

## Phone-based counseling reduces loan losses, helps members deal with debt

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MADISON, Wis. (9/30/10) – Offering telephone-based financial counseling helps credit unions reduce loan losses while helping members deal with debt, according to a new case study from CUNA Strategic Services and one of its strategic alliance providers.

“Finding Hope with a Phone Call” studies the experiences of four credit unions that use telephone-based services provided by Accel Members Financial Counseling:

- DuPage Credit Union, Naperville, Ill., \$272 million in assets
- Genisys Credit Union, Auburn Hills, Mich., \$1.35 billion in assets
- State Employees Credit Union of Maryland (SECU), Linthicum, Md., \$2.2 billion in assets
- Wanigas Credit Union, Saginaw, Mich., \$230 million in assets

Accel is a division of GreenPath Debt Solutions, which is headquartered in Farmington Hills, Mich., and is a CUNA Strategic Services provider.

The case study reveals that:

- Members are desperately seeking help to deal with debt. Case study participants say more than half of members who contact Accel are seeking debt management plans. Other debt and budget issues account for more than one-fifth of calls.
- Debt management plans pay off for credit unions. Wanigas Credit Union has received \$74,000 from members through debt management plans since 2007, when it began offering Accel services. As of mid-2010, Wanigas members were making payments on another \$93,069 in debt.
- Linking members to help before they lose hope is crucial. Participating credit unions say telephone access is vital so members can seek help six days a week, including evenings.
- Staff referrals motivate members. Staff referrals accounted for roughly half of calls made by DuPage and SECU members. Word-of-mouth recommendations also contribute, prompting 14 percent of Wanigas members' calls to Accel.
- Improving members' financial practices helps them qualify for more services. Offering telephone-based budgeting and credit score education helps members adopt better financial practices so they can successfully apply for mortgages and other products.

The case study also includes participating credit unions' best practices for increasing the impact of telephone-based financial counseling. The full case study is provided free at [cunastrategicservices.com/accel](http://cunastrategicservices.com/accel).

### About Accel

Accel is the financial counseling program offered by GreenPath, Inc., founded in 1961 by the Michigan Credit Union League for the sole purpose of providing financial education and counseling to credit unions. GreenPath is a charter member of the National Foundation for Credit Counseling and is accredited by the Council on Accreditation. For more information, call (248) 994-8755, or visit [accelservices.org](http://accelservices.org).

### About CUNA Strategic Services

CUNA Strategic Services Inc., owned jointly by Credit Union National Association (CUNA) and the state leagues, saved credit unions \$40 million in 2009 through its national pricing programs. It provides credit unions with access to high quality products, services, and technologies delivered with a competitive advantage made possible through volume pricing and strategic program development. For more information, call (800) 356-8010 and press 3, or visit [cunastrategicservices.com](http://cunastrategicservices.com).