

WHAT IS LUCKY SAVERS?

- Unique product offered by credit unions in several states including New York (Prize-Linked Savings)
- · Created specifically with new-savers and the financially vulnerable in mind to help them build a financial safety net
- Tremendous public relations and membership growth tool
- A Lucky Savers account is a 12-month share certificate with unlimited deposit capabilities
- Members can open the account with a \$25 deposit
- For every \$25 in month-over-month balance increases, accountholders earn one entry into monthly and quarterly cash prize drawings
- Over \$30K in state-wide prizes given away annually



Prize-Linked Savings History

2008 - Prize-linked savings (PLS) product Save to Win was developed by Commonwealth (formerly called Doorways to Dream Fund (D2D)), the Filene Research Institute and the Michigan Credit Union League & Affiliates (MCUL)

2009 - State of Michigan pilot program attracts over 11,000 member accounts in the first year $\,$

2012 - Nebraska launches PLS in 2012 and credit union members save nearly \$2M

2013-2015 - North Carolina, Washington and Connecticut become the $3^{\rm rd},\,4^{\rm th}\,$ and $5^{\rm th}$ states to launch PLS

2015 - New York launched the Lucky Savers Program

creditunion

PLS Statistics

National

- 25 states offering PLS programs (33 authorized to do so)
- 234 credit unions are offering PLS
- 110,000 PLS account holders
- \$717,260 given away in cash prizes (2019)
- \$88.7M in total savings

New York (as of May 2020)

- Current amount saved: \$16.7M
- Total number of open Lucky Savers accounts: 6,119
- Average Account Balance: \$2,720

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commonwealth

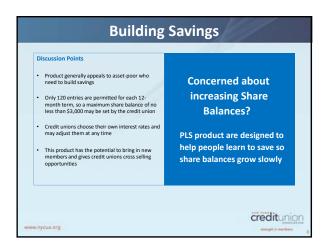
- Commonwealth is a valuable partner to the states offering PLS programs, including the Lucky Savers Program.
- Founders of Save to Win (MCUL) and trade mark owner of the Save to Win Brand and the Prize-Linked Savings (PLS) Method
- Provide ongoing research, program statistics, annual reports and offer legislative and product development support.

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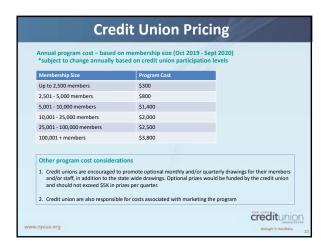


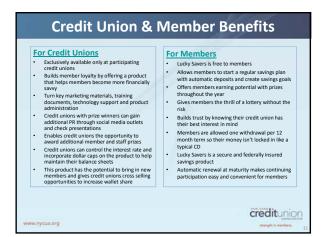
12-Month Share Certificate Structure Ongoing deposit functionality Interest rates are set independently by each credit union, but must be comparable to other CDs (not lower) Minimum opening deposit and balance requirement is \$25 No minimum or maximum deposits per month. No cap on account value (unless imposed by your credit union) One withdrawal permitted per 12 month period for a \$25 fee Deposits = Entries For every \$25 in month-over-month balance increase, accountholders earn one entry into the monthly and quarterly drawings Maximum of 10 entries per member per month Accounts must be open through the drawing period to be eligible for prizes

Account holders must be: 18 years or older Resident or non-resident of New York PLS and lottery laws vary from state-to- state and the NY law allows for non- residents to participate Limited to 1 account per person per credit union Employees and Board Members are not eligible	What is Different About this Account? The Lucky Savers account is
to win prizes that are part of the state-wide drawing (this includes joint accounts) Credit unions may set up separate prize pools for staff, funded by the credit union Credit unions may also set up an individual member drawing, funded by the credit union Not available for business or trust accounts	a prize-linked savings (PLS) product subject to state laws









-	articipation Agreement
	e Participation Agreement and Fee Schedule outline the requirements r the program and your financial commitment.
	NYCUA Participation Agreement
6	Credit Union Fee Schedule
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<u>In</u>	<u>nplementation</u>
	Credit unions report it takes 4-6 weeks to implement the product
	Marketing orders
	Implementation calls to review product documents and processes
	Set up account requirements in data system and test file prior to launch
	Train staff and send out new product information to members
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Team Roles & Responsibilities				
Key Stakeholders A successful launch requires an integrated effort across your organization including: Operations Marketing Information Technology Finance Security and Risk Legal Member Service Branch Management Frontline Staff	Ongoing Roles The following roles should be established for ongoing product management: Program Manager: Oversees implementation process, staff training, marketing of the product and is the main contact for the program Data Manager: Data quality checks, uploads data file and administers individual credit union and employee drawings			
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Official Rules NYCLA will provide credit unions with a complete Official Rules template. Your credit union will customize the following areas: Credit Union Specific Prizes Share Certificate Terms Credit Union Specific Wrizes The Official Rules and disclosure documents are a great starting point for your team as they identify important decisions for your credit union to make prior to implementation.	Truth in Savings* A Truth-in-Saving disclosure template will also be provided. Your credit union will customize the following areas: Effective Date Interest Rate Balance Computation Method Accrual of Interest Exceptions to Withdrawal Penalties Renewal Policy *This is an optional template that has been created
Will you offer your own credit union specific prizes? If so, how much and how often? Will you impose a cap on the deposit account?	for credit unions to use. If your credit union has a standard TIS Disclosure for all of you products, feel free to use that one instead.

Create a unique share certificate account with unlimited deposit capacity
Allow the share certificate account to automatically renew after each 12 month period so that members retain the same certificate account/share ID
Invoke a \$25 penalty for the first withdrawal before the 12-month certificate period ends and close the account upon the second withdrawal
Transfer funds into the account automatically for the account holder on an "as-requested" basis
Easily be able change the amount of an automatic transfer
Generate a consolidated deposit account statement detailing each of an individual's deposit accounts and his or her transactions
Allow account holder access to account balances and deposit activity via remote access channels
If capability exists, set up automate pop-up messages to remind credit union staff to discuss this product with account holders/targeted members
is product is a 12-month share certificate with special features. Our participating credit unions are ilizing a variety of core systems and have reported relative ease in programming the product.

Data uploads are to be completed by credit unions by the 3" business day of each month so that the drawings may occur on the 15". No state-wied drawings or credit union drawings can be performed until all data has been uploaded and accepted. Prior to submitting data, a quality check should be performed by the credit union. All data errors will be sent back to the credit union to correct before the data upload process is considered complete. * Data file requirements and data file transfer, storage and security details can be found on Lucky Savers page of NYCUA website



Panel Discussion Mandy DeHate, AVP Marketing - Visions FCU Brian Cummings, EVP Data and Technology - Oswego County FCU Luke Heptig, Marketing Analyst & Events Specialist – CFCU Kelly Pfieffer, Assistant Manager - Western New York FCU

Next Steps for Interested Credit Unions	
Contact: Chris Pajak Director of Member Relations – NYCUA	
christopher.pajak@nycua.org (518) 437-8188	
www.nycul.org	inion