

Yet Another Credit Union Opportunity to Do More for Their Members

Credit Unions have yet another opportunity to prove they are the more conscientious and caring financial institution as America's consumers face financial burdens, declining benefits, and sobering news headlines.

As an "out of control" economy keeps hitting consumers harder and harder, a recent [article](#) based on a CNBC survey indicates that 70% of Americans feel financially stressed, and less than half say they have emergency funds to cover more potential downturns.

Along with trying to stay financially afloat, many consumers (members) have also lost health benefits, or have seen drastic reductions, as businesses slash expenses to survive. And if that's not enough, the news of growing crime rates, identity theft, rumors of a market crash, and now talks of WWII have also made life more stressful.

Wouldn't NOW be a good time to give members some positive news?

Unfortunately, at the same time, the media hasn't been favorable to financial institutions. Bank closures and financial institutions reaping the benefits of unbelievable fee income from rising Overdraft/NSF fees have also been news headlines that have alarmed many consumers. A powerful [article](#) documenting the \$15 billion in revenue such fees generated in 2019 has caused the CFPB to take an even stronger stance in recent months by referring to these punitive charges as "illegal junk fees" that are "likely unfair and unlawful under existing law." CFPB revealed this **ominous stance** in [an article](#) they published late in 2022.

Moeb's Services, a financial institutions analytics company, has been analyzing the Overdraft Fee issue. As a result, [an article](#) from December 2022 highlighted this increasingly sensitive issue of potentially exorbitant fees. The article source (Top Class Actions) is encouraging consumers and CU members to report instances of any unfair Overdraft fees and participate in a class action lawsuit they are instigating. With social media often used to report stories of big business abuse of consumers, this momentum growing against Overdraft fees should be concerning to all financial institutions.

So here is the latest opportunity for credit unions to step up and take decisive action that provides positive news to their members. First, consider bringing your members much-needed relief through robust protective services like ID theft recovery and mobile phone insurance. Then, your credit union could offer cost savings such as valuable roadside auto assistance, telehealth (with no copay), and direct lifestyle discount programs. Some credit unions are incorporating these packaged benefits into checking accounts with a value that exceeds \$70/month but with account fees of less than \$7/month. These credit unions leveraged their member base to negotiate unbelievable rates that provide excellent value to members while generating non-interest income for their credit unions.

Providing members with these protective and cost-saving services is the ultimate WIN-WIN for everyone. Members experience dramatic life-benefiting savings and protection while credit unions increase member engagement and non-interest income that can be used to offset the "now controversial" Overdraft/NSF charges that the media & CFPB have been targeting as potentially unlawful. In summary, Credit Unions can choose to shift their fees to a strategy that benefits members and drives up membership value while also allowing credit unions to make another positive announcement: they're reducing or eliminating the Overdraft/NSF charges that feel so punitive to members.

There are now many credit unions taking this kind of decisive action and implementing programs to generate non-interest income with Member Friendly Fees that bring real-life benefits to ease the pain of their members in so many ways. For example, a New York credit union implemented a new non-interest income strategy via their value-rich checking account and reduced their Overdraft fees from \$35 to \$7 per incident.

The punitive overdraft/NSF fees are going to need drastic changes eventually. So why wait for a legal requirement to take action? By serving your members outside the walls of the credit union, where life is stressful and worrisome, you can demonstrate to your members how your credit union IS the most conscientious and caring type of financial institution.