

TURN KEY



MD & DC Credit Union Idea Exchange

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“Think Pink” Program Boosts Credit Card Transfers

Montgomery County EFCU Eyes 35% Credit Card Loan Growth In 2012

When Montgomery County EFCU CEO Jim Norris asked his staff to increase credit card activity at the \$81 million Germantown, MD credit union, he wasn't afraid to issue a few pink slips.

“We started with a theme of ‘give your bank their pink slip’ and switch your high-rate credit card account to Montgomery County EFCU,” noted Norris. “We then added an extra incentive and pledged to donate \$50 per new account opened to support breast cancer awareness and research.”

A direct mail flyer announcing an attractive 2.99% APR for nine months on all credit card balance transfers was developed alongside a matching statement stuffer. Norris also went to the airwaves with a radio ad announcing the new program.

The results were impressive. Montgomery County EFCU's 12-month card loan portfolio shot up 19% over the previous 12-month period and Norris predicts that growth to reach 35% this year.

“This is a great ‘win-win’ opportunity for the credit union and the member. We secure new credit card loans and the member enjoys both an immediate reduction in their rate and long-term savings as well.”

More details on the “Think Pink” program appear in the Q&A on the reverse of this page. View Montgomery County EFCU's marketing materials, radio ad, and an interview with Jim Norris by going to www.cufound.org/resources.htm where you will also find interactive tools to help you demonstrate to your members the benefit of transferring their credit card balances to your credit union.

*Show your members the benefit of
transferring card balances!*

*Download the free
balance transfer calculator:
www.cufound.org/resources.htm*

Will This Balance-Transfer Offer Save Me Money?	
Current Credit Card Info	
Balance to be Transferred:	\$8,370.00
Current APR on Balance:	19.99%
Current Monthly Payment:	\$188.00
Approximate Months '91 Payoff with Payment:	62
Promotional Card Offer	
Promotional Rate:	2.99%
Term (months):	24
Your Estimated Monthly Payment:	\$200.00
(Estimated "Minimum" Payment is \$167 to \$257)	
Is there a transfer fee?	
What is the transfer fee percentage?	
Is there a maximum transfer fee?	
What is the maximum transfer fee (if applicable)?	
Calculated Transfer Fee:	\$0.00
Results	
Assuming a true usage period of 24 months, your current card would incur interest charges of approximately \$2,876. For this same time period, the promotional offer would incur interest and fees of roughly \$490.	
Thus, assuming no further purchases or term charges, the promo offer could potentially save you \$2,486.	

Q&A

With

JIM NORRIS, CEO MONTGOMERY COUNTY EFCU



Why did Montgomery County EFCU launch a credit card balance transfer program?

Credit cards are very important because they're a relationship service. A member with a credit card will have two times the number of services in that household as a member that does not have a credit card. Plus this program is a great benefit for our members - they enjoy an initial and substantial reduction in their card loan rate then a sustained reduced rate after the introduction period.

Can you tell us how the "Think Pink" transfer program has worked for Montgomery County EFCU?

We ran the promotion in 2011 and drew \$750,000 in new balances. That increased our credit card loan portfolio by 19% at midyear and landed us in the top 50 highest performing credit unions in our area. I predict we will experience about 35% credit card loan growth through the "Think Pink" program.

You tied your "Think Pink" balance transfer promotion to a charitable donation. What can you share about that?

The credit union donated \$50 per new credit card account to a charity founded by our member Firefighter Marshall MoneyMaker, whose three sisters died from breast cancer. Those donations totaled \$4,000. The charity's website is www.for3sisters.com. And we also provided a \$1,250 sponsorship to our card service specialist, Jessica Clay, who participated in the Susan G. Komen three-day walk to raise funds for breast cancer research and awareness.

What advice would you share with other credit unions considering a similar credit card balance transfer program?

My advice would be to DO SOMETHING! ANYTHING! I believe strongly in the value of the credit card portfolio and think we need to inform members about how our credit card product is better than other providers. Here are just a few bullet points that I would add -

- 1) Be creative*
- 2) Have a good deal*
- 3) Have strong loan underwriting*
- 4) Check your competition*
- 5) Have fun and involve your staff*
- 6) DO SOMETHING!*

Would you be willing to share the promotional materials you used for the "Think Pink" program?

Absolutely, I'm a shameless self-promoter! You can see samples of our Marketing Department's incredible work and hear our radio ad by visiting the Foundation's Credit Union Resources site at www.cufound.org/resources.htm. There is also a calculator credit unions can use to help show members the benefits of balance transfers.
