

## **Timberland Federal Credit Union**

### **About**

Located in DuBois, PA, Timberland Federal Credit Union was established in 1973 as Riverside Employees FCU. In the first year of operation, the credit union had 843 members. In 1985, the institution's name was changed to reflect the diverse member base it was building. Timberland was chosen as the new name to reflect the fact that DuBois (which means "of the woods" in French) had been known for its importance to the region's timber industry. Today, Timberland FCU has more than 8,000 members.

### **Challenge**

In 2007, the credit union was looking for a product that would help it maintain its overdraft program, i.e., tracking member usage, ensuring that all processes and procedures were compliant, and providing a way to bridge the financial gap for members who were living check to check.

### **Solution**

League leadership was contacted by JMFA and scheduled a meeting to learn more about what the company had to offer. Upon checking references, they realized that they had found an overdraft service provider.

"We were encouraged by JMFA's endorsement by the Pennsylvania Credit Union Association" said Timberland FCU President Carrie Wood. "When we sat down and learned about the company's 100 percent written compliance guarantee and saw how the program software would support our operations staff, it wasn't a difficult decision to make – we chose JMFA."

### **The Results**

According to Wood, since implementing JMFA OVERDRAFT PRIVILEGE®, the credit union has seen a 186 percent increase in non-interest income. Plus, charge-offs have been reduced from 3.44 percent to 2.12 percent. "JMFA gave us the tools we needed to successfully implement the program," explained Wood. "As we expected, the JMFA software has really helped us to keep track of member accounts – both users and non-users of overdraft privilege. Plus, Our JMFA contacts were there to clarify what Regulation E meant for us and were available to answer our questions as we were preparing for the new regulation's implementation."

She continued, "What's more, after Reg E went into effect, our staff was able to identify members who did not opt in to overdraft coverage and reached out to them to explain our program and give them the opportunity to opt in."

As a result, 92 percent of Timberland FCU's accountholders have opted in to overdraft coverage on their accounts. "Given the recent economic challenges, we have seen a gap in people's spending habits," said Wood. "JMFA OVERDRAFT PRIVILEGE® helps our members bridge this gap and helps us make sure we are implementing a compliant overdraft solution."

### **Lessons Learned**

"Along with JMFA's overall compliance expertise, the guidance of our relationship manager – who has helped us every step of the way as we work to maintain a good program – has meant the world to our success. JMFA has demonstrated their commitment to making us successful and compliant. Because of that, we have signed a life contract with JMFA – with them on our side, we have no concerns whatsoever!"