staff: **769**

Counseling report by activity type:	# members:	# sessions:	Do not offer
In-person counseling, separate sessions:	75	64	3 CU's
Phone counseling, separate sessions:	230	230	8 CU's
In-person or phone counseling conducted as part of other member contact (loan or credit review, transactions, exceptions, etc):	655	537	3 CU's

Number of members counseled by topic (if available, based on the main concern presented):

Credit repair: 66 Budgeting: 163 Loan delinquency: 191 Housing: 137 Other: 5

Other topics/remarks: What best to payoff/pay down/ tax return. Note, some people were counseled on all of the above at once. Balancing checkbook. We informally counsel each of our members every time we talk to them. We discuss this with every loan and delinquent loan.

Other Impact Measurements

Please indicate other financial counseling services you have referred members to in this reporting period:

Accel phone counseling: 7 GreenPath: 7 Nonprofit housing counseling: 2

Please list other financial counseling services that you refer members to: Financial Advisor for investing, Family Independence Agency, Center for Nonprofit Housing/ MSHDA Help for Hardest Hit Homeowners, Website links, internal Loan Health Check Up, American Debt Counseling.

Other Data/Activities: (Please summarize other data collected from your activities. Number of new members, amount of loans at risk or brought current, improvement in credit union delinquency rates, number of members who have been able to avoid bankruptcy or foreclosure, improvement in NSF rates, etc.)

Service 1 FCU: 1st quarter of 2011 a budgeting information packet was researched and developed.

Chippewa County CU: As we are a small credit union, I am using my Financial Counseling education as an aid in my position as a loan officer.

Gerber Federal CU: We have saved five members from foreclosure in the first quarter.

Education Plus CU: Our delinquency ratios are very low right now and at quarter end we had 31 accounts 31 days delinquent or more. We really work with our members and have a really good membership base.

ELGA CU: We had three MSHDA H4HH (Help for the Hardest Hit relief program) loans approved in the first quarter, bringing us to a total of 21 homes saved from foreclosure through this program. Our delinquency has gone down by .47 percent, which is incredible in a three-month period.

Dort Federal CU: One member was able to get help from FIA to avoid being evicted.

Training and Support Needs: What training or support tools and activities would you like to have offered? Please list types and topics:

Continuing education between recertification's, online tutorials.

Participate in a conference call to discuss success of others.

The time and resources from upper management to do financial counseling. We are spread thin now and each of us wear several hats.

Currently two employees are registered for 2011 Financial Counseling training which will add support to our program.

Best practices and member successes/member testimonials:

Community Financial CU: The way this has benefited me and our members is the budget analysis worksheet. I have worked with numerous members when loans are declined or those with challenges with maintaining positive account balances. It helps them take a close look at how they're spending and refocus their priorities. Using this information, I have been able to guide members through difficult decisions. Before, I could tell members what they should be doing but now, I can work with them. It leaves both of us feeling empowered. Since so many of my members need workout loans, they are in need of a step-by-step process. Using the FiCEP information, we start at the beginning and work through their situation. Sometimes, people don't qualify (for a workout loan) at first but if they work through and stick to a budget, they qualify after three to eight months.

United Educational Credit Union: We have ongoing classes every week. We go out to our Life Recovery Program, Charitable Union, our Hispanic partnership and schools as requested. We put on at least two NEFE programs here. I need more room!

CASE CU: We hold counseling sessions with our external members and perform the credit/budget separately. We assist our staff in looking at credit reports and what type of services we can offer our members. We spend a good deal of time looking for other ways to service their needs. We have scripts and role play as to how we can talk to our members in regards to more sensitive subjects. If they desire further education, we then set up an appointment. This makes it VERY REAL for our staff and how we interact with the members during their difficult times. Many of us go through the same trials and now we have a better knowledge of how to handle it.

Gerber FCU: the partnership we have formed with MI Works West Central is only one of the many partnerships we have formed within our community to help individuals and families understand their financial situation and learn ways to change things. This partnership allows us to administer a series of workshops called "Managing Your Money in Trying times." These workshops are offered to individuals in The Jet Program in addition to the following groups, who share office space with MI Works in our area; Eagle Village, Northern Staffing, Michigan Rehab Services, Goodwill Industries, Migrant Services, Veterans Services, NCRESA and the general public. We go in every week for a two-hour session. The first hour is actual classroom time and the second hour is computer lab time. We have structured a rotation of the following sessions; Managing your Money: An overview of the importance of goal setting, Budgeting credit and controlling expenses. We hand out sample tracking sheets, budgets, spending plans and other tools. Credit: The importance of credit today. How to get your credit report and what to do with it once you get it. We assist the participants in obtaining their free credit report and going over how to make sure the information is accurate and how to dispute inaccurate information. We touch on ID theft here. Controlling expenses: How to save money by utilizing the tools given to us. We cover coupons, freebies, money saving websites and other ways to save money. Budgets and Spending plans: The importance of a budget, how to get control of your money by setting goals and budgeting to meet them.

We also have partnered with True North Community Services, Center for Non Profit Housing. We refer people to them for help if needed. We also present the section on credit during the homebuyer education classes. We are currently working to develop a partnership with the Newaygo County Treasurer. The treasurer has approached us to work with her to develop an education program for people with delinquent property taxes. The goal of this program is to assist homeowners understand what is happening to them now and assist with working out a plan for the homeowners to pay their past due taxes while planning for the taxes due in the future.

I am hoping to also get with our Local MSU Extension office to partner with their financial education programs.

United Credit Union: It was difficult to answer in the survey format as we have staff going out two to three times a week for two to three hours each time in the community. We also have

onsite and offsite workshops with several staff members. We are in our schools and set up training for NEFE. We work with the under-banked and the local nonprofits continuously as needed or requested to talk to their clients and consumers. We do weekly classes at the unemployment agency and the Area on Aging monthly.

We discuss with every member through the loan department and collection staff every day all day better ways to manage money, credit repair, and wise borrowing that is practical and makes sense and reach out through our monitors and newsletters. We offer one on one Loan Health Check-up as requested and partner with GreenPath when a more structured and debt management program needed.

We provide links on our website at no cost and make suggestions to additional links that may be beneficial such Debt in Focus, Feed the Pig, Practical Money Skills and PowerPay.org to name a few. We also offer access to free tax preparation and assist in the tax return and how to use the return wisely through savings and critical bills that need payment, but encourage them to save it for a fall back account.

We host fun fair/carnival events or participate hosting a booth in our communities in these events to promote financial literacy. We have a Health Survival Packet which is a binder full of tips, ideas and suggestions on budgeting and saving money. We have staff that teach Junior Achievement those classes throughout the year.

Every employee is involved, on board, and believes in our mission. Staff volunteer in our community through the credit union and additionally on their own.