



Case Study

Accel gives its two cents to help members get finances on track

When Mike Chmiel, CEO of Downriver Community Federal Credit Union, Ecorse, Michigan, was recently approached about giving one of its members a mortgage, he was justifiably skeptical at first.

"This particular member had a history of low credit scores, a great deal of job changes and debt, and little income," Chmiel explained. "But when I looked at his current credit, he only owed \$5,000 and he had a credit score over 700. We approved the mortgage for him."

Something had changed this member's life for the better – and that something was Accel. Accel is a credit union-sponsored program that offers members free financial education and counseling support whenever they need it. Members have easy access to professional counselors via phone or Internet, finding solutions on everything from budgeting to understanding credit reports to avoiding bankruptcy. Downriver Community FCU averages 50 calls per month to Accel, and they're seeing results.

"I know this member's success was directly related to his work with Accel because he worked with them every month for over a year," Chmiel said. "It impresses me that members come up to say how

much they like Accel, and how much it helped them out."

The answer to a nationwide call for financial help

Downriver Community FCU's members are by no means alone in their need for Accel's services. According to a recent study by a national team of academic scholars and other experts, 30 million workers in America – that's one in four – are seriously distressed and dissatisfied with their personal financial situations. Jim Guretzky, President of SAC Federal Credit Union in Nebraska, pointed out that the problem is in part due to a noticeable increase in members living beyond their means.

"I've been in the business for 25 years, and today people are borrowing more and expecting two or three brand-new cars sitting in

their driveways even if they can't afford them," Guretzky said. "It's part of our responsibility to educate members about financial matters so they make good choices."

This responsibility led SAC FCU to seek Accel's services two years ago. Guretzky says Accel allows his full-service institution to deliver more expanded services than it could on its own. In fact, almost 600 services have been requested in nearly 500 calls from SAC FCU's members over the last year, so the credit union is helping resolve a wide variety of issues.

One member was on the brink of losing her home due to a 90-day delinquency on her mortgage through another company. SAC FCU Senior Loan Officer Danielle Meyen said Accel reviewed the documents on the member's behalf and discovered a mistake on the amortization of her payments.

"Accel got on the phone and worked it out for her. The mortgage company lowered her payments to where they should have been, and everything turned out fine," Meyen said.

"It's part of our responsibility to educate members about financial matters so they make good choices."

*-Jim Guretzky, President,
SAC Federal Credit Union, Nebraska*

For all levels of financial difficulties

The ability to help members negotiate with creditors is one of Accel's most appealing services. Members can participate in a debt management program, in which Accel counselors help them work out concessions and/or payment arrangements and get their finances and credit back on track.



This was one of the key reasons that E&A Credit Union in Port Huron, Michigan, started offering Accel. In an area where unemployment is greater than the state average and companies frequently relocate, Vice President of Operations Carol Visconti said members were struggling — and staff was struggling to find the tools to help them.

“Our members were suddenly out of work, and we wanted to help them not just pay our credit union, but keep their homes and cars so they could find and report to new jobs,” Visconti said. “Accel was exactly what we were looking for.”

A big part of the solution for members is learning the right budgeting skills. Members who are in trouble with back payments often don’t know how to set up a budget or where to cut back on expenses, so they’re unable to break the vicious cycle of debt. Accel not only offers personal budgeting guidance through professional counselors, but also a money management software program that members can download on the credit union Web site. This BudgetSmart software is easy to use and allows members to identify and track their expenses to control their financial situations and achieve their goals.

Visconti also values Accel’s contributions in helping members obtain and understand credit reports, as well as fix any potential report problems or errors. “People need assistance in making their scores better, but they don’t know how or who to contact,” Visconti said. “That prevents them from getting loan approvals and good rates.”

Understanding budgeting and credit reports is essential knowledge for all credit union members, not just those who are in financial crisis, says Julie Bernick, Financial Educator of Accel partner SECU

Credit Union of Maryland in Linthicum, Maryland. SECU started as an Accel partner a year ago because their in-house counseling program could no longer keep up with the demands of a 240,000 plus [statewide] membership. An accredited financial counselor, Bernick said many people live paycheck to paycheck and need tips on handling rising prices and health-

care costs, fewer raises, and other everyday issues.

“A lot of people just want to know how to cut their budget to better afford gasoline and utility increases,” Bernick said. “These are common situations for our members, and Accel addresses these, too.”

Chmiel agrees that Accel offers something for the entire spectrum

The **Accel** difference

Accel offers a number of advantages over other financial counseling programs to ensure optimal success:

Accessibility

Monday through Saturday, including evenings, members can call for Accel’s services at their convenience – or they can find help online. At SECU, Julie Bernick said this easy access makes it possible for any member to receive financial counseling. Bernick said, “Now our members can call from home without having to travel to a branch to speak with a counselor.”

Professionalism

Accel is a program of GreenPath, Inc., which was one of the first organizations to be approved by the Executive Office of U.S. Trustees to provide member counseling and education as required under Bankruptcy Reform. For Carol Visconti at E&A CU, it was reassuring to see that Accel was on top of industry developments and that counselors were highly educated and professional. “Everyone at Accel is wonderful to work with,” Visconti said. “They all believe in what they’re doing and treat our members with respect.”

Consistency

Members working with Accel can talk to the same counselor every time, eliminating the hassle of starting over and answering the same questions with every contact. This creates a more personalized experience, which was critical to SECU. Bernick said members get greater support from Accel than they would at another debt management company. “Accel follows up with our members on a regular basis to check in,” Bernick said. “Many companies are not available again after the initial consult, and members need that ongoing guidance and support.”

Flexibility

Accel welcomes credit unions’ input on how they can make the program better for their needs. “They’re very flexible and willing to follow up on our suggestions,” Bernick said.

of financial issues. “Some people just have financial questions for Accel,” Chmiel said. “And some have had problems that are not yet too serious, but they’re paying late fees. Accel is helping them pay each month and avoid those fees, and that heads off bigger problems.”

Credit union losses down, goodwill and success up

Heading off those bigger problems means fewer charge-offs and bankruptcies for credit unions sponsoring Accel, which directly benefits the bottom line. By helping members in their time of need and strengthening their financial stability, Accel also helps create greater long-term business potential.

Dianne Addington, president and CEO of T&C Federal Credit Union, Bloomfield Hills, Michigan, said that without Accel, certain members would have remained unproductive for the credit union. “Accel’s budgeting plan allowed us to give participating members a second chance at low-cost financial services,” Addington said. “And some members that we believe would have filed bankruptcy are instead on track to reclaim a decent credit score after being on the debt management program.”

Accel has also directly reduced delinquencies and bankruptcies at E&A CU. Visconti points out that equally important to the bottom line is the goodwill and rapport that Accel services generate with members.

“They’re grateful that we helped them get their reports straightened out or get back on their feet, so the public relations value is huge,” Visconti said, noting a 99.4% satisfaction rating among members using Accel and an amazing 63% increase in call volume from year

one to two on the program. “They actually call us back and say thanks.”

That kind of gratitude makes a big difference in business down the road. Having already received over 2,300 calls in one year from SECU members, Accel is helping build and maintain relationships because counseled members remain loyal to their credit union. Bernick said when SECU members improve their financial situation through Accel, they come to SECU to get loans because “we were the ones who helped them out.”

Bernick promotes Accel’s services during financial education workshops at businesses, state agencies, colleges and other venues, and the notion of free financial counseling has triggered nonmembers to join the credit union.

Because Accel generates such goodwill, gratitude and positive feedback, it’s easy to encourage members to get involved. “I feel great about referring people to a program when I know that they’ll deal with professionals who’ll take good care of them,” Meyen said.

An easy service to believe in – and promote

Members aren’t the only ones excited about what Accel can do. Staff at participating credit unions also finds great satisfaction in the program, buying into Accel as part of daily responsibilities in member service. Once staff members see one or two success stories, they realize that Accel allows them to offer a positive next step instead of a dead end.

“Now when we’re denying someone for a loan, we can say, ‘Go to these great counselors for some free help, and then come back and see me once things are back on track,’” Visconti said, adding that Accel offers brochures that the

credit union gives members as reinforcement, either in person or via mailed denials.

Staff buy-in is the first major step to program success. To keep staff up to date on Accel services and how and when to refer members to counseling, participating credit unions receive training from Accel professionals, conduct their own in-house training sessions several times a year, and meet regularly about program benefits and successes.

Addington said that some of her staff has personally benefited from Accel’s services, and Chmiel’s staff has brought family members to Accel’s member classes. These presentations address a variety of topics including bankruptcies and re-establishing credit — even youth money management, which drew a crowd of 40 during National Youth Week.

“The interest in Accel’s services is definitely there, so it’s easy to promote,” Chmiel said. He noted that they advertise Accel via newsletter, Web site, and e-mail blasts, which get an incredible 19% click-through rate.

That obvious interest, along with the ongoing appeal of Accel’s services, has made the program a staple at Downriver Community FCU. “We offer a lot of services to members, but this is one that actually keeps providing continuous help for them month after month,” Chmiel said. “I thought we’d give it a year to see how things went, and now it’s been three years and I would never think of dropping it.”

For more information about Accel, call CUNA Member Services at 800-356-8010, press 3.