



Montana Credit Unions for Community Development

Seamless
Borrowing to Saving



MONTANA CREDIT UNIONS
for **COMMUNITY DEVELOPMENT**

TOGETHER
We can make a difference!

MISSION:

**To implement programs through
Montana's Credit Unions that
improve the social and economic
well-being of all Montanans.**



Seamless Borrowing to Saving

- **Pilot project** - Innovations for Poverty Action seamless conversion of loan payments to savings/investment once a loan is paid off
- **3 Montana Credit Unions** contacting members with loans scheduled to be paid off in 2012
 - *Any loan: unsecured, auto, mortgage, small-dollar loans, home equity, etc.*



Program Concept

- Redirect habit of payment to regular savings deposits
- Guide households to make better financial decision, escape cycles of debt, build assets and achieve financial resiliency
- Support the development of scalable, market-tested products



Process

- Member list of scheduled loan payoff
- CU staff contact members
- Track contacts
- Saving Starts
- Reporting

Outreach



**STOP BORROWING
& START SAVING!**

No life changes required!

**YOU ARE RECEIVING THIS
BECAUSE YOU RECENTLY
TALKED WITH A MEMBER
OF OUR LENDING TEAM**

**YOU'VE DONE A FANTASTIC
JOB PAYING YOUR LOAN**

**NOW CONTINUE TO MAKE
THAT PAYMENT TO YOURSELF**

**START A HEALTHY HABIT
BY CONTINUING YOUR LOAN
PAYMENT STRAIGHT INTO
YOUR SAVINGS ACCOUNT**

**YOU CAN DO THIS BY
SETTING UP AN AUTOMATIC
TRANSFER THAT STARTS
THE MONTH AFTER YOUR
LOAN IS PAID OFF**



- ***Cash on hand to simplify your life***
- ***Friendly on your existing budget***
- ***Build an emergency fund***
- ***Pay cash for future purchases instead of paying interest***





Altana™

federal credit union
Your Banking Solution.



September 17, 2012

Name
Address

Dear Name,

Congratulations, you are a few months away from paying off your loan!

Have you thought about what you are going to do with the money that went towards your payment? Since you are already accustomed to living without this cash, you might be interested in our Seamless Savings program!

You may contribute all or a portion of your current payment amount into a savings account. Simply continue to make the same payment each month, but instead of the funds going towards a loan, we will "seamlessly" put that money into a special savings account for you!

Experts agree that everyone should have an emergency savings account. A general rule of thumb is to keep at least 6 months of living expenses available. We can help you prepare with our Seamless Savings program.

Please bring in the attached authorization form to any of our locations and we'll take care of the rest!

Sincerely,

Altana Federal Credit Union

Name Address	To join our seamless savings program, please fill out the form below:
<input type="checkbox"/> YES! Please enroll me in the Seamless Savings Program.	
<input type="checkbox"/> Amount: \$ _____	
Signature:	Date:

Federally Insured by NCUA 

Billings West End
3212 Central Ave
Billings, MT 59102

Billings 24th Street
1111 24th St W
Billings, MT 59102

Billings Downtown
219 N. 25th St
Billings, MT 59103

Billings Heights
895 Main St
Billings, MT 59105

Columbus
912 E Pike Ave
Columbus, MT 59019

Laurel
220 First Ave
Laurel, MT 59044

Red Lodge
821 S Hauser
Red Lodge, MT 59068

www.altanafcu.org
406.651.AF.CU



Outcomes

- **Approx 1,250 loans scheduled to payoff in 2012**
- **Goal to enroll 100**
- **Started April 2012**
- **88 Offers to date**
- **5.7% Take-Up** *(as of 9/1/2012)*



Lessons Learned

- **Staff Buy-In**
- **Need Incentives or ‘Perks’**
- **Begin Promo Earlier**
 - Early Loan Payoff
 - Refinance
 - Already Intend to Spend Elsewhere



Questions





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Karen Smith, Executive Director
Montana Credit Unions for Community Development

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