



PRESS RELEASE

For Immediate Release
Wednesday, August 10, 2011

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CUBG Conference Focuses on Charting the Course in Business Services

(Portland, OR – August 10, 2011) – More than 130 attendees gathered in Portland last week for CU Business Group's 5th annual National Business Services Conference.

This year's conference theme was 'Charting the Course' and focused on helping credit unions advance their programs. The event featured keynote presentations and breakout sessions on a variety of business lending and deposits related topics.

Key speakers for the event included John Chang, Vice President of Research Services for Marcus & Millichap Real Estate Investment Services, Linda Vick, Supervisory Examiner for the NCUA and CUBG President/CEO Larry Middleman.

Speaking on the state of commercial real estate, Chang noted that the "doomsday" projections for commercial properties have not materialized as heavily as projected, mainly due to refinances, sales and restructurings. While many individual properties are distressed, the ten year commercial real estate return on investment has significantly exceeded the stock market. Chang concluded that the current 500 plus basis point premium that commercial real estate offers over treasury bill rates today clearly indicates that commercial real estate is emerging well from the recession.



John Chang

Vick's presentation hit on key examiner priorities and provided guidance to credit unions on the examination process. She reminded credit unions that it is important to review the NCUA Supervisory Letters and AIREs Questionnaires in order to be prepared. Vick also entertained many questions from the audience on topics including appraisals, commercial real estate re-valuations and CUSOs. When it comes to third party vendors, Vick told credit unions, "You can outsource the activity, but not the responsibility."



Linda Vick



Larry Middleman

Middleman shared key findings from CUBG's second Business Deposits Benchmarking Survey with attendees. Results showed that a more sophisticated product mix results in higher fee income and more profitable relationships for credit unions. Credit unions must add deposit products over time to appeal to larger and more profitable businesses. "Staff expertise is critical," Middleman also noted. "Having knowledgeable staff creates higher levels of success in business deposits."

Middleman also spoke on trends in business lending, noting that despite the negative headlines and slower growth in MBL dollars, the number of credit unions with MBLs on their books is growing rapidly and the majority of delinquencies and problem loans are concentrated at just 50 to 100 credit unions.

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Other key topics covered at the conference included buying and selling SBA loans on the secondary market, mobile banking for businesses and environmental risk in business lending. Attendees also heard from credit union peers on topics like portfolio management and reporting, navigating the exam process, and strategies for loan growth.

CUBG is now in the process of planning next year's conference. "This year's conference was \$595 for CUBG's full member credit unions and \$695 for others, which is a real value in today's market. We intend to stay close to this price structure for next year, and will do our best to negotiate low room rates for attendees," stated Middleman.

CU Business Group, LLC, provides a wide array of business lending, deposit and consulting services to credit unions nationwide. CU Business Group provides products and technical expertise to credit unions with advanced business programs, and all the basics for those just starting out. Based in Portland, Oregon, with offices in the West, Southwest and Eastern U.S., CU Business Group has a staff of 26 professionals and is the largest business services CUSO in the industry, serving 367 credit unions in 42 states.

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Charting the Course

2011 National Business Services Conference



"I have been to numerous bank conferences through the years and this was much more helpful. It really got me thinking on how to make business banking work at my credit union."

- Jon Gramenz, Clackamas Federal Credit Union



"I really enjoyed hearing from my peers and what is working for them. Lots of great feedback."

- Shannon Mitchell, Meritrust Credit Union



"I found the dicussions resulting from the presentation to be very informed and valuable. The diverse participants created a good 'melting pot' of experience and therefore the overall takeaway was exponentially increased."

- Kaye Lynn Sanders, Red Canoe Credit Union

