



Wisconsin Ideation | Local Development

2018 Wisconsin Ideation | Local Development

Key Insights

An overview of the innovations developed to help Wisconsin credit unions and their members

EXECUTIVE SUMMARY

2018 marks the inaugural year of Wisconsin Ideation | Local Development (WILD) initiative. This program is made possible by the commitment of The Wisconsin Credit Union League and Corporate Central Credit Union and offered to all affiliated credit unions. It offers the opportunity to credit union professionals in the State of Wisconsin to engage in a nine-month experience aimed at benefiting Wisconsin credit unions and their members. In partnership with the Filene Research Institute, 16 credit union professionals have taken part of this initiative.

The four innovative concepts developed by these bright minds are summarized in this report. Each team presented these concepts at the 2018 Wisconsin Credit Union Convention as a keynote session in Green Bay, WI during a seven-minute pitch:

- **Fin-Lit Connect (Page 3)** – is an all in one online resource designed to bring educators and credit unions together. This solution provides information regarding financial literacy curriculum and allows educators to quickly filter to find age appropriate material for their classroom or to identify educational opportunities for themselves through participating credit unions.
- **dreamBOX (Page 8)** – provides an opportunity for credit unions to deliver financial education to our younger members as well as providing comfort to parents that the information is being presented in a realistic and fun way.
- **Title Genie (Page 15)** – in Wisconsin, when a lien is listed on a vehicle title, the title is held electronically by the financial institution listed as lienholder. It is common for vehicles to be purchased from a private party despite the existence of a lien on the vehicle title. Title Genie will eliminate the period of uncertainty that currently exists between the time when the buyer pays the seller and when the buyer receives the confirmation of ownership from the DMV.
- **IdentiFled (Page 23)** – is the first mobile banking app designed specifically with member's data security needs in mind. The app integrates the convenience of technology with personalized service and security. IdentiFled provides members access to concierge service securely when they need it most.

The concept documents in this summary provide a description of the prototype that each team built, along with testing results, and ideas for next steps toward commercialization. Each prototype will require additional development and testing in order to be market ready. The Wisconsin Credit Union League will provide updates as these ideas continue to develop.

We welcome your thoughts about how to take these ideas to market and invite you to share your interest in participating in continued prototype testing. Progress is essential to the success of our ecosystem. The Wisconsin Ideation | Local Development initiative will continue to invest in innovation on behalf of and for the benefit of all credit unions in Wisconsin. In the words of Ed. Filene, "Progress is the constant replacing of the best there is with something still better."



Fin-Lit CONNECT

**Team FARM
CONCEPT DOCUMENT**

Fin-Lit Connect

TEAM MEMBERS

**Fred Blask, Corporate Central Credit Union
Amy Bauer, Royal Credit Union
Ross Hubbard, 1st Community Credit Union
Mandi Goodness, Bulls Eye Credit Union**

PROBLEM DEFINITION

How might we assist educators in finding quality, age appropriate curriculum and resources to support the new state financial literacy education requirement?

In the state of Wisconsin, 36 percent of schools do not currently provide financial education; this equates to approximately 312,000 students who are not receiving key information that could help them make informed financial choices and be financially responsible adults.

This issue has been on the legislative docket, and a new requirement was enacted in 2017 that requires all WI school districts to develop a strategy for financial education for grades K-12. Unfortunately, there is no guidance on what this education needs to look like, and the requirement could be fulfilled by a single event when a student is a senior in high school. There was also no funding provided to support the schools in developing or purchasing content, or education for the teachers to feel comfortable in providing this type of education.

In conducting a quick Internet search, it is easy to see there is no shortage of financial literacy content for the classroom; the challenge is sifting through it all to find quality content, at the appropriate grade level. Once items are found, the next challenge is finding the funding to access and use the content.

INNOVATIVE SOLUTION

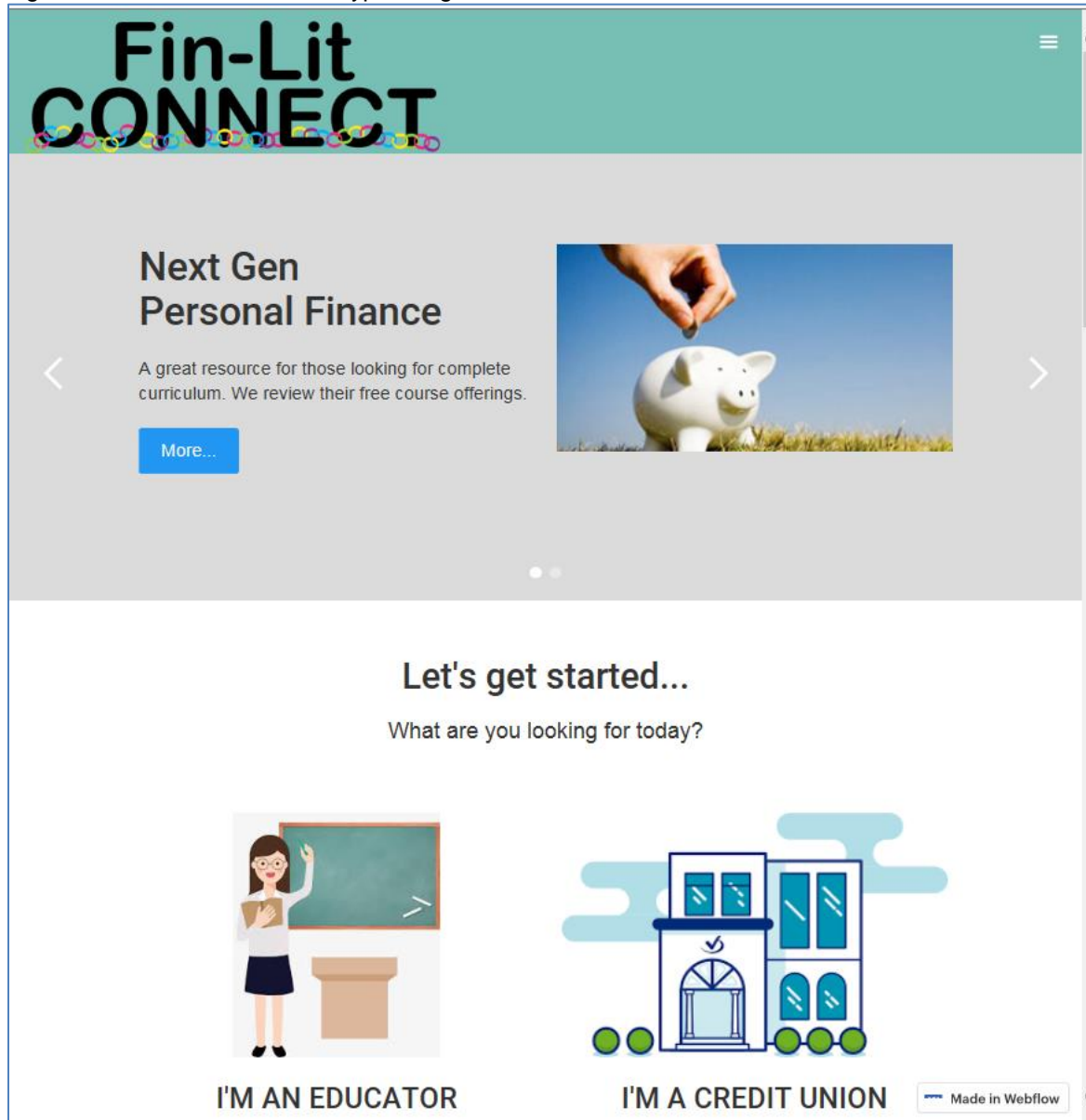
Unlike many other resources, Fin-Lit Connect is an all in one online resource designed to bring educators and credit unions together. The site provides information regarding financial literacy curriculum, and allows educators to quickly filter to find age appropriate material for their classroom or to identify educational opportunities for themselves. This site also provides a directory of credit unions, including the services they provide for educators, to allow the educator to easily connect with resources that are relevant in assisting them.

In addition to the items noted above, Fin-Lit Connect would present opportunities for credit unions to sponsor online content for a classroom and allow educators to apply for funding to attend financial literacy training and education.

PROTOTYPE

Fin-Lit Connect is a website that utilizes decision-tree prompts, allowing the user to quickly filter the site content to access items relevant to them. This site includes financial literacy curriculum, ability to connect with a local credit union to ask questions or request volunteers, and a collaboration area. An image of the prototype is included in Figure 1.

Figure 1. Fin-Lit Connect Prototype Image.



TEST

The prototype and concept were shared with educators and school administrators, as well as credit union representatives. A set of questions (See Appendix) were utilized to gather consistent information from all of those interviewed. Sample questions asked of the educators included:

1. Do you have financial literacy curriculum today? Are you happy with it? What would you like improved?
2. What information regarding financial literacy would you like to receive?

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

The primary considerations for participating in Fin-Lit Connect include the desire for membership (Premier Connect) and providing sponsorship opportunities, as well as identification of a primary contact for their credit union.

- The membership costs support the initial development of the site, as well as on-going maintenance; a membership would provide the ability for the credit union to have a detailed profile page.
- Sponsorships provide the ability for teachers seeking financial literacy education to attend events or for classrooms to use online financial literacy tools with their students.
- The primary Fin-Lit Connect contact would respond to requests received through the site within 24 business hours and can fulfill requests for volunteers and answer financial literacy questions.

FINANCIAL CONSIDERATIONS AND PROFORMA

Fin-Lit Connect would require an initial investment of approximately \$25,000 (\$125 per hour x 200 hours) for the website to be developed and hosted. Once developed, annual maintenance costs of approximately \$5,000 (\$125 x 40 hours) would be required. These costs would be funded through credit union memberships (Premier Connect). Curation of new content would be ongoing and provided by the credit unions who would participate in the Premier level through a secure portal.

While it would be difficult to track direct revenue streams from Fin-Lit Connect, active use of the site would create greater awareness of credit unions across Wisconsin.

RESULTS, COMMENTS, AND NEXT STEPS

The credit unions approached regarding the Fin-Lit Connect concept liked the idea and felt there was a strong likelihood they would be willing to pay an annual fee to sponsor the creation and maintenance of the site. The nominal cost to participate would create stronger connections with the schools in their area, and potentially bring in educators and students who are interested in opening accounts and developing a relationship.

The educators provided encouraging feedback as well, stating they would be interested in knowing what financials in their area could provide sponsorships and volunteers, and have a trusted resource they could access to find quality, relevant content for providing financial literacy education.

The future of Fin-Lit Connect is based on the interest of Wisconsin credit unions in committing to financially support the development of this online resource. It also requires a champion to take on ownership of the site. Initial conversations have occurred with Josh Roberts at the WCUL regarding interest in owning the site, if the cost of the solution would be budget neutral. Further conversations need to occur to finalize this agreement and determine who would drive the initial site development, including content creation.

In addition to the items mentioned above, the development of a comprehensive marketing plan would need to be developed to ensure all credit unions in the state have the opportunity to participate, as well as to create awareness with school administrators and educators once the concept would be available for use.

APPENDIX

- Educators
 1. Do you have financial literacy curriculum today? Are you happy with it? What would you like improved?
 2. Have you heard of <https://dpi.wi.gov/wiselearn>?
 3. What financial literacy information would you like to receive?
 4. How would you like to receive financial literacy info?
 5. Do you have a preference in the use of the following terms? Financial Education, Financial Literacy, Financial Empowerment
 6. Would you be less likely to use the resource if credit union is in the name or as part of the branding on the site?
 7. Who makes curriculum decisions within your school?
 8. Would you prefer to have training for yourself or have volunteers conduct financial education in your classroom?
 9. Would you like to see full curriculum developed/made available for your use?
 10. Show them Fin-Lit Connect prototype. Would you use this resource?
 11. Would you use this site to access and share info with educators and credit unions?
 12. Do you already have a resource like this?

- Credit Unions
 1. Show them Fin-Lit Connect prototype. Could you see this site having a positive impact on Member growth?
 2. Would you be interested in being listed as a resource on the site?
 3. Would you pay to have a detailed listing on the site?



dreamBOX

Innovation KABB CONCEPT DOCUMENT “dreamBOX”

TEAM MEMBERS

Kara Guse, Glacier Hills Credit Union
Alissa Haines, Altra Federal Credit Union
Bryan Ermeling, Covantage Credit Union
Ben Bauer, Simplicity Credit Union

PROBLEM DEFINITION

How can the Credit Union assist members ages 15-19 years of age become financially independent?

According to Raddon Research Insights, "Generation Z: The Kids Are All Right-How High Schoolers Perceive Financial Needs and Opportunities," there are many topics of concern for this age group. The largest financial concern for Gen Z in this study was inflation and the rising cost of living (73%). Other top concerns were: you or your family having enough money (70%) and you being able to get a job (67%).

Along with the research from Raddon we also spoke to parents with children in our age bracket and were told that parents feel there is a need to help young adults with financial literacy; however, parents do not feel they have time to assist them with this. Along with the time constraints mentioned parents did not feel that they had the expertise to assist their children either. Schools throughout the State of Wisconsin now have been mandated financial education for graduation, thus showing that the State of Wisconsin also sees this as an issue that needs to be taught.

INNOVATIVE SOLUTION

Young members in this age group are concerned about being financially stable. Some schools are equipped to teach this as well as some parents, but many times credit unions step up and try to fill this gap. The dreamBOX is another great opportunity for credit unions to provide this much needed education to our younger members as well as providing comfort to parents that the information is being presented in a realistic and fun way.

By providing a mobile-based, gamified, goal-oriented application to this younger generation, credit unions can continue to stay relevant to this newer age group. Raddon Research Insights points to gamification as important to this age group as well as the expectation of rewards. As users play with and use dreamBOX, they will provide valuable information to the credit union to promote products and services that will help these members reach their financial goals. The box they receive will be the reward for their loyalty and continued engagement.

Credit unions have long been leaders in financial literacy to youth. Our credit unions have used some of the programs available but these programs rely on using the education system to bring the financial literacy to this younger generation. We are not aware of another program or product like this where inputting data into an app prompts curated free stuff as well as an offer specific to the member.

The dreamBOX uses some of these same gamification concepts, but brings them into the home directly. The credit unions that offers dreamBOX are able to compliment the school as well as parents by offering an application that can be used at any time anywhere. By adding the popularity of subscription boxes as well as gathering personal data on our members, dreamBOX takes an even more fun and personal approach to financial education. As these young members continue to interact with dreamBOX, the credit unions are able to send them relevant information along with fun items to keep them engaged. All the while, the credit unions can continue to collect data on these members so they can market directly to them in a more engaging fashion than we ever have before.

PROTOTYPE

The dreamBOX is designed based on the members feedback to include credit union swag, items of interest to this demographic, and some resources for their current life stage/financial challenge.



Figure 1

The application includes questions geared toward finding out the member's favorite items as well as learning about their financial goals and life stage. The app will also include a game that will be similar to concepts like the game of Life as well as Money Mission and Modoh Island. The game will be designed to keep the interest of the member as well as educate along the way.

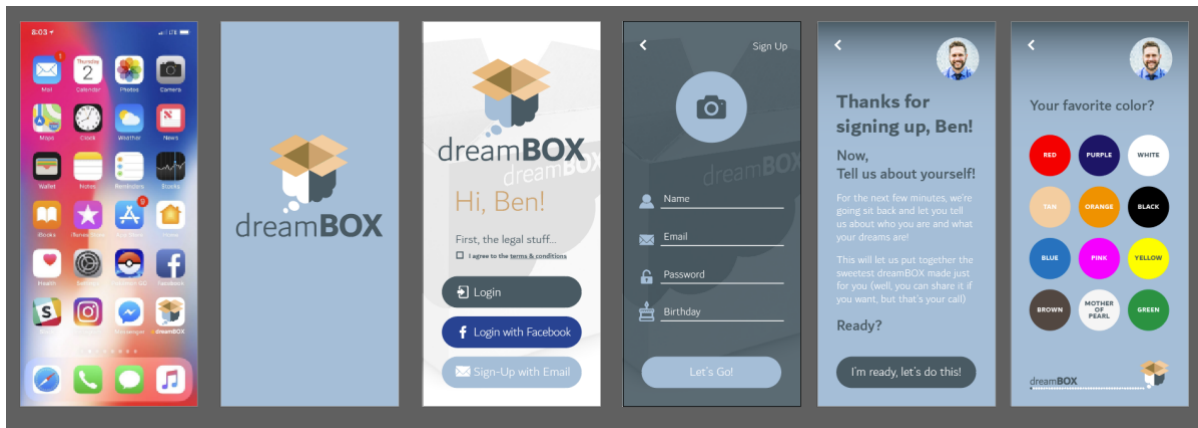


Figure 2

TEST

We surveyed both students and parents to see what would make them want to download an application and what life events they felt were important to learn more about. The survey was created and posted on Facebook by our team as well as shared with family, friends and employees of our respective credit unions. We received over 100 parent surveys back and a total of 16 teen surveys. Although the teen survey pool was relatively small, we were more interested in the parent perspective at this point. According to Raddon Research Insights, 84% of teens surveyed state their parents as the most important source of personal finance information. The next closest in importance is another adult or mentor. We deduced if the parent were to believe in the product and feel it is beneficial, then they would be the ones it would be marketed to.

DreamBOX

Out of the 100 surveys collected, 96 parents would be interested in an app to help motivate their teen to become more financially independent. Interestingly enough, we asked parents if they would use the app as well and 63% of respondents said they would.

Another question we asked in the parent survey was “What life stages do you feel would be beneficial to include in this app?” Parents were presented with multiple options as well as an “other” box and they were able to choose more than one option. The top 3 life events selected were: 1. Starting a Banking Relationship, 2. Preparing for post-secondary education, and 3. New Job. See appendix 1 for full list.

As a group, we discussed offering the parent a dream box when their child signed up for the application. When we asked parents if they would want to receive a gift or if they would sign their child up because they believed in the app, 92% of the parent respondents would encourage their teen to download the app just because they believed in it. Only a small percentage felt they would want to receive something as well. Because of this, we did not put any pricing scenarios in to include a box or incentive for the parents.

In the teen survey, we asked questions around what they liked for apps as well as what they would like to get for free stuff. When asked about what their favorite apps were, overwhelmingly social media was the top option at 81%, with games coming in second. When asked why they download and keep certain apps, the responses were mostly due to social aspect as seen by the graphic below.

ANSWER CHOICES	RESPONSES	
▼ For Fun	37.50%	6
▼ Socialize with my Friends	50.00%	8
▼ Send Pictures	6.25%	1
▼ Win Something	0.00%	0
▼ Watch Videos	6.25%	1
▼ Other (please specify)	Responses 0.00%	0
TOTAL		16

Figure 3

We got a wide variety of responses when asked what they would like to get free in the mail. Some of the items were: money, food, scholarships, coupons, gift cards, and clothes. We were able to base some of our estimates off of this information. We also asked teens if they would watch videos about money to earn additional rewards (free stuff). 87% stated they would.

Because the sample size for the teens was small, we would recommend more research to gain a better understanding of what teens would like within the app. Focus groups would be the best way to accomplish this going forward.

Along with the survey, we also spoke with peers, friends, family, and people in the community to see if they felt the concept of our offering was something that they would be interested in. Overall, we received very good feedback on the idea with the most asked questions being “What is in the box?” and “What type of game will be in the app?”

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

One of the hurdles with dreamBOX is finding a fulfillment partner to ensure that participants are receiving the appropriate items in a timely manner. The cost of the overall program will vary greatly based on volume. The shipment of products would not be difficult for credit unions to deploy on their own as it is a simple concept. While it would be easy to replicate we feel this would be time consuming and most likely cost prohibitive for some credit unions to do on their own.

The application and game piece of dreamBOX would cause challenges for credit unions that do not have in-house programmers or the funds to hire such programmers to write the application. On the other hand, the game can be as complex or as simple as credit unions wish, making the roll out much more flexible.

What's helpful about dreamBOX is that it will not need to connect to a core system or be limited to one online platform. For the concept to work best we foresee this being housed by a larger organization like CUNA Mutual Group or the Wisconsin Credit Union League to allow for volume discounts on products and packaging along with efficiencies in the fulfillment to be outsourced. Another option would be to use a CUSO so multiple credit unions can come together to create and promote the use of dreamBOX to other credit unions.

FINANCIAL CONSIDERATIONS AND PROFORMA

We contacted a vendor for box production and fulfillment as well as estimated how much it would cost to add goods in each box. We took the information we received and put together pricing scenarios.



Figure 4

As you can see in our scenario, we are looking at a prospect base of 2500 people as well as targeting specifically auto loans in that target.

As shown in the pricing scenarios above, dreamBOX would have almost a 100% higher profitability over the standard direct mail method many credit unions are using today. A major factor in this profitability is the fact that, with dreamBOX, CU's are receiving better information on the members to design a unique offer. We found that data that accurately depicts what we can expect is simply not available because nothing like our product exists. The 10% is an assumption based on the conversion rates of other marketing/sales efforts compared to the standard conversion rate of 4% for direct mail. We think that what makes the 10% possible is when we create the partnership between quality data given to us by the user, plus the psychology of the experience of ordering, waiting for, and receiving something. Similar to shopping online, receiving a free box in the mail can raise dopamine levels in those receiving the product. According to Alan Castel, Ph.D. in "Why We Like Online Shopping, and Delayed Gratification". "Online shopping might lead to a dopamine burst when initially making a purchase, but also some additional reward activation while waiting for it to arrive (e.g., while tracking the package, checking the mail, etc.). Thus, it could be a slower and more drawn-out neural reward system at play, leading to high anticipation and pleasure of soon receiving a desired item in the mail,"¹

Along with the initial data collected with dreamBOX we would continue to ask more questions of the participants to build a better and growing data base of these members allowing us to give future offers to this same group of members. This makes dreamBOX very different from the direct mail option which only looks at one point in time of the receiving person.

Not calculated into the pricing scenarios is the cost of creating the actual app. As we are recommending a cooperative on the creation of this app, there would have to be some consideration on the shared cost or membership cost based on funding of the app. We researched a tech company that offers an estimation of app creation. The estimation we received was \$75,500 based on multiple factors. Some of the factors include: creation of an icon, using upgraded graphics within the application, the ability to connect to other apps or websites, and allowing for use on Apple iOS as well as Android.

RESULTS, COMMENTS, AND NEXT STEPS

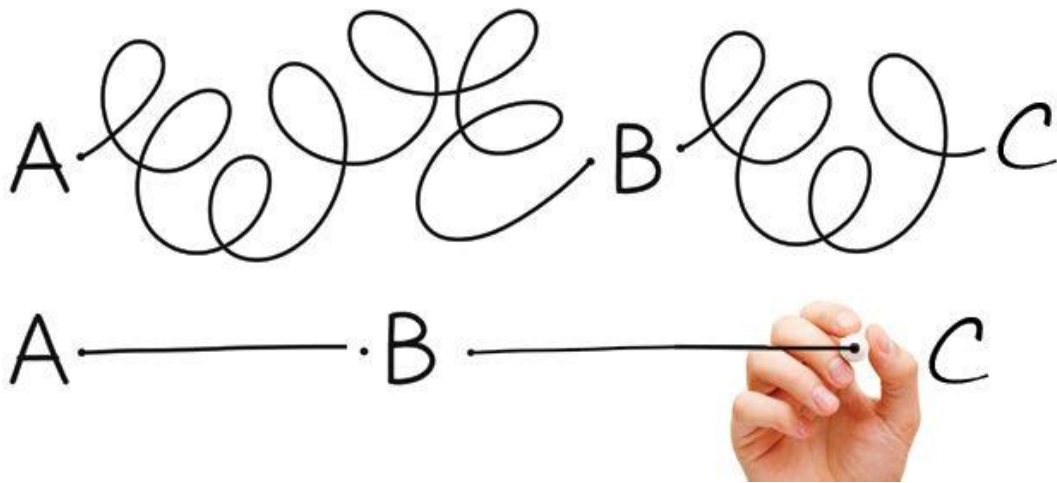
Innovation KABB would like to work with a distributing organization to implement the dreamBOX application. Our survey results as well as peer interviews overwhelmingly point to a need and a want for a solution like dreamBOX. In the teen survey, they were interested in receiving rewards as well as willing to watch videos and learn about money to earn even more rewards. Because social media is so important to this group, we strongly suggest a social aspect to the app. Our teen surveys were only a small sample size, but moving forward, we would recommend a focus group from a random sampling of teens to bring us the most relevant information from their prospective.

Our research shows this type of product would have interest from the consumers and also would be a profitable solution for credit unions to assist in member attraction and retention. We are looking for an organization like the Wisconsin Credit Union League or CUNA Mutual Group to continue the development and programming of this concept and to deliver this program to credit unions across the country.

¹ Alan Castel, PH. D, *Why We Like Online Shopping, and Delayed Gratification*, (Psychology Today website Nov 14, 2016)

APPENDIX

ANSWER CHOICES	RESPONSES	
▼ New Job	66.33%	65
▼ Obtaining Drivers License	30.61%	30
▼ Starting a Banking Relationship	73.47%	72
▼ Purchasing a vehicle	58.16%	57
▼ Preparing for post secondary education	67.35%	66
▼ Moving out on their own	59.18%	58
▼ First Major Purchase on their own	40.82%	40
▼ Other (please specify) Responses	8.16%	8
Total Respondents: 98		



Trending Dabbers CONCEPT DOCUMENT

Title Genie

Streamlined Private Party Vehicle Purchasing

TEAM MEMBERS

Lesley Enz, PCM Credit Union

Shay Santos, Dane County Credit Union

Matt Sathoff, University of Wisconsin Credit Union

Sonny Schaar, Premier Financial Credit Union

PROBLEM DEFINITION

Purchasing a vehicle from a private party can be a complicated process for consumers and is often a steep enough hill that many consumers visit car dealerships for their purchasing needs. Most of the buyer's uncertainty stems from handing over a significant amount of money for a vehicle that could be owned by the seller for several weeks after they hand you the keys to that vehicle.

Meanwhile, the buyer's financial institution has disbursed loan proceeds, and the clock has started ticking for that financial to ensure their lien is recorded on the vehicle title.

According to the DMV, ownership doesn't officially transfer from the seller to the buyer until the DMV has received the original title signed by the buyer and seller, a fully executed title application and the required titling fees. When the seller has a lien on their title, the process can be quite complicated.

How might we streamline the private party vehicle purchase process in order to provide peace of mind to our members and ensure a timely perfected lien for credit unions?

INNOVATIVE SOLUTION

In Wisconsin, when a lien is listed on a vehicle title, the title is held electronically by the financial institution listed as lienholder. It is common for vehicles to be purchased from a private party despite the existence of a lien on the vehicle title. The truth of the matter is without a vehicle title, when buyers and sellers exchange money and the vehicle, the transfer of ownership has not occurred. Title Genie reduces the time gap between when the vehicle is exchanged and when ownership is officially transferred.

While exchanging cash for keys seems to be a straightforward process, the existence of an electronic title held by the seller's financial institution can provide a significant amount of complication. In order for the ownership to be transferred several steps need to take place that require action from the buyer, seller, buyer's financial institution, seller's financial institution and the DMV (See Appendix A).

Title Genie will eliminate the period of uncertainty that currently exists between the time when the buyer pays the seller and when the buyer receives the confirmation of ownership from the DMV. Prior to the exchange of cash and keys, the Title Genie form will be completed and fully executed by the buyer and seller. The document will allow ownership to be transferred contingent on the electronic release of lien by the seller's financial institution (See Appendix B).

In researching current credit union practices, we discovered several financial institutions utilize DMV form MV2488 when completing a private party purchase loan with an existing lien. The DMV has provided guidance that this form should only be utilized when the original title has been lost or destroyed and is not a solution when another financial institution holds the title. The MV2488 is a 3-ply carbon copy form that needs to be obtained from the DMV. Implementing Title Genie will provide the following benefits:

- Single page document
- Fully integrated into loan origination systems for data mapping purposes and delivery convenience

The form will be available on the DMV website for no cost to financial institutions or consumers.

PROTOTYPE

The Title Genie prototype is a one-page pdf document that will be provided by the DMV. See Appendix C for the complete Title Genie prototype.

TITLE GENIE Transfer of Ownership – Lienholder Held Title Wisconsin Department of Transportation													
<ul style="list-style-type: none"> This form may be used when a Wisconsin Title is held by a lienholder. The transfer of ownership is contingent on the electronic release of lien by the lienholder. 													
Once this Transfer of Ownership is fully executed, the person, firm or corporation named as Purchaser will be the lawful owner of the vehicle described, subject to any Security Interest (liens) shown. If multiple Lienholders are listed on this document, the order in which they are written do not necessarily represent their priority. The Wisconsin Department of Transportation will not be responsible for false or fraudulent odometer statements made on this document or for errors in reporting brand disclosures or the history of the vehicle. The department has no actual knowledge about the history of the vehicle and makes no warranty that the title brands or mileage disclosures on prior titles have been carried forward to this document.													
Selling Price		Sale Date		Current Lienholder (name of financial holding lien)									
Vehicle		Year		Make		Model							
				Body Type		Phone # if available							
					Vehicle Identification Number (VIN)								
Exempt from odometer disclosure because vehicle is: <input type="checkbox"/> 10 or more model years old <input type="checkbox"/> Gross vehicle weights rating exceeds 16,000 pounds													
ODOMETER NOW READS (no tenths) and to the best of my knowledge is the actual mileage of this vehicle unless one of the following statements is checked													
<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>										<input type="checkbox"/> The odometer reading reflects the amount of mileage in excess of its mechanical limits. <input type="checkbox"/> The odometer reading is NOT the actual mileage – WARNING ODOMETER DISCREPANCY.			
BRAND DISCLOSURE (will be printed on future titles)													
<input type="checkbox"/> Salvage Vehicle <input type="checkbox"/> Flood Damaged <input type="checkbox"/> Hail Damaged <input type="checkbox"/> Previous Police Vehicle <input type="checkbox"/> Previous Taxicab													
Print Seller's Name(s)				Print Purchaser's (Dealer) Name									
Seller's Address (Street)				Purchaser's Address (Street)									
City		State		Zip Code									
				City		State							
				Zip Code									
The seller is required to state the mileage and provide written vehicle disclosure in connection with the transfer of ownership. Failure to complete a mileage statement or providing a false mileage statement, disclose required information, or providing a false statement may result in fines and/or imprisonment and may make you liable for damages to the purchaser. See Federal 49 USC and Ch. 342 Wisconsin laws.													
I, the seller, certify that to the best of my knowledge the information contained on this document is true and correct and that I have entered the vehicle odometer reading, brand disclosure, and selling price in compliance with federal and state law as referenced above. For value received, I sell, assign or transfer the vehicle described on this document and warrant title to purchaser.													
X _____ (Seller 1 Signature)			X _____ (Purchaser 1 Signature)										
_____ (Date)			_____ (Date)										
_____ (Print Name of Seller 1)													
_____ (Print Name of Purchaser 1)													
X _____ (Seller 2 Signature)			X _____ (Purchaser 2 Signature)										
_____ (Date)			_____ (Date)										
_____ (Print Name of Seller 2)													
_____ (Print Name of Purchaser 2)													

TEST

For our initial testing, we contacted several managers of credit union loan servicing departments to identify the specific pain points in the private party purchase process. We obtained information on process inefficiencies that cause delays for loan servicing areas in perfecting their lien on the vehicle title. Information on member frustration in obtaining the signed vehicle title form from the seller was also documented. Once we had documented the main process inefficiencies identified by financial institutions, we started the conceptualization and development of the Title Genie solution.

To further test the demand for a solution to the private party purchase problem we sent a survey to the Wisconsin Credit Union League General Community with the following information:

The private party purchase of vehicles presents a title challenge when there is an existing lien and the title is held electronically by the current lienholder. Our group is designing a form that would allow a buyer and seller to sign at the time of the transaction, instead of the current delay in which both parties must wait for the original title to be released by the DMV and the coordinate for signatures to be obtained.

We then asked two questions. The results from 88 respondents were as follows:

- On a scale of 1 to 5, how valuable would this process improvement be to your credit union?

○ 5 - Very Valuable	68	77%
○ 4 –	14	16%
○ 3 –	2	2%
○ 2 –	1	1%
○ 1 – Not Valuable	3	3%

- On a scale of 1 to 5, as a consumer, how valuable would this process improvement be for you or to others you may know?

○ 5 - Very Valuable	64	73%
○ 4 –	17	19%
○ 3 –	3	3%
○ 2 –	1	1%
○ 1 – Not Valuable	3	3%

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

The implementation of the Title Genie form would create operational efficiencies for credit unions. The form would be developed in a .pdf format so it could easily be integrated within a financial institution's loan origination system. This would enable a credit union to map the necessary data from their system onto the form and print a version that could be taken to the seller when the vehicle is sold. When the fully executed Title Genie form was returned to the buyer's financial institution, that financial would need to confirm the release of the existing lien before processing the title application electronically. In the scenario where the buyer is not financing the vehicle purchase, the buyer could take the fully executed Title Genie form directly to the DMV after the seller's lien has been released. The use of this form could also potentially enhance scenarios where the DMV has recommended the use of the 3-ply MV2488 (lost or destroyed titles).

FINANCIAL CONSIDERATIONS AND PROFORMA

While the production and implementation cost of Title Genie would be minimal to the DMV, financial institutions and consumers, there would be significant cost savings realized as a result of the efficiencies created with the new process.

The current process results in credit unions following-up with their member to determine the status of the vehicle title being signed by buyer and seller. Oftentimes the buyer needs to follow-up with the seller and the seller needs to follow-up with their financial institution.

RESULTS, COMMENTS, AND NEXT STEPS

The feedback received from speaking directly with credit union loan servicing departments and the results of our online survey supports the need for implementing Title Genie to address the inefficient private party vehicle purchase process.

In addition, the Trending Dabbers met with Jay Wadd, a Legislative Aide in Wisconsin State Senator Dave Hansen's office to discuss the problem and Title Genie solution. Mr. Wadd agreed that our Title Genie concept addresses an inefficient process and requested that we continue to garner support for the project with a goal of discussing the impact to Wisconsin Statutes by the end of 2018.

The Ask! If you see a benefit to addressing the inefficiency of the private party purchase process (as a credit union employee or a consumer) we would like to hear from you. We have developed a petition and you can sign it by taking out your cell phone and opening the League app.

APPENDIX A

Current Private Party Vehicle Purchase Process

DMV	Buyer's Financial	Buyer	Seller	Seller's Financial			
		Finds a car they would like to purchase through a private party					
		Applies for a loan with their credit union					
	Loan is approved and documentation is requested (ex: copy of title, bill of sale)						
		Signs loan docs, including the MV-1					
	Loan proceeds are disbursed to buyer, temp plates provided						
					Pays seller	Gives vehicle to buyer	
						Pays off vehicle loan with their financial	
							Wait 7-10 to ensure funds have cleared
							Electronically releases lien, and title is mailed to seller
						Receives paper title in the mail	
						Signs title as seller and contacts buyer to discuss method of delivery for paper title	
						Receives paper title from seller	
		Signs title as buyer and provides title to their Credit Union					
	Completes online vehicle titling and sends title, MV-1 and fees to WI DMV						
Processes title application, adds credit union lien and mails confirmation of ownership and license plates to buyer							

APPENDIX B

Title Genie Private Party Vehicle Purchase Process							
DMV	Buyer's Financial	Buyer	Seller	Seller's Financial			
		Finds a car they would like to purchase through a private party					
		Applies for a loan with their credit union					
	Loan is approved and documentation is requested (ex: copy of title, bill of sale)						
		Signs loan docs, including the MV-1					
	Loan proceeds are disbursed to buyer, temp plates provided						
					Pays seller	Gives vehicle to buyer	
					Title Genie		
					Provide signed Title Genie to financial	Pays off vehicle loan with their financial	
							Wait 7-10 to ensure funds have cleared
							Electronically releases lien, and title is mailed to seller
	Completes online vehicle titling and sends title, MV-1 and fees to WI DMV						
Processes title application, adds credit union lien and mails confirmation of ownership and license plates to buyer							



IdentiFled

**Quad Squad
CONCEPT DOCUMENT**

IdentiFled

TEAM MEMBERS

Tina Liegel, Heartland Credit Union
Danielle Green, Park City Credit Union
Jonathan Probst, Capital Credit Union
Lindsey DeBartelo, Blackhawk Community Credit Union

PROBLEM DEFINITION

The Quad Squad set off on this innovative journey to answer the question, how might we prevent fraud for our members by providing them a secure and streamlined method to authenticate themselves when contacting the credit union.

When members call credit union contact centers, the first thing they are asked for is their account number, typically followed by a request for additional identifying information such as security questions or out of wallet questions. Members are asked to verbally disclose identifying details, and many times the member is not alone when providing that information out loud. Now everyone in earshot knows the member's personal information.

According to a report by PSCU, a CUSO used by more than 900 credit unions estimates that the voice channel accounted for more than \$14 billion in fraud last year in the U.S. (CUToday, 2018). Roughly one in every 937 calls made to credit union contact centers are fraudulent, (CUToday, 2018). According to a new Javelin Strategy & Research Study, identity fraud is at an all-time high with 16.7 million U.S. victims affected in 2017 (Javelin Strategy & Research, 2018).

INNOVATIVE SOLUTION

IdentiFled is the first mobile banking app designed specifically with member's data security needs in mind. The app integrates the convenience of technology with personalized service and security. IdentiFled provides members access to concierge service securely, when they need it most.

IdentiFled is the first mobile banking app that makes calling the credit union completely secure. It utilizes current mobile wallet technology to create a token for every member's account number. This ensures that no account specific detail is ever stored in the app or on the phone. When the member uses the app to make the secure call, the token is passed to the Credit Union's dashboard and is unencrypted to identify the associated account. In addition, members may use fingerprint ID or PIN to access the app, ensuring that only the member is able to unlock and activate the token. This eliminates the need for members to answer several out of wallet questions. This solution not only saves member's time, it keeps their personal information safe when calling the credit union in any public setting. Subliminal

PROTOTYPE

The app was built with the end user's experience in mind. The app was established to ensure every member would be able to use it with one click.


IdentiFled

Figure 1



Figure 1: Graphics created by Team Quad Squad.

Figure 2



IdentiFled		CALLS IN QUEUE	
CALL STATUS	NUMBER	MEMBER	MEMBER #
Incoming	800-888-7777		
Incoming	608-779-7555		
Call Back	262-555-5555	Amelia Bedelia	123456
Incoming	514-295-5375	John Q. Member	654321

Figure 2: Graphics created by Team Quad Squad

TEST

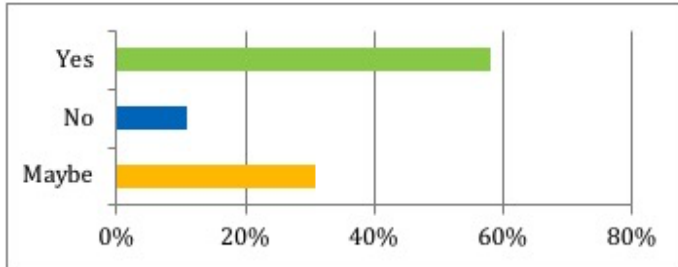
We started our testing by creating a survey through Survey Monkey. We asked our 391 respondents three simple questions to determine viability. We asked respondents to imagine their credit union offering a way for them to contact the credit union quickly and securely.

We posted the survey link on social media sites including Facebook and LinkedIn and asked our friends and colleagues to take the survey. The results are as follows:

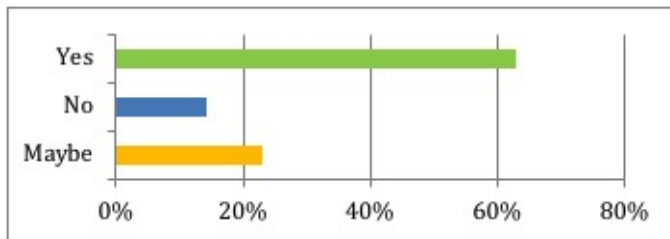
Q1. Would you download the app?

IdentiFled

Figure 3



Q2. Would you use the app to call the credit union if it verified your identity?



Q3. Do you feel the current process of identity verification is time consuming or invasive when you call?

Figure 3: Calculations and graphs obtained from survey data by Team Quad Squad.

Additionally, we sat with our respective contact centers and listened in on calls. While listening, we documented the amount of time it took to verify the caller's identity during each call and we noted all of the calls where the caller could not be identified. We also spent time in lobby listening to member interactions.

OPERATIONAL AND IMPLEMENTATION CONSIDERATIONS

This solution will be released in a phased approach. At phase one we are asking credit unions to beta a standalone application. Each application would have to be downloaded and customized for credit union. Customization would be fairly simple and include color and logo of each individual credit union. Integration of IdentiFled would affect the current contact center phone system and possibly core systems in the future. Each integration would be different and would require unique customization. Contact center staff would also need full training on the new software and training on the new way of providing more secure member service. The intent is to utilize the app to eliminate having to ask for verbal responses to personal questions. Contact center staff would need to know and understand this in order to ensure its effectiveness and to promote the new offering to members.

Implementation would be fairly easy for credit unions without any current contact center software in place. IdentiFled's dashboard could serve as a very basic tool for smaller contact centers. For credit unions with contact center software in place, the integration would be key. IdentiFled would need to

IdentiFled

feed into the existing credit union software in order to place calls made or requested from that app into the appropriate place in the call queue.

Gaining buy-in and engagement from members would also have to be considered since it would be a standalone app. This would take employee engagement and a good marketing campaign to make members aware of the new software. Marketing campaigns would have to be run in branch with staff engaging and educating members on functionality. The marketing department's focus would be on privacy, data security and time savings for the member. Highlights from our Power Point as well as our introductory video would be made available for marketing of the product.

Moving into phase 2, IdentiFled would be integrated into the credit union's mobile banking app. The goal is to provide the convenience and security of IdentiFled without requiring members to download more than one credit union app. Integration into existing mobile banking apps would make it more convenient for members and eliminate the need for an additional username and password.

FINANCIAL CONSIDERATIONS AND PROFORMA

Fraud has been consistently on the rise in recent years. An article in CU Times reported that,

"Atlanta- based voice security/authentication firm Pindrop Labs in its annual Call Center Fraud Report revealed a significant increase in the fraud rate, a jump of 113% year-over-year. Fraud rates in 2016 were 1 in 937 calls across the board, compared to 1 in 2,000 calls in 2015, according to Pindrop's 2016 report. For financial institutions, the rates were 1 in every 895 calls," (Urrico, 2017).

In the year 2017, 16.7 million Americans were victims of identity fraud, (Javelin Research & Study, 2018). The average cost of fraud for credit unions over \$1 Billion in assets is \$165,000 per year and growing. Credit unions would not only realize hard cash savings but also some peace of mind for the security of their members.

Additional research shows, smartphone use has also been consistently on the rise. As shown below smartphone use has been increasing year over year across all age groups.

Figure 4.

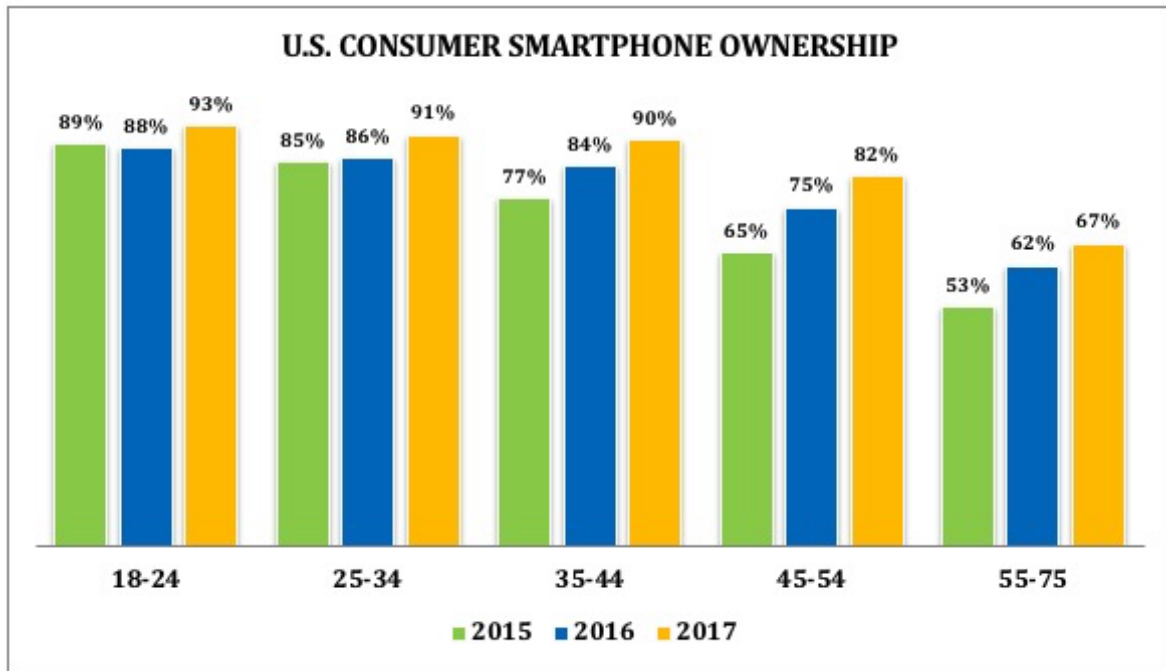


Figure 4: Graph provided from report *Reinventing Checking Accounts* by Ron Shevlin, Director of Research, Cornerstone Advisors.

In Q3 2017, Cornerstone Advisors surveyed 2,015 U.S. adults between the ages of 21 and 72 (Millennials, Gen Xers, and Boomers, but not members of the silent generation) who have a checking account and own a smartphone (Shevlin, 2017, p.2). The survey asked questions about their banking attitudes and behaviors. The sample is not representative of the overall U.S. adult population but was selected because they believed it best represented the population of consumers that banks and credit unions are looking to acquire and serve.

Development of the standalone app and dashboard will take about a year and a half from kickoff. It will take an application developer one year to complete work on this project including integration with the dashboard. The dashboard itself will also take the same amount of time to complete. With the addition of tokenization, security for the app and dashboard, integration considerations and testing the cost of this project would be approximately \$250,000. Additional time and money will be needed to integrate the dashboard into existing call center software for each credit union.

RESULTS, COMMENTS, AND NEXT STEPS

The average number of calls taken by our four credit unions in a month is 13,000. During our call monitoring there were several instances where the contact center was unable to identify the caller; therefore, the representatives had to transfer members or was unable to help altogether. After reviewing the calls where members could be identified, the average time to verify a member's account and identity was determined to be approximately 45 seconds. We are able to determine the use of IdentifLed could save the average contact center 162.5 hours of call time per month. The number of hours IdentifLed can save is equal to about one contact center employee's average working hours in a month. A savings of the average cost of FTE contact center employee's salary, \$41,600.00.

Identified

Survey results were very positive and showed 89%, or 348 out of 391, respondents saying they would or would at least consider downloading the app and 86%, or 335 out of 391, respondents said they would use it or would consider using it.

Figure 5.

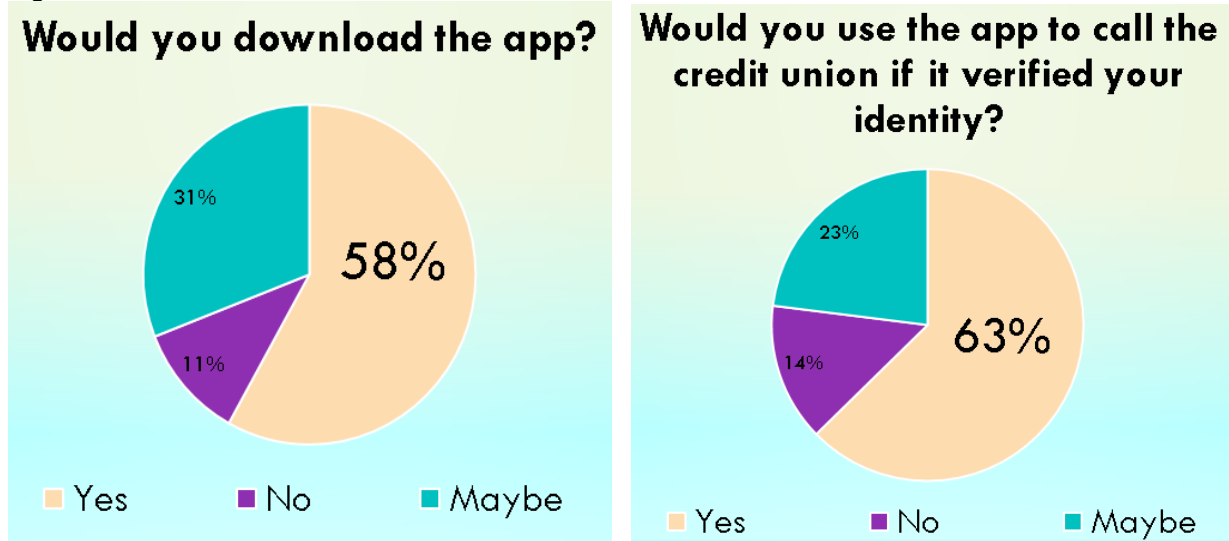


Figure 5: Calculations made from survey from Team Quad Squad.

We have identified a need for our product. We have proven members have an interest in our product and we have determined what it would take in order to turn our prototype into a reality. Our next steps are to determine interest from credit unions who would be interested in implementing our product and then secure funding to work with an app developer to turn our idea into a viable solution to protect our members' privacy and stop contact center fraud.

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Wisconsin Ideation | Local Development



Wisconsin Credit Union League

The League is the trade association for Wisconsin's credit unions – not-for-profit financial institutions that are cooperatively owned by their [3 million members](#). The League is dedicated to [serving Wisconsin's credit unions](#) and promoting [the Credit Union Difference](#). The League helps consumers, the media, legislators and others to learn more [about credit unions](#).



Corporate Central Credit Union

is a federally insured financial cooperative built on the values of [commitment to service, fiscal responsibility, and respect for the individual](#). We cultivate a culture of respect, ethics, teamwork and innovation. We are "[Helping Members to be Wildly Successful](#)" by delivering industry knowledge and expertise to help credit unions achieve their strategic objectives and compete in today's evolving financial services industry. We are motivated to passionately serve our members and strive to learn, create and innovate daily.



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"Progress is the constant replacing of the best there is with something still better."

—Edward A. Filene

