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For Immediate Release

Rockford CUs part of new “Bank on” program with Illinois State Treasurer

Naperville, IL., October 6, 2009 – After weeks of planning, three Rockford area credit unions joined with Illinois State Treasurer Alexi Giannoulias on October 1 at a press conference to officially kick off the Bank on Illinois program in Rockford.

"Bank on Rockford" is a program that aims to offer unbanked residents from underserved and minority communities free and/or low-cost accounts with mainstream financial institutions– and credit unions are part of this effort. Partner organizations, which include local not-for-profit agencies and financial institutions including credit unions, aim to sign up 1,000 individuals in the Rockford area in the next year.

Rockford, Illinois is the first Illinois city to take part in this national campaign. The City of Aurora will be the second with an informational meeting to be held this Thursday, October 8.

According to the Pew Charitable Trusts/Safe Banking Project, Rockford is home to approximately 4,600 unbanked households, which means these households rely on check-cashers, payday lenders and pawn shops to cash checks, pay bills and borrow or wire money instead of a bank or credit union. These alternative bank services are costly. The average unbanked household in Illinois pays \$574 a year just to cash payroll checks, leaving \$22,376 in remaining income.

"Too many Rockford residents are ripped off by check cashers and payday lenders and become trapped in an endless spiral of debt," said Treasurer Giannoulias. "Having access to traditional checking and savings accounts will translate into financial independence and empowerment."

The three participating credit unions in the program were represented at the press conference. They included First Northern Credit Union, Generations Credit Union and MembersAlliance Credit Union. Karen Jurasek, CEO of Generations, was invited to speak on behalf of the movement.

"Many of the non-profit partners provide essential elements such as housing and job training, but their clients lack the skills necessary to manage their housing expense and their paycheck," said Jurasek. "This is the point of referral to our credit unions and banks – that can provide the services and educational tools needed for financial security."

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Added Ed Berg, Illinois Credit Union League (ICUL) Director and CEO of First Northern CU, "By participating in Bank on Rockford, community groups and non-profit organizations will refer people to our credit union who truly need our help. Without partner referrals, we may never be able to reach many of these people."

Nationally, 65 percent of unbanked residents are employed full-time and another 24 percent work part-time, Pew reports. However, more than half of unbanked households say they've never had a checking account because of misperception and distrust of banks.

Bank on Rockford is modeled after a similar program launched in 2006 by the San Francisco, California Treasurer's Office. The campaign enlists community organizations to provide expertise on and outreach to unbanked residents, while financial institutions market and advertise appropriate, low-cost bank account products to these consumers. Elected officials act as an intermediary between the nonprofits and financial institutions, providing materials and tracking data. Rockford is one of more than 50 cities to duplicate the city program, while Illinois and California are the first two statewide campaigns to date.

Eleven financial industry partners are enrolled in Bank On Rockford. Illinois State Representative Chuck Jefferson and the United Way of Rock River Valley manages the program, while Treasurer Giannoulis' office provides materials and maintains a website.

"Rockford residents are feeling the effects of the dwindling economy, and are wasting hard earned dollars on unnecessary alternative banking fees that could be used for more important expenses, like groceries and medicine," Rep. Jefferson said. "These new partnerships will serve to benefit the entire community by educating local residents about banking, and explaining that utilizing bank services is a sound financial decision."

To participate in Bank On Illinois, financial institutions must offer free or low-cost checking and savings accounts, "second chance" accounts for people with negative histories and accept tax identification numbers, Matricula Consular and other foreign IDs in place of Social Security numbers. To qualify for an account, residents must have a history free of identity theft and fraud, and will be encouraged to enroll in financial literacy training courses.

More information on this effort can be found at: <http://www.bankonrockford.org>.

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Note: The Illinois Credit Union League (ICUL) is the primary trade association for credit unions in Illinois, which provides members with information, legislation and education. Membership is open to any credit union operating in accordance with the Illinois Credit Union Act or the Federal Credit Union Act. There are 411 credit unions in Illinois with more than 2.7 million members.