

Application: 21763

3% Balance Transfer Program

**Page: Applicant Information**

**Project Title**

3% Balance Transfer Program

**Category**

More than \$1 billion in assets

**Credit Union Name**

Hanscom Federal Credit Union

**First Name**

Diana

**Last Name**

Burrell

**Primary Address**

1610 Eglin Street  
Hanscom Afb Massachusetts 01731 US

**Email Address**

dburrell@hfcu.org

**Credit Union CEO**

David Sprague

**Page: Louise Herring Award**

# **Louise Herring Philosophy-in-Action Member Service Award**

The award is given to a credit union for its practical application of credit union philosophy within the actual operation of the credit union. It is awarded for internal programs and services that benefit membership.

As you work on your submission you will see varying formats in which questions will be answered. Some will require only numbers, while others will require much more time and thought. You are able to save and come back at any time (until you submit).

## **Things to Remember**

- There are no word or character limits for the text boxes, and you are able to format as you wish (bolding, italics, underlining, bullets...).
- You are able to skip questions that are required, but you will need to go back and answer them before you submit your project. (If you do not have anything for a "required" question, please insert *n/a* in the text box provided.)
- Please include any documentation and promotional material you wish.
- We look forward to seeing your projects electronic format (videos, audio, Facebook, Twitter, news articles...)

## **Page: Credit Union Information**

### **Credit Union's Field of Membership**

Multiple Group

### **City & State Location**

1610 Eglin Street, Hanscom AFB, MA 01731

### **Credit Union Asset Size**

\$1.6 billion

### **How many branches does your credit union have?**

22

### **How many members does your credit union have?**

91137

**How many employees does your credit union have?**

265

**How many employees were involved in implementing this project?**

26

**Percentage of employees that participated in the project?**

10%

**How many paid employee hours went into this project?**

Approximately 80 hours

**How many volunteer hours outside of work went into this project?**

0

**Did your credit union submit this project before?**

No

**If yes, what changes have been made from the previous submission?**

n/a

**Credit Union Website Address**

www.hfcu.org

**Please include your credit union's logo**

[Download File](#)

**Is your credit union a member of CUNA?**

Yes

**Page: Submission**

**In 150 words or less, please give a high-level overview of your submission.**

When COVID-19 halted life as we knew it in March of 2020, Hanscom Federal Credit Union jumped into action to help our members deal with the financial fallout. We instituted a three-month mortgage forbearance program, reinstated our Skip-a-Pay program with modifications, and developed other programs designed to help members weather trying times, like our **3% Balance Transfer Program**. As in many organizations, our front-line employees delivered programs and services during extraordinary circumstances while our back-office employees adjusted to doing their jobs from home, which had technical and often interpersonal challenges that had to be overcome. Both teams went beyond the call of duty to ensure our members received the same level of care and service they'd come to expect during normal times. As a result, the credit union became more nimble and came through the pandemic stronger on the other side.

**Describe one project that was the most unique and/or innovative.**

During a year when many in our community faced economic upheaval due to the COVID-19 pandemic, we created an email marketing campaign to run in August 2020 that was designed to help members save money on their high-interest credit cards.

We realized we needed to do something a little different to stand out among other balance transfer offers being marketed in 2020. With other credit cards charging anywhere from 2% to 5% for balance transfers, we developed **a compelling incentive of a 3% rebate up to \$300** when members transferred balances from their high-interest credit cards over to a new Hanscom FCU Platinum Mastercard® or an existing card if they already had one.

A member who transferred a minimum \$2,000 balance would get a \$60 rebate all the way up to a \$300 rebate with a \$10,000 transfer. The rebate would then be deposited into the member's Hanscom FCU savings account 90 days after the completed balance transfer. We were confident this promotion would be a real money-saver for our members during a crisis time and give them a boost in their savings accounts.

Normally our balance transfer campaigns are offered to members who are pre-selected based on their credit profiles. However, we opened this offer to *all* members, including those who were already Hanscom FCU credit card holders. We wanted to help any of our members who were experiencing financial stress and looking for ways to save money during the pandemic.

We ended up with 204 members who took advantage of the promotion with \$1,295,578 in balance transfers. In comparison, the last time we opened up a balance transfer campaign to a pre-selected group of our members (November-December 2018), 54 members took advantage of the offer, an indicator that during the challenging financial times of 2020, we had more members looking for ways to save money on credit card interest.

**Identify the need that made you pursue this project?**

As the pandemic galloped through the spring and summer of 2020, we knew that many of our members were seeking additional ways to cut costs. One of the best ways of reducing debt is moving high-interest credit card debt to a card with lower interest rates. Hanscom FCU has some of the lowest rates on credit products, so this was a project we knew could help alleviate further financial strain.

**Page: Submission - Part 2**

Below are a series of questions about your project. Please take advantage of the opportunity to include other documentation such as pictures, videos, audio files, promotional materials, or any other documentation.

**Note:** If you would like to include more than one attachment per question, please add them at the end of this page.

**Why was the project unique and/or innovative in showing concern for your members?**

Our response was unique and innovative because never in our history have we been in a situation like the COVID-19 pandemic where our economy came to a brief, but grinding halt, then a very slow and painful recovery for many. We took an existing promotion that we'd offered in the past and modified it to meet the needs of members who wouldn't ordinarily be targeted for it. Our goal was to help any member who needed relief from high credit card interest during a stressful financial event.

**Supporting material**

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**Supporting link**

**Describe how your credit union evaluated whether and strategized how to implement the project**

Hanscom FCU's marketing team met with our lending team and senior managers to discuss a strategy that would help our members with an offer that would have tangible benefits to their bottom lines. Most balance transfer offers charge a member/customer anywhere from 3% to 5% of the transferred amount, as well as tack on an interest rate that's often higher than what we offer.

Instead of charging our members a fee like other financial institutions were doing, our team thought it would be an innovative move to *give members 3% back* of their transferred amounts (up to \$10,000 in transfers, or \$300) as a savings deposit. They would also receive the benefit of a lower interest rate on their credit card balances, giving them some breathing room if they were dealing with reduced income or another temporary financial setback. Our team decided to keep marketing expenses low (eliminating print collateral) so we could pass the savings on to our members with the 3% cash back into their accounts here at Hanscom FCU.

**Supporting Material**

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**Supporting link**

**What were the specific, measurable goals of the project?**

We designed the program to run through the end of July 2020, but we decided to extend it through August 2021 so we could incorporate telephone outreach.

At the end of June, we had a balance of \$996,757 on qualifying cards. We used this as our base figure. Our marketing goal was to increase our balance of qualifying cards to \$1,500,000, or a \$503,243 increase in our card balances as a result of the program.

**Supporting material**

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**Supporting link**

## What strategies were implemented to reach the project's goals?

We reached out to our members to let them know about the offer through email, website banners, and telemarketing outreach to approximately 6,000 members. Each branch was provided with a list of members for outreach. Our Remote Support, Branch, Call Center, and Card Services employees were trained on the offer so they could tell members about it.

A total of 18,623 Hanscom FCU members received emails about this promotion, which were sent out in waves in July 2020:

Tuesday, July 7:

- 5,886 members
- 28.53% open rate
- 4.2% CTR

Wednesday, July 8

- 3,457 members
- 37.57% open rate
- 2.7% CTR

Tuesday, July 14

- 5,272 members
- 33.31% open rate
- 4.4% CTR

Thursday, July 16

- 4,008 members
- 47.44% open rate
- 4.7% CTR

We decided to extend the project by following up with phone call outreach throughout August. We split the list of members into three groups: Branch contact, LSI (telemarketing) contact, and a control group that did not receive any contact beyond the email.

## Supporting material

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## Supporting link

**How does this project differ from day-to-day operations? What risks or obstacles were identified in implementation?**

Although we have offered balance transfer opportunities in the past, this one was designed to give our members a lower rate on their high-interest credit card balances plus cash-back in savings instead of charging them a fee for the transaction as many other financial institutions were doing.

The main obstacle we faced was that we needed to keep promotional costs low so we could pass the savings on to our members. This eliminated direct mail, which is a usual way of promoting balance transfer offers and why we relied on email with promotional content written in-house.

**Supporting material**

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**Supporting link**

**Explain how members learned of the project or were educated about it and its benefits**

Members learned about the balance transfer promotion by email (18,623 emails sent in four waves through July 2020), banners on our website, and/or targeted telemarketing outreach (6,000 members). Our Remote Support team, branch employees, card services team, and call center were trained on the offer and could tell members about it.

**Supporting material**

[Download File](#)

**Supporting link**

**What were the specific, measurable results achieved (please include budget)**

The budget or cost for the 3% balance transfer was \$10,620, which included \$1,200 for the creation of website banners and \$9,420 for targeted telemarketing outreach in August 2020 to approximately 6,000 members.

By the end of August, we increased our balance of qualifying cards to \$1,994,130, slightly over a 100% increase from the \$996,757 balance we had in June 2020. We exceeded our marketing goal of \$1,500,000 in card balances by over 32 percent.

Throughout August we did additional phone outreach. We split the list of members into three groups: Branch contact, LSI (telemarketing) contact, and a control group that did not receive any contact beyond the email sent in July.

Based on additional phone outreach:

- Our branches processed 10 qualifying members who transferred \$105,124.61 with an average balance transfer amount of \$10,512.46.
- LSI booked a total of 71 credit cards and processed 30 qualifying members who transferred \$225,043.44 with an average balance transfer amount of \$7,501.45.
- The control group (no phone contact) had 6 qualifying members who transferred \$45,938.24 with an average balance transfer amount of \$7,656.37.

**Supporting material**

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**Supporting link**

**How is this project going to be used to serve the credit union's members on a consistent basis?**

We couldn't have imagined the challenges that would befall our world, and our credit union, before March 2020. While we certainly don't want to go through anything like that again, we learned a lot about our organization and how nimble and flexible we can be when necessity requires it. The experience taught us that we can move mountains when we have to, and this flexibility and can-do attitude can only benefit our members as we move forward. Our balance transfer offer got us to think creatively about how we could make a typical financial product different from all the others being offered, a product that would be genuinely helpful to members in their time of need. In April 2021 we ran the promotion again because the feedback we received from employees and members was positive.

**Supporting material**

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**Supporting link**

**Please explain which of the 8 cooperative principles that govern credit unions your project supports and how**

This particular project demonstrates the cooperative principle of Concern for Community. We wanted to help our members reduce worrisome debt and high interest rates during economically difficult times, so we developed a balance transfer program that would not only reduce the interest rates they were paying, but pay them to save instead of taking money from them for a transfer.

**Supporting material**

No File Uploaded

**Supporting link**

Please attach any additional documentation  
*Including, but not limited to, audio, video, pdf files, websites, Youtube, Facebook... etc.*

**Supporting material**

[Download File](#)

**Supporting link**

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**Page: Final Submission**

**Did you change your original goal? If yes, how or why?**

Yes. Our original goal was to end the promotion at the end of July 2020, but we decided to extend it through August 31, 2020 to take advantage of telemarketing outreach that would increase the response rate.

**Is there anything else you would like to include?**

**Supporting material**

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**Supporting material**

No File Uploaded

**Supporting link**

**Supporting link**

Thank you!

**Acknowledgement**

I acknowledge that photos submitted may be used to promote future awards programs by CUNA or the League.