

Informed Decisions

Alloya Corporate FCU represents collaboration on a grand scale with more than 1,100 members and growing. Ownership enables credit unions to preserve the things they need most:

- Dependable correspondent services
- A simplified, single-point of settlement
- Access to a line of credit

What else could ownership mean for you?

- Premium member benefits with low capital requirements
- Great service from people who champion credit unions
- Direct access to affordable products enabled by the corporate's collective buying power
- Solutions designed for credit unions not megabanks, their allies and their profits
- One-stop online account management, centralizing settlement, overnight and correspondent service activities

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Please read on to understand the benefits offered by Alloya in more detail.

Capital Plan – Less is Much More

“How much is this going to cost my credit union?” you ask, “And is it really worth it?” As with any business, capital is necessary. To comply with regulations, permanent capital is required from all members. What is notable about Alloya's capital requirement?

- The affordable capital requirement is based on how much or little your credit union uses the corporate's balance sheet (evidenced by settlement activity).
- The capital calculation is based on three days' average debit settlement.
- Your credit union's capital deposit is an earning asset that yields competitive dividends.
- Capital requirements may fluctuate as your credit union's average settlement decreases or increases. Because perpetual capital is permanent by definition, it cannot be returned by the corporate to members. However, capital shares may be purchased or sold (at par), among new or existing members. Any transfer would require approval by Alloya Corporate in compliance with regulations and securities laws.
- Reflecting its conservative risk profile, the corporate's capital will be invested in risk-averse instruments such as U.S. Treasuries and Agencies.

What Else is Notable About Alloya's Capital Requirement?

- Join Alloya and receive a credit line advantage equal to 30 times your credit union's capital contribution.
- To increase your credit line (subject to credit approval) or raise your deposit maximum, you may contribute additional perpetual or non-perpetual capital, once your minimum permanent capital requirement has been met.
- Grow your credit union without adding more capital. Your credit union's asset size is immaterial to our balance sheet – why should it dictate the capital you deposit? At Alloya, it doesn't.

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Business Relationships with a Capital “R”

Your credit union is all about service and so are we. How do the employees of Alloya Corporate demonstrate what we stand for every day?

- Financial services are a serious business, yet we make business personal. Many professionals at Alloya Corporate are enthusiastic veterans of the credit union movement.
- A network of on-the-ground, regional field staff brings an in-depth knowledge to consultations with credit unions. Regardless of the issue, your Senior Business Consultant steps up to help.
- Highly skilled member service representatives, who know your business inside and out, provide telephone support during extended business hours.
- Inside the bricks and mortar, a spectrum of other services is handled by knowledgeable professionals in Warrenville, IL (headquarters) and Albany, NY (major operations).
- Since each site handles different functions, teams are complementary not overlapping.
- Our people know their stuff and they like sharing. An extensive schedule of education sessions is offered, suitable for executives, staff and board, covering topics critical to your business.

Operations Confidence

What situations at your credit union keep you up at night? Operations disruptions, new vendors to manage, currency shortfalls? At Alloya, we put a premium on solutions delivered so dependably, you may take their effectiveness for granted.

- Access virtually all services online via Premier View, the single sign-on cash management system.
- Settlement is centralized through a single point, easing daily business transactions.
- Since we handle back-office clerical functions, your staff stays focused on key initiatives.
- Credit union data is protected by systems built to ensure security and integrity.
- Two data centers perform discrete functions, keeping operations humming.
- We validate BCP processes hands-on not just in theory, as we perform regular daily business.
- An affordable line of credit has your credit union’s name on it.
- All corporate shares held by members are guaranteed through December 31, 2012.

The Ultimate Buyers’ Network

Imagine that your favorite local shop suddenly possesses the advantages of a large retailer: more selection, better pricing – even the shop’s legendary service has an extra glow. At Alloya, member-owners leverage their combined power in a similar way, for the good of their members, operations and balance sheet.

- A large “buyers’ network” of credit unions attracts providers that offer premium products at competitive pricing. No surprise: vendors are more responsive to a crowd than a party of one.
- Fees generated by established partnerships with national providers return as income to the corporate’s coffers.
- Income builds retained earnings and keeps processing fees affordable.
- Alloya’s wholly owned CUSO, Balance Sheet Solutions, LLC, also generates income for the corporate. With members and non-member credit unions among its clientele, this revenue stream is not only diverse, it is growing by leaps and bounds.
- Alloya is lean and profitable. While fees charged to members are always subject to market forces, doubling and tripling fees has no place in the financial viability of Alloya.
- Products and services feature fair and affordable pricing, impartial to the amount of a member’s capital deposit.

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What About the Alternatives?

We know your credit union has probably been approached by those outside the corporate network, eager for your business. Yet as others beckon, is their grass really greener? Ask:

- How much power am I willing to sacrifice? Fragmenting business among multiple providers reduces the buying power of all and weakens each credit union.
- When you do business with a competitor or a bank-friendly vendor, you put your faith in a questionable ally. Businesses are beholden to their owners – who owns the other guy?
- When is the last time the Federal Reserve went to bat for you? Would they cover an encoding error, adjustment or other issues that seem to occur daily? Forget it. The volume an individual credit union brings to the Fed is simply not worth their time.

Business Strength

Alloya, among the largest corporates in the nation, is well positioned now and for the future. How so?

- Alloya continues to grow its capital balance, is profitable and risk averse, built on the foundation of stringent corporate regulations.
- Alloya possesses significant retained earnings.
- Retained earnings help preserve product and service fee stability by limiting fluctuations.
- With financial statements posted monthly, our pledge to financial transparency endures. And sharing our progress with owners can be very satisfying.

A Corporate for the Future

Many people think the corporate system will continue to evolve, shaped by new alliances, fresh ideas and emerging technologies. Do you agree that Alloya's skill in mergers will be a useful advantage?

- Alloya Corporate has more merger experience than any other corporate in the system.
- We executed the merger of Constitution Corporate FCU in just 90 days with minimal disruption to Connecticut credit unions and their members.
- Having completed eight consolidations, we know how to merge while keeping a local presence firmly planted in owners' markets.
- Through each merger, high quality service has been maintained with no perceptible impact to credit unions and their members.

Conclusion

As Alloya advances the next generation of cooperative solutions, we continue to deliver the affordable products and behind-the-scenes support many credit unions depend on today. After examining the facts, we hope you will accept the invitation to join your peers in ownership, as a member of Alloya Corporate FCU.

If you have questions about membership or need information about a specific topic not covered here, please contact editor@alloyacorp.org for answers or use the Contact Us form on www.alloyacorp.org.