



July 2009

Eli Lilly Federal Credit Union

Down to Earth Service for the Employees and Retirees of Eli Lilly

About Eli Lilly FCU

Eli Lilly FCU of Indianapolis, Indiana, is a \$900 million financial institution with five branch locations and a staff of 120. It serves the employees and retirees of Eli Lilly and Company and their families.

Challenge

The credit union was looking for ways to increase non-interest income, but was skeptical of the revenue increases promised by vendors of overdraft protection programs.

Solution

After meeting with JMFA representatives and being convinced of their commitment to compliance and the importance of a strong employee training program, Eli Lilly FCU decided to add JMFA OVERDRAFT PRIVILEGE[®] to its menu of member services. They began implementing the program in March, 2007, with a great deal of interaction with JMFA's relationship manager and sales representative to ensure that the staff understood the product software. JMFA was also the key to effectively integrating the program with the institution's core processor.

That June, NCUA auditors arrived at Eli Lilly and credit union executives were prepared with piles of documentation to justify the program. To their surprise, when the examiner learned that JMFA was their overdraft program provider, he stated that he was confident everything would be fine. "He told me that he had seen many programs implemented by JMFA and suggested that we just do what they told us to do," said Joe Hasto, Eli Lilly FCU chief financial officer.

Results

In the six months after implementation, JMFA OVERDRAFT PRIVILEGE[®] generated an additional \$40,000 - \$60,000 in monthly revenue for Eli Lilly FCU. Since that time, the revenue stream has been one and a half to two times the level that was estimated when the program was first initiated in March 2007 and relatively steady from period to period,

with some seasonality. “We have been very pleased with the results,” stated Hasto. “JMFA came in and did a very thorough review of our organization and convinced us that we could have a successful outcome – that we have exceeded the initial expectations is reassuring that we made the right vendor choice.”

Added Bonus

According to Hasto, in addition to more than meeting initial revenue projections, JMFA’s in-depth training has given the Eli Lilly FCU staff insight into the human element of the overdraft program’s benefits. “Anytime a member can avoid a merchant fee for an overdraft item, he or she will save money, he said.” With JMFA OVERDRAFT PRIVILEGE[®] the credit union is able to monitor high-usage members and provide them with advice on less expensive ways to use their account – saving them money in the long run.

Lessons Learned

In reflecting on the decision to implement JMFA OVERDRAFT PRIVILEGE[®] for Eli Lilly FCU members, Hasto is confident that the credit union made the right decision. “I have spoken with other credit union executives who have tried to start this type of product on their own,” he explained. “They have struggled to attract any buy-in from their membership.”

“Comments like these, along with the response we have gotten from JMFA’s seasoned professionals since we first spoke with them in 2007, reinforce that decision every day.”