

Texas DPS Credit Union

About

Established in 1954, the Texas DPS Credit Union (Texas DPS CU) serves a diverse population, based in Austin, Texas, as well as throughout the Lone Star State. Members of the \$53 million credit union include employees, families and retired employees of the Texas Department of Public Safety; members of the Sheriff's Association, the Texas DPS Museum Association, the Texas Police Association; as well as anyone who lives, works or attends school within a 10-mile radius of the credit union.

Challenge

In 2005, Texas DPS CU was looking for a service that would provide a safety net for its members who were facing financial challenges. At the same time, credit union management was looking for ways to increase the institution's non-interest income.

Solution

During a discussion with a neighboring credit union, Mike Riepen, president of Texas DPS CU, learned about JMFA OVERDRAFT PRIVILEGE® and the benefits it brings to both credit unions and their members. With the help of JMFA's implementation team the credit union's program was up and running within two to three months. "This process went much smoother than expected," Riepen said. "What's more, our contacts Chris Fisher and Paul Glosch have continued to keep us informed about any program or regulation changes that will affect us."

The Results

Since implementing JMFA OVERDRAFT PRIVILEGE®, Texas DPS CU has seen a great benefit from this program. "Our members appreciate the fact that we can offer them peace of mind, knowing that their transactions will be covered in the event they make a mistake on their account," Riepen explained. "They no longer have to worry about having a check returned from a merchant and we can save them from paying additional merchant return fees."

In addition to providing a valued service to its members, the credit union has seen a dramatic 300 percent increase in its non-interest income. Plus JMFA's straightforward processes for monitoring overdraft accounts has helped to keep charge-offs to a minimum and has improved collection efforts.

Lessons Learned

In addition to providing a valuable member service and increased revenue for Texas DPS CU, JMFA has helped the credit union to get a jump on obtaining member opt ins for overdraft services on ATM and one-time debit card transactions, as required by new Reg E Guidelines. Notification materials provided by JMFA were used to develop a Web site announcement and member opt-in letters that were sent in late May. And while Riepen and his staff anticipate some decline in usage of the program after Reg E restrictions take effect, they believe usage will pick up when members realize what a valuable service overdraft privilege is to their financial well-being.

After all is said and done, having an overdraft provider with regulatory expertise has been very helpful in preparing for the new regulatory requirements, according to Riepen. "We wanted to make sure that our program administrator would help with compliance and I have confidence in JMFA's written compliance guarantee," he said.

"Plus, JMFA's support has been extraordinary and helps us fulfill our mission of providing superior, cost-effective financial services to our members."