Credit Unions Give Tech Tools a Chance

Members Increasingly Embrace Technology; Institutions Evaluate What Else to Offer

California Coast Credit Union's website highlights its "personalized caring attention." You'll find the "friendliest service you've ever experienced" at San Diego Metropolitan Credit Union, according to how it touts its offerings online. Credit unions, finance's not-for-profit institutions, often say their business model relies on the personal relationships they have with their customers.

As customers become more enamored with financial technology, locally based credit unions are working to balance that interest with other customers' desire for more traditional banking relationships.

Stirring Growth

California Coast is the region's oldest such locally based institution, but CEO Todd Lane isn't letting the institution's longevity mire it in pre-digital backwaters.

In fact, the credit union, which manages nearly $2.2 billion in assets for members in San Diego and Riverside counties, credits its efforts to offer customers the latest in financial technology as a factor in its continued growth.

Cal Coast's assets under management increased nearly 11 percent year-over-year as of Sept. 30, 2016, compared with the end of the third quarter of 2015. Membership rose to nearly 147,000. The credit union added 16,826 new members in 2016, 22.1 percent more than the 13,732 members that joined in 2015. The number of people joining Cal Coast online versus in a branch continues to grow, Lane said.

As a nod to its founders, a group of educators, Cal Coast prides itself on providing financial education as well as services. Lane said that aspect of its operations played a role in the decision to research fintech tools that could make it easier for its members to manage their money.

Gamification Comes Into Play

In September, the credit union launched Coast Money Manager, a platform developed by Utah-based fintech startup MX Technologies Inc., and integrated it into Cal Coast's banking platform. Members who use the money-management tool see a real-time snapshot of their personal finances.
The credit union’s strategy for fulfilling its customers’ digital desires includes keeping its existing technologies updated with the latest features, according to Rob Miller, chief operating officer. In 2015, Mission Fed upgraded its online banking platform with more tools for budgeting and saving; in 2016, it did its mobile banking platform. Adding features such as fingerprint login and the ability for users to see their balance on their login screen, without needing to sign into the application.

“We’re constantly looking for ways to make our customers’ lives easier,” he said. “Customers are doing everything on their smartphones, and mobility and convenience are becoming key drivers to engaging customers.”
Credit Unions Make Record Gains in a Number of Categories

**FINANCE:** Membership Mark Passes One Million; More Than $15.1B Deposited

By SARAH DE CRESCENZO

For the first time, membership in locally headquartered credit unions has passed the one million mark.

That's as of Sept. 30, according to the latest data available from the California Credit Union League, an Ontario-based state trade association for 336 California-based credit unions.

San Diego hasn't seen that kind of increase in membership — 8 percent year-over-year from the third quarter of 2015 to the third quarter of 2016, or 73,800 new members — since 2008, the CCUL said in its third-quarter snapshot of the industry.

**Nine Percent Increase**

Local consumers deposited more than $15.1 billion with credit unions in San Diego County as of Sept. 30, a 9 percent year-over-year increase and 8 percent increase compared with the recent low of $8.5 billion in 2010.

That put more than ever before in accounts, including $5.4 billion into money market accounts, $3.3 billion into savings and $2.1 billion into checking, CCUL said.

Within the community, San Diego County-based credit unions had more than $12 billion loaned out as of Sept. 30. That's 61 percent higher than the institutions’ post-recession low of $7.5 billion in 2012.

The most recent peak for total loans was in 2008, when credit unions in San Diego loaned out $9.5 billion, the CCUL said.

Loans for first mortgages also set a record, rising 7 percent to $6.6 billion. That was 50 percent above the most recent low of $4.4 billion in 2011. However, origination were down 27 percent year-over-year to $785 million compared with the third quarter of 2015.

Home equity lines of credit and home equity loans were up 4 percent year-over-year to $1.4 billion as of the third quarter of 2015; originations were up by 2 percent compared with the same quarter in the prior year.

**Employees by Size of Firm**

Within the community, San Diego County-based credit unions had more than $12 billion loaned out as of Sept. 30. That's 61 percent higher than the institutions’ post-recession low of $7.5 billion in 2012.

The most recent peak for total loans was in 2008, when credit unions in San Diego loaned out $9.5 billion, the CCUL said.

Loans for first mortgages also set a record, rising 7 percent to $6.6 billion. That was 50 percent above the most recent low of $4.4 billion in 2011. However, origination were down 27 percent year-over-year to $785 million compared with the third quarter of 2015.

Home equity lines of credit and home equity loans were up 4 percent year-over-year to $1.4 billion as of the third quarter of 2015; originations were up by 2 percent compared with the same quarter in the prior year.

**Credit Cards:** $502M

Credit card lending also set a record with $502 million outstanding, a 6 percent increase year-over-year and 18 percent over the most recent low of $427 million in 2012.

One category that slowed year over year was that of business loans not related to real estate, which hit $95 million, down 1 percent. That category has been volatile in recent years, fluctuating between $42 million and $486 million since 2001, the CCUL said.

As membership and loans rose, so did employment: Credit unions in San Diego County had 2.750 people working for them as of Sept. 30, 3 percent more than in the third quarter of 2015, according to the CCUL.

The CCUL gets its data from balance sheet data filed with the National Credit Union Administration.