



LUCKY SAVERS
It Pays to Save!
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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

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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 3rd, 4th and 5th states to launch PLS

2015 - New York launched the Lucky Savers Program

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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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Product Details

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, account holders 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

What is the Lucky Savers Account?

The Lucky Savers account is 12-Month Share Certificate account with unlimited deposit capabilities

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Account Qualifications


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 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

What is Different About this Account?

The Lucky Savers account is a prize-linked savings (PLS) product subject to state laws

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Building Savings


Discussion Points

- Product generally appeals to asset-poor who need to build savings
- Only 120 entries are permitted for each 12-month term, so a maximum share balance of no less than \$3,000 may be set by the credit union
- Credit unions choose their own interest rates and may adjust them at any time
- This product has the potential to bring in new members and gives credit unions cross selling opportunities

Concerned about increasing Share Balances?

PLS product are designed to help people learn to save so share balances grow slowly


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State-Wide Prize Pool

Prizes	# of Winners	Prize Amount	Total Winners	Total Prizes	Drawing Dates
Monthly	16	\$25	192	\$4,800	15 th of each month
	8	\$50	96	\$4,800	15 th of each month
	2	\$100	24	\$2,400	15 th of each month
Quarterly	3	(1) \$500 (1) \$1,000 (1) \$5,000	12	\$26,000	15 th of January, April, July and October
Total	26 per month / 3 per quarter	n/a	324	\$38,000	n/a

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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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Rules and Disclosures

Official Rules

NYCUA will provide credit unions with a complete Official Rules template. Your credit union will customize the following areas:

- Credit Union Name
- Credit Union Specific Prizes
- Share Certificate Terms
- Credit Union Specific Limitations

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:

- 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?

Truth in Savings*

A Truth-in-Savings 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 for credit unions to use. If your credit union has a standard TIS Disclosure for all of your products, feel free to use that one instead.

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System Requirements/Recommendations

- 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

This product is a 12-month share certificate with special features. Our participating credit unions are utilizing a variety of core systems and have reported relative ease in programming the product.

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Data Requirements/Data Security

Data Uploads


Data uploads are to be completed by credit unions by the 3rd business day of each month so that the drawings may occur on the 15th. No state-wide 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 Quality

The legality, success and reputation of the program counts on quality data delivery

* Data file requirements and data file transfer, storage and security details can be found on Lucky Savers page of NYCUA website



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Program Timeline

Onboarding July-Aug

- Credit union participation agreements and related documents - by 8/31

Product Preparation August - September

- Marketing material orders
- Review and execute implementation guide and appendices with NYCUA
- Data processor set up and train staff
- Test data file upload

Product Launch October - November

- Marketing material distribution to credit union membership
- Launch program on October 1st and first drawing will be on November 15th



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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 Pfeiffer, Assistant Manager - Western New York FCU




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Next Steps for Interested Credit Unions

Contact: Chris Pajak
Director of Member Relations – NYCUA
christopher.pajak@nycua.org
(518) 437-8188

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