

Case Study

Credit Union-At-A-Glance

IBM Southeast Employees'
Federal Credit Union
Assets \$682,722,507
Members 67,684

Resources-At-A-Glance

- **OVERDRAFT PRIVILEGE**
- **ODP Compliance & Performance Review**
- **Account Acquisition**
- **Non-Interest Income Enhancement**
- **Loan Optimizer & Lending Programs**
- **Process Improvement**
- **Sales & Service Program**
- **Net Operating Analysis**

JMFA OVERDRAFT PRIVILEGE

Challenge

IBM Southeast Employees' Federal Credit Union was looking to implement an overdraft privilege program that would provide a service to its members, increase its income, and keep the credit union competitive with other financial institutions.

Solution

"In our research, we found JMFA had extensive experience with overdraft privilege programs," Vice President of Risk Management Harry Dingerman said. "Also, we liked the fact that JMFA OVERDRAFT PRIVILEGE was offered on a contingency basis."

Results

JMFA OVERDRAFT PRIVILEGE was initially well received and continues to be used by IBM Southeast EFCU's member base. According to Dingerman, "Our members have received a great new service, and they are very pleased with it."

IBM Southeast EFCU has also seen an increase in its non-interest income since implementing JMFA OVERDRAFT PRIVILEGE in February 2004. "We were delighted to see the 140% increase in non-interest income, and we are pleased to see that it has continued," said Dingerman.

Keys to Making it Work

"You must have the support of both the management and the staff," said Dingerman. "Management has always taken a serious stand against negative balances, and we have continued to hold that stance after the implementation of overdraft privilege."

Training was the key to helping IBM employees "buy in" to the program. "The JMFA training team did a superb job," Dingerman said. "After the training, everyone understood how the program worked for the members and was excited about implementing it."

Lessons Learned

IBM management decided not to include debit cards in the initial implementation of overdraft privilege. "Instead of being conservative in the beginning, I think we would have included the debit card with the ACH and the check writing options, so we could have realized the benefits of overdraft privilege sooner than we did," said Dingerman. IBM is pleased that they chose JMFA because of the implementation/training process and how smooth it was, and the overall program has worked out well.

