

Certified Credit Union Financial Counselor Training Program: The Vermont Story

A REAL Solutions® Program

ASSOCIATION
of
VERMONT
CREDIT UNIONS

<http://www.vermontcreditunions.com>

"We are living in unprecedented economic times and many people are worried about what the future holds. This program extends much needed skills statewide to more than 280,000 Vermont credit union members. By making this program available to our credit unions at no cost, and without the expense and time needed to attend out-of-state schools, we have immediately helped them provide solid financial counseling that will calm the fears of thousands of Vermont consumers."

Joseph Bergeron, President - Association of Vermont Credit Unions

Certified Credit Union Financial Counselor Training Program – the Vermont Story is a 2010 publication of the National Credit Union Foundation’s REAL Solutions® program.

About the National Credit Union Foundation (NCUF)

The National Credit Union Foundation (NCUF) raises charitable funds, runs innovative programs, and makes impactful grants for America’s credit union movement. NCUF’s mission is to “promote and improve consumers’ financial independence through credit unions.” Among the NCUF programs achieving this mission:

REAL Solutions® — Helping millions of consumers gain access to affordable financial services, achieve financial literacy, grow savings, build assets, and buy homes.

Development Education — Leading training on cooperative principles in the modern consumer marketplace to overcome what credit unions identify as the greatest threat to their future: “the eroding of credit union philosophy.”

Social Impact Management — Meeting a “triple bottom line” that benefits credit unions, members, and communities.

About REAL Solutions®

REAL Solutions® is the signature program of the National Credit Union Foundation. REAL — “Relevant, Effective, Asset-building, Loyalty-producing”— Solutions® works to help credit unions offer a wide range of products and services that have proven successful in serving working families with low wealth and modest means. Using product/business models created and tested by credit unions, REAL Solutions® disseminates information to credit unions through special meetings, an [online impact center at realsolutions.coop](#), and state and national conferences. In the first two years as NCUF’s signature program, REAL Solutions® was adopted in 30 states and is saving members tens of millions of dollars. It has now become a documented business strategy for credit unions to grow their memberships by serving the underserved. Real people with real needs are finding REAL Solutions® at credit unions.


About the Author

John Cote recently celebrated his 8th anniversary as the Director of Information Services for the Association of Vermont Credit Unions (AVCU). In this role, he manages and coordinates programs and services to AVCU members in the areas of education, communications, and special projects such as the Annual Meeting, charity golf tournament, statewide advertising campaign, the CCUFC program outlined herein, the Economy of Me high school financial literacy project, and more as assigned by the president. He also administers the AVCU website and Vermont Compliance InfoSight, publishes two weekly email newsletters, and assists the president and vice-president with compliance, government relations, business partner relations, and other member services.

John’s diverse 27 year career path has given him the multi-tasking skills he needs to thrive in his unique role at AVCU. His experience includes teaching computer literacy to students ranging from 1st graders to senior citizens, writing software documentation, administering college computer labs, being a cook and wine bar manager in a highly successful family-owned Italian restaurant, and, in partnership with his wife, owning and operating a full-service catering business.

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“AVCU’s overall goal in partnering with REAL Solutions® is to promote financial education to all Vermonters and help them be better informed and prepared to make sound financial decisions. Although payday lenders cannot receive licenses to establish their business in Vermont, we were sufficiently motivated by their growing presence in bordering states and on the Internet to become involved with REAL Solutions.”

Bryan Kent, Vice President – Association of Vermont Credit Unions

REAL Solutions®, the signature program of the National Credit Union Foundation (NCUF), provides support, tested business models and tools to leagues and credit unions helping them to provide new and additional financial products and services to families of low-wealth and modest means. To date, over 800 credit unions in 34 states and 32 state-level trade associations are actively seeking to reach emerging markets including immigrants, young people, persons with disabilities and low-wage households.

To bring information to leagues and credit unions in the timeliest fashion, NCUF hosts an online impact center at <http://realsolutions.coop>, full of REAL Solutions® product innovations, case studies, and tested business models. Some of our state leagues/associations also feature Web sites to give their participating credit unions access to the most up-to-date state-specific information.

This article is the seventh installment in a monthly series of interviews designed to provide REAL Solutions® League Liaisons and other league staff up-to-date strategies used by their peers to grow their REAL Solutions® efforts. This interview describes the efforts of the Association of Vermont Credit Unions (AVCU) to implement a Certified Credit Union Financial Counselor Training Program for credit union employees. Please learn more from this interview with John Cote, Director of Information Services – Association of Vermont Credit Unions.

1. When did Vermont begin participating in the REAL Solutions Program and why did your Association become involved?

We started our involvement with REAL Solutions when Lois Kitsch made a presentation to our Board of Directors during our November 2008 Planning Session. We continued our discussion over the next few months and officially executed a Memorandum of Understanding on March 1, 2009.

During 2009 we announced our new partnership to our member credit unions through various means, including working with Lois and REAL Solutions Field Coach Mark Lynch in August to provide a teleconference on REAL Solutions initiatives. In addition to the Certified Credit Union Financial Counselor (CCUFC) Training Program, last year we also began development of what would eventually become our Economy Of Me High School Financial Literacy project and assisted a select group of credit unions with their launch of payday lending alternatives.



2. What is the REAL Solutions focus in Vermont?

For the past few years, AVCU has been involved in projects that are very much akin to REAL Solutions ideas without specifically falling under that umbrella. Through a World Council of Credit Unions international partnership in 2007, we began working with the credit unions and trade association in Peru to help them improve and expand financial services to members. In 2008, we began research and development of the CCUFC Training Program and in 2009, we sought and received a federal grant to increase high school financial literacy in Vermont through our Economy Of Me project which recently made its public debut.

This year has the potential to be another big one in Vermont. Following our first time attendance at the REAL Solutions League Liaison Meeting in January, we applied for grant funding for two projects: a presentation at our Annual Meeting by Rui Domingos, CEO of Cambridge Portuguese CU, to encourage our credit unions to develop partnerships with community non-profits; and a Financial Reality Fair which will dovetail perfectly with our Economy Of Me high school financial literacy project. Should both of these projects take place, it will only enhance our ability to carry the REAL Solutions torch and further promote the benefits of credit union membership to Vermont consumers.


3. How does your financial counseling program work?

The objective of the program is to provide the funding for at least one employee in each of our 28 member credit unions to achieve their CCUFC designation by June 30, 2010 at no cost to the credit union. There are only two ways to achieve certification by passing the required exams:

- Through self-study of [Financial Counselor Certification Program \(FiCEP\) modules](#); or
- By attending two CUNA Certified Financial Counselor schools.

Most of our credit unions do not have the staffing and / or financial resources necessary to send employees to CUNA schools. Therefore the only way to achieve our goal was, in essence, to bring as much school content as possible to our credit unions. The FiCEP modules form the backbone of our curriculum, but we felt that self-study alone would be insufficient to fully achieve our objective. To improve self-study comprehension, we turned to Ken King who is a featured trainer at CUNA's Certified Financial Counselor Schools and an author and collaborator of the FiCEP modules.

Ken has turned the FiCEP modules into an interactive "real life" learning experience that dramatically enhances what students would normally learn from self-study alone. He prepared a curriculum schedule for all 8 modules and facilitated bi-weekly conference calls to discuss the topics presented, always drawing upon his years of counseling experience. Ken also developed the curriculum for a one day seminar with our entire student group to give them the face-to-face skills they need to work more effectively with members. This meeting was an integral part of our



program that allowed Ken to meet the students and give them invaluable counseling experiences, while also giving the students themselves a chance to meet and network together.

“The Vermont certification learning experiment has been one of the most creative ventures I have ever participated in. The commitment of the Association and its student group to reach out to members to provide a grass roots financial coaching concept is what credit unions are all about. What I have enjoyed the most about the experience is the willingness of the participants to get involved with their members by providing the guidance to financial stability in unstable economic times.”

Ken King, Executive Director – Consumer Credit Counseling Service of Sheboygan, Wisconsin

4. How does FICEP work and how do the students take exams?

Modeled after the CUNA Certified Financial Counselor Schools, FiCEP includes two parts of four learning modules each. When a student successfully completes the proctored exams for both parts (eight total modules), they become a Credit Union Certified Financial Counselor ready and able to assist members with reaching their financial goals.

“CCUFC training provides financial coaches and educators both the tools and understanding of a member’s financial problems and how to help them achieve financial stability and goals. The CCUFC designation represents a commitment, not only of the credit union, but of the individual coaches dedicated to helping people deal with complex financial alternatives in the market place.”

Ken King

Because exams must be proctored by individuals who meet CUNA’s guidelines, we encouraged students to participate in group testing held in our office’s conference room. We also made provisions for students to schedule exams individually. A third option exists for students to find their own proctors in accordance with [CUNA’s exam proctor requirements](#).

Each module is accompanied by an exam of between 30 and 50 questions that is graded on a pass / fail basis. Students must receive a grade of C or better, answering at least 70% of the questions correctly, to pass the exam. Once a student passes all 8 exams, they receive their certification which is valid for three years. To ensure that knowledge about financial counseling is kept current, recertification is required after that time.



5. How have you structured the work load with your Association employees?

As this was an education- and communication-based effort, it was my responsibility to research and design the program, promote it to credit unions, organize the group module order, work with Ken King on the schedule, coordinate the conference calls and in-person seminar, and proctor testing sessions for individuals and groups. AVCU President Joe Bergeron, my co-workers, and our Social Responsibility Committee provided additional assistance and support on an as-needed basis.

Thankfully, because the FiCEP modules provided the curriculum and Ken King facilitated the conference calls, my responsibilities lessened after the program reached the half-way point and the in-person seminar took place in October. As this article goes to publication, we have just completed the conference calls and are in the final stages of scheduling the second round of group examinations. I anticipate that the program will essentially wind down by the end of April, although students have until June 30 to complete the exam process.

6. What has the program accomplished and how many credit unions participated?

We required each credit union CEO to sign an agreement that commits their enrolled student to the achievement of their certification by June 30. In exchange for that signed commitment, AVCU purchased each enrolled student a set of FiCEP modules and covered the cost of their attendance at the October in-person seminar. Thirty two students from 18 of our 28 member credit unions enrolled in the program. Two students accelerated the learning and testing process and have already achieved their certification. Although it will not be possible for all 32 students to achieve their certification because two are no longer working for the credit unions, the rest of the group is on schedule to pass their exams and become certified by June 30.

“It has been a real privilege to have the opportunity to be a part of the Credit Counseling Program. I have become more aware of using credit wisely, understanding credit scoring, and learned of new tools and products that exist to help increase the financial success of our members.

A member I’ve been working with for a few months felt financially strapped and sought assistance from the credit union. She recently came in and told us ‘we saved her life’. She now tells everyone she knows to join the credit union. It took several months to gain the financial security she was looking for, but she now has a savings account and enough money left over to enjoy life. While miracle cures or instant answers may be unrealistic, we can offer our members something that has lasting worth. We can give them hope.”

Patricia Boyce, CCUFC, Mortgage Originator – Vermont Federal Credit Union, our first training program student to become certified.

Several credit unions realized the advantage this program offered and invested their own resources by placing more than one student into it at their own cost. In fact, one credit union (\$220 million in assets) enrolled a total of 6 students, committing more than \$2,000 into making several of their branch managers and loan officers capable of providing these much needed services to members.




Our CCUFC students at the October 2009 in-person training session

7. How did AVCU fund this program to make it free for credit unions and how cost effective was it compared to attending CUNA’s Financial Counselor schools?

The Association’s Social Responsibility Committee administers Vermont’s share of Community Investment Fund dividends generated through participation in that National Credit Union Foundation program. From 2006 to early 2008, although we researched several options, the Committee accumulated these dividends without having a defined goal of how the dividends should be utilized.

With the onset of the economic crisis in 2008, and the discovery of the FiCEP program, the Committee came to a unanimous conclusion that CIF dividends would be best used by offering this program to credit unions at no cost. One full set of modules was purchased for each enrolled credit union, AVCU, and Ken King for approximately \$9,200. We also ordered additional module sets on behalf of credit unions with more than one student in the program and these costs were passed on to the credit union. The 16 bi-weekly conference calls averaged



between \$100 and \$125 each, for a total cost of approximately \$1,800 over the program's duration.

Although we will not disclose Ken King's compensation in this report, the reader should be assured that for the benefits we received from Ken's expertise and professionalism, we clearly got our money's worth several times over.

The Committee also authorized AVCU to use CIF dividends to pay for each credit union's primary enrolled student to attend the October in-person session. For credit unions with multiple students, AVCU extended registration for this all-day session, which included breakfast and lunch, at \$220 per person. AVCU utilized the small amount of revenue generated to offset the overall charge that this program had on our CIF dividend resources.

CUNA recommends that students attend one Financial Counselor school and complete the remainder of their CCUFC training via the FiCEP modules so that students can benefit from the face-to-face counseling training the schools provide. Not including hotel or travel fees, the cost for a student to attend one CUNA Certified Financial Counselor School is \$1,395. While this is likely very affordable for larger credit unions with more resources, it is prohibitively expensive for the vast majority of credit unions in Vermont.

When all of our training program costs are considered, the average per person expense for one primary enrolled student from each credit union to achieve their financial counselor certification turns out to be approximately \$800. While it is fair to say that our program only includes one in-person session instead of the several offered at the schools, it is also fair to say that most of our primary enrollees would not have the opportunity to obtain their Financial Counselor certification had we not created and offered this program to them at no cost.

I was really excited when the AVCU offered the CUNA FiCEP program at no charge. I have wanted to take this course for more than 2 years, but as a community development credit union, we didn't have the financial resources for me to do so. The course is very informative and has added to my knowledge and skill as a financial counselor. Especially important to me is gaining an understanding of the full range of topics presented in the course ... from budgeting, credit, insurance, and foreclosure to taxes, investments and retirement planning. The periodic phone classes and in person session was valuable also – it's always good to have such an experienced person to ask questions and share personal experiences. This is an excellent program. I now have the credentials to support the work I do. Personally, I feel secure in my day to day counseling activities because of the training I have received.

Jane King, CCUFC, MoneySense Financial Education Counselor, Opportunities Credit Union, our second training program student to become certified



8. Has AVCU used this as an advocacy tool with legislators and as a public relations vehicle for credit unions in the media?

AVCU made a conscious decision to wait until the program's completion to promote this to legislators and the general public. As our first class of students approaches their final round of exams, we anticipate issuing releases and even hope to have a press conference with several of our newly certified Financial Counselors. With regard to advocacy, we have and will continue to inform legislators about our CCUFC training program. Unfortunately the timing works against us somewhat, as Vermont's legislative session typically ends by mid-May, which is before the majority of our students will be likely receive notification that they have passed their certification exams.

In both the public and legislative arenas however, we plan to continue pointing to this program as a shining example of the commitment credit unions have to their members and to each other. We also plan to make knowledge of this program available to the public as part of our overall 2010 media awareness strategy and encourage the individual credit unions enrolled to get the word out to their communities that they now have certified financial counselors on staff.

9. Would you encourage other leagues and associations to offer this program?

As Joe Bergeron, Ken King, and the students quoted herein have said, this program has been an unqualified success of which the Social Responsibility Committee, our students, and the Association of Vermont Credit Unions are extremely proud. We wholeheartedly recommend that other state leagues and associations consider replicating it for their credit unions because it is something that can make an enormously positive impact on the lives of so many people who desperately need help.

AVCU is willing to provide additional information about our program model to any credit union league or association who is interested in learning more. Contact John Cote at:

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