

Press Release

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Voices from the industry: CU leaders optimistic in reflecting past year *“Agents of Change” share lessons learned and reinforced during troubling times*

Washington, D.C. – No doubt, it’s been a historic and challenging year. But as 2009 comes to a close, several credit union leaders are sharing valuable insights gained in the midst of the nation’s worst economy since the Great Depression – and they are looking toward a more promising year ahead.

Callahan & Associates invited these professionals – whom they refer to as agents of change – to share their voices on key industry issues and trends. Their insights highlight how credit unions are serving their members and their communities at a time when they need it most.

“2009 has been a tough year, but credit union leaders are resilient – and optimistic,” said Alix Patterson, Chief Operating Officer for Callahan & Associates. “Many credit unions have created opportunity out of chaos. At Callahan, we wanted to get at the heart of what credit union professionals see as important now and what advice they have for others for 2010.”

Among the lessons shared:

“I believe that this recent economic turmoil is having a good impact on member growth; Americans can see quality, can see safety, soundness and service. Credit unions can strengthen this trend by promoting their brands in effective ways. The key is choosing a strategy for particular market segments – by age, demographic, psychographic – and then sticking to it.”

-- Kevin Foster-Keddie, CEO, Washington State Employees Credit Union (Olympia, WA)

“There has never been a better time to increase our market share in [auto lending], to make certain that, in these turbulent economic times ... members realize the value they receive from their credit union. What credit unions can do to differentiate from the banks is to be the valued, true knowledge brokers for their members.”

-- Cathie Tierney, CEO, Community First Credit Union, (Appleton, WI)

“Balancing the structure of assets and liabilities is a juggling act. Particularly in this rate environment, we may find ourselves forced into an investment dilemma. I have found two keys to long-term success: 1) identifying upfront the risks in an investment and portfolio, and 2) understanding an organization’s business model and risk tolerance, then keeping these two in perspective.

-- Jeff Greenert, Senior Portfolio Manager, Vystar Credit Union (Jacksonville, FL)

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“There is opportunity for credit unions in the credit card market today. Currently, there’s enormous skepticism about credit card terms. If credit unions can effectively demonstrate how they are different from the for-profit card issuers, we are strongly positioned to capitalize on consumer sentiment. Credit unions should prompt members to examine terms closely when comparing cards.”

-- Gene Foley, CEO, Harvard University Employees Credit Union (Cambridge, MA)

“Moving forward, I think the business services market is going to see a distinct return to relationship banking, where members connect with one financial institution based on a broad supply of products and services. The banking industry’s departure from relationship banking is partly to blame for our current economic situation. Credit unions can grow and help the nation’s economy by providing business services to our members and other consumers.”

-- Eric King, VP of Business Services, Delta Community Credit Union (Atlanta)

“Credit unions have gained real estate lending market share because people have been seeing us as the steady institutions during these turbulent times. Our members have noticed our reaching out to help when they are having difficulty paying their mortgages. I hope real estate lenders have learned the lesson of 2008-’09. I think interest-only loans are finished and ARMs will be structured more conservatively. The future is going to look a bit like the distant past.”

-- Colleen Daly, SVP of Lending, Northwest Federal Credit Union (Chantilly, VA)

Full commentaries, as well as additional first-person insights from other leaders in the industry, are featured in the Callahan & Associates 25th-anniversary edition 2010 Credit Union Directory. The Directory is the industry’s only resource that includes all system participants: credit unions, CUSOs, corporates, insurers, regulators, leagues and associations, auditors and many suppliers/partners that enable credit unions to serve their members.

For more information, please contact Marissa McGee at (800) 446-7453 or visit <http://www.creditunions.com/directory>.

Callahan & Associates has been at the forefront of credit union issues for more than two decades. The Washington, D.C.-based firm provides timely insights, fresh data, and supporting tools to help credit unions provide their members benefits that cannot be found elsewhere. For more information, visit www.callahan.com or call 800-446-7453.

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