

CU*ANSWERS
A CREDIT UNION SERVICE ORGANIZATION

Pricing Model

A Historical Perspective: 2020-2024

Volume 5

The CU*Answers Pricing Model

A Historical Perspective: 2020-2024

An Intro from Geoff Johnson, CEO

Welcome to the 5th volume of our Pricing Model booklet, representing **more than two decades of commitment** to disruptive core data processing fees. As a cooperative, CU*Answers knows it's important to study how the pricing model used by our CUSO has worked for our credit unions over time.

Do our ongoing pricing practices align with our credit unions for mutual benefit? Can credit unions build member service value with the tools and services CU*Answers provides? Does our pricing strategy allow us to invest in new technology and build a future for all concerned? Are we living up to one of our core principles – “charge only when we have to, not just because we can”? Does our suite pricing allow us to remain competitive in a consolidating marketplace?

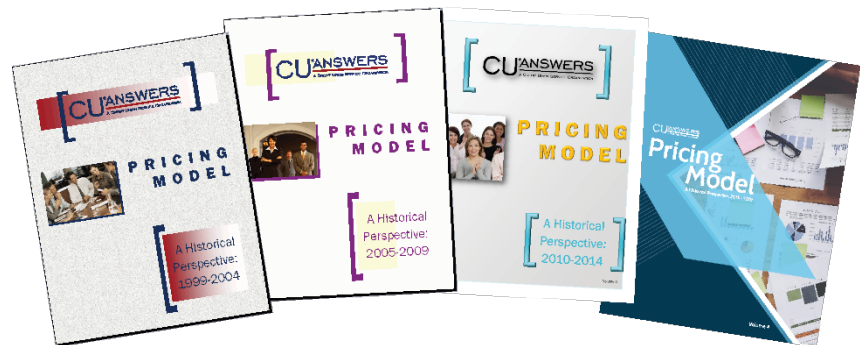
Since our last pricing study was published in 2019, the industry (and the country for that matter) has gone through some serious upheaval. We navigated a historic pandemic, which directly or indirectly led to an uptick in an already consolidation-heavy period for our industry. The interest rate environment required adjustments many credit union executives had not had to face in their career. And, from a member standpoint, the reliance on digital banking technology caused it to become the default channel for most. The investments made by our cooperative during the past decade have put us in a secure position to help credit unions navigate each of these challenges and opportunities, and the chance to be disruptive on pricing has never been greater.

On the following pages of this document, like the volumes that preceded it — Volume 1 (1999 - 2004), Volume 2 (2005 - 2009), Volume 3 (2010 - 2014), and Volume 4 (2015-2019) – you will see what I like to call a report card that helps keep us focused and accountable on our pricing. We hope that our customers and owners will be inspired not only to challenge the Board of Directors and Management team if you feel we are not “walking the talk” but also to be an advocate for the importance of a cooperative pricing philosophy when you interact with your industry peers. We look forward to your input!

Prepared for the Conversations on... Pricing event: May 22, 2024

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Volumes 1, 2, 3, and 4 are available upon request.

New Products and Services

In 2024, we've announced several new products and services!

As you may notice represented in the charts in sections below, we are offering several new products and services in 2024. Many of those are included in Figure 1 below. While we do not have any pricing history for these services for the 2024 analytics, we nonetheless wanted to include them this year as a stake in the ground moving forward.

This year we've partnered with the Member Access Processing (MAP) CUSO, allowing us to provide lower EFT and credit card transaction fees to our credit unions who utilize this EFT vendor. View the EFT transactions charts on page 7 to compare the savings. Additionally, we've added several new CU Publisher services this year, including self-service management platforms for **It's Me 247**, membership opening, and loans. It has been popular for our clients, particularly those entering the network for the first time, to bundle several of these services to provide a robust Content Management System for member communication. We've also updated our online banking to support digital card issuance and push provisioning to allow credit union members immediate virtual access to funds with a newly issued debit/credit card. While these products are still works in process, we felt it was important to publish for your budgeting purposes.

The Developer's Help Desk (DHD) has been busy the past couple years working on integrating even more third-party products and services with CU*BASE and our digital suite. We've recently integrated with InvestiFi (you may have known them as CryptoFi) to give members access to InvestiFi's cryptocurrency and investment solutions via **It's Me 247** and **BizLink 247**. We are also in the process of integrating Bonifii's MemberPass® solution for multi-factor authentication, giving you additional fraud deterrence options in your core tools.

Two of the most anticipated new services are the instant payment rail integrations: the first for Real-Time Payments® (RTP) via The Clearing House and the second for the FedNow® Service via the Federal Reserve. Because of the irrevocable nature of these systems, we are starting with the "receive-only" capability for

New Fees for 2024		2024
EFT and Credit Card Transactions for MAP CUSO		
EFT thru MAP CUSO (1-75,000 txns)		\$0.0450
EFT thru MAP CUSO (75,001+ Transactions)		\$0.0348
EFT with MAP CUSO and Online Credit Cards (1-75,000 txns)		\$0.0409
EFT with MAP CUSO and Online Credit Cards (75,001+ txns)		\$0.0307
Credit Card Transactions using MAP CUSO		\$0.08
Online Banking/Mobile Features		
CU Publisher - It's Me 247 Manager		\$15-\$50/mo.
CU Publisher - MOP Manager		\$25-\$100/mo.
CU Publisher - Loan Manager		\$25-\$100/mo.
InvestiFi Link from It's Me 247		Quote
Digital Tool Integrations		
Digital Issuance		TBD
MemberPass via Bonifii		
Set-up Fee		\$650
Per event fee (member enrollment, authentication)		\$0.03
Member-Initiated Real-Time Money Movement		
Real-Time Payments (RTP) via The Clearing House		
Set-up Fee (for RTP via Corporate One and FedNow when available)		\$1,500
Incoming "Receive" Fee (WAIVED FOR 2024)		\$0.05
Outgoing "Send" Fee		TBD
Monthly Maintenance Fee (covers both RTP and FedNow)		\$100
FedNow		
Set-up Fee (included in Corporate One RTP setup fee)		Incl.
Transaction Fee		TBD
Monthly Maintenance Fee (covers both RTP and FedNow)		Incl.
		New Fee

Figure 1

each, so your members can get deposits from outside payment sources in real-time. Several credit unions are already live on the RTP network for receiving real-time payments, and many more are in the queue. The FedNow Service development effort for “receive” capabilities is progressing well, and we expect to be in beta soon. On the “send” side, we are working closely with credit unions and our partners at Corporate One to outline the specification and workflow for both RTP and the FedNow Service. Even though some pieces of these solutions are not launched yet, from a pricing standpoint, we have bundled the FedNow Service set-up and monthly maintenance fees with the equivalent RTP fees, so you can reach a wider audience by utilizing both payment rails.

Base Member Processing

Purpose: Cover the cost of memberships.

The Base Member Processing Fee (BMPF) – also commonly called the Base Active Member Fee – is the fundamental cost for the CU*BASE core data processing suite. It is calculated based on the number of active members a credit union has at the end of the month, regardless of the member’s balance or relationship with the credit union. The BMPF allows a member to have up to 999 sub-account suffixes, including shares, certificate, and loan accounts, all covered by one low membership fee. Because we are a suite provider, the BMPF has within it an ever-growing foundation of tools to help credit unions run their business effectively – this fee represents the primary licensing cost for core applications such as accounting, teller services, loan services, back-office services, and miscellaneous trial balance services.

The BMPF is contractual according to the term of the contract, so the fees listed in Figure 2 below are the starting point from when a credit union began processing on CU*BASE. In other words, these prices represent the “rack rate” included in a sales proposal for a new credit union prospect. The actual BMPF that each individual credit union pays is based on its individual circumstances along with any cost-of-living adjustments or price rollbacks during their ongoing relationship with the CUSO. (See [How Base Member Fees Change Over Time.](#))

		Monthly Fee Per Member				
		2020	2021	2022	2023	2024
Active Member Fees (7-year contract)						
	Under 35K members			\$0.56		
	35,0001 to 45K members			\$0.532		
	Greater than 45K members			\$0.505		
Active Member Fees (5-year contract)						
	Under 35K members			\$0.58		
	35,0001 to 45K members			\$0.551		
	Greater than 45K members			\$0.523		
Active Member Fees (3-year contract)						
	Under 35K members			\$0.60		
	35,0001 to 45K members			\$0.57		
	Greater than 45K members			\$0.542		
Active Member Fees (1-year contract)						
				\$0.80		
Active Member Fees (Month-to-Month contract)						
				Starts at \$0.90 per Member		
Minimum CU*BASE Processing Fee						
				\$2,000		
Scholarship Pricing						
				Significantly reduced for first 2 years of 7-year commitment		
De Novo Pricing for Start-up Credit Unions						
				Majority of fees waived for first 2 years of 5-year commitment		
Closed Member Fees (current tax year)						
				\$0.23		
Shared Disaster Recovery Infrastructure Fee (per active member)						
				\$0.0275		\$0.0325
Sunday Processing Fee						
				Free		
Fee Increased						

Figure 2

In our first two volumes, we included a graph that showed the changes in the BMPF during the applicable measurement period. Our cooperative is very proud that this graphic has been removed from the past three volumes of Historical Pricing Analysis because our BMPF for our most popular contract terms (3, 5 or 7 years) has continued to stay at the same level.

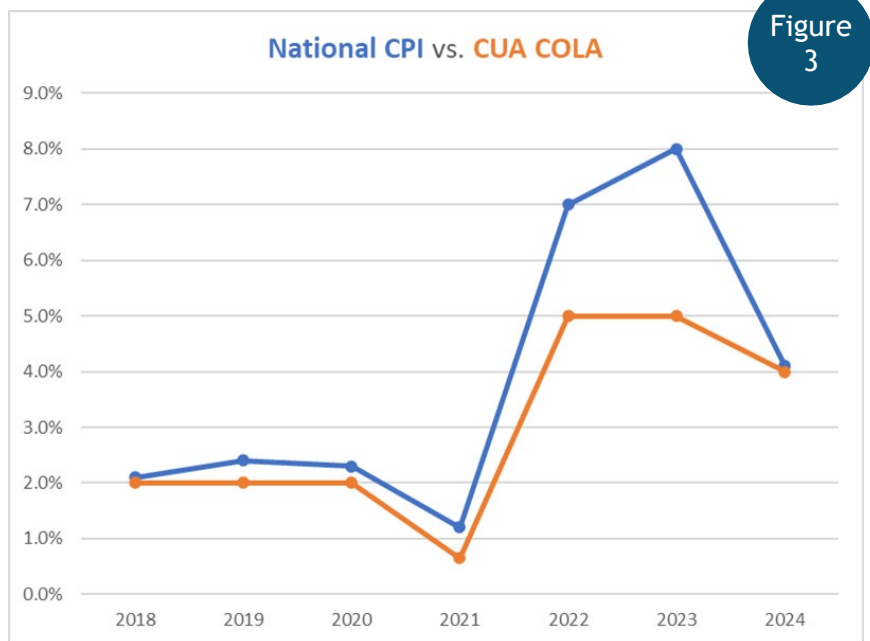
How Base Member Fees Change Over Time

As of March 2024, the monthly BMPF paid by CU*Answers credit unions ranged from \$0.53 to \$0.687 per member, yielding an average of \$0.615. This reflects that the actual amount paid by credit unions under contract with the cooperative varies, and many CUs start at or below the rack rate based on how their initial deal was structured. From there, COLA (Cost of Living Allowance) increases over the life of the contract adjust the amount of the base member fee.

While CU*Answers' contracts grant the right for CU*Answers to increase the base member fee based on COLA, the CUSO does its best to limit increases based on the condition of credit unions and the minimum amount needed by our cooperative for operations. Moreover, unlike most other companies, our Master Services Agreement assesses COLA based on **the lesser of** the Consumer Price index (CPI) or 5%. This is exemplified in the COLAs assessed in 2022 and 2023; the CPI was significantly higher than 5% for both these years, but we cap our increase at 5%.

As you can see in Figure 3, CU*Answers assessed COLA increases each year from 2018 through 2024, but they have all been at or below CPI.

Finally, an item we haven't mentioned yet that certainly embodies the vision of our cooperative business model. **In 2019, we rolled back the BMPF for all ninety-two (92) credit unions that were paying more than the rack rate in our Pricing Guide at the time.** Those clients were reset to the BMPF that matched their contract term. We are confident this is practically unheard of in our industry and one of the key reasons that your peers on other core systems are hiring consultants to help them negotiate at contract extension time.



BASE MEMBER PROCESSING TAKEAWAY:

An analysis of our BMPF historical pricing and COLA increases demonstrates our pricing philosophy: charge only when we have to, not just because we can. In many companies in our marketplace, COLA increases are built into contracts, becoming automatic increases to pricing. Here at CU*Answers, we take pride in the fact that board members work diligently with the management team to make sure prices are based on a win-win for the CUSO and the credit union.

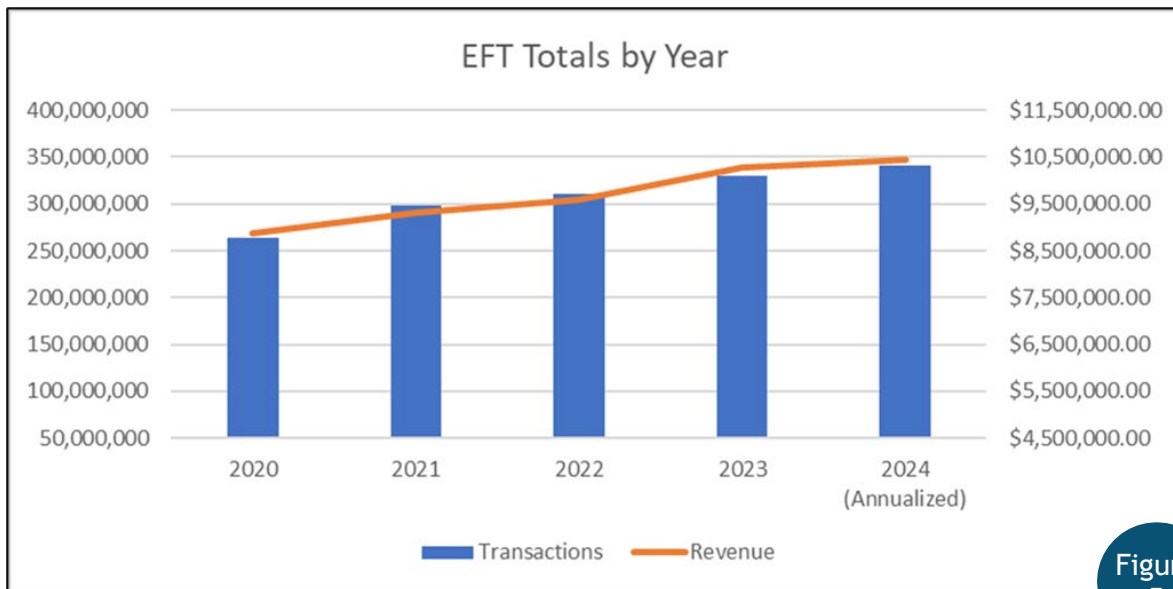
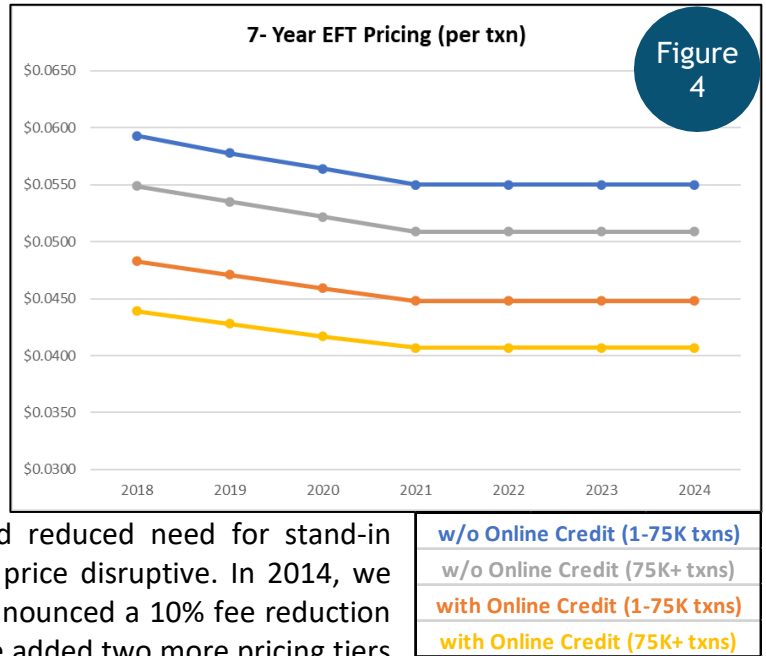
EFT Transactions

Purpose: Licensing & Resource Usage Fee for ATM, Debit, and Online Credit Cards

The use of these products by credit union members has grown steadily, even during the years of the pandemic (see Figure 5). Credit Unions have experienced increased interchange income as members transition away from checks. While the number of plastics vendors serving our industry has experienced consolidation, particularly in the past two years, it has not reduced the number of conversion projects that our SettleMINT EFT team manages each year. In fact, with the growing number of CU*BASE credit unions in growth mode, our SettleMINT EFT team has also seen steady growth in their volume of projects. It goes without saying that there is more pressure on networks and core data processors, like CU*Answers, to continually invest in infrastructure that helps ensure member access to funds.

Over the years, we have heard from consultants and prospects that our EFT fees tend to be higher than our competition, albeit for a significantly higher intensity of Level 1 support, built-in analytics, and reduced need for stand-in processing, so we continue to look for ways to be price disruptive. In 2014, we started capping transaction fees, and in 2018, we announced a 10% fee reduction over a four (4) year period (see Figure 4). In 2023, we added two more pricing tiers for credit unions with the highest transaction volume.

Moreover, in an effort to help our credit unions with fewer than 2,000 members reduce their expense for plastics as an overall percentage of their data processing invoice, the cooperative began waiving EFT transaction fees for those credit unions starting in 2018, and we continue to do so today.



Special Note Regarding Online Credit Card Pricing

As you can see in Figure 6 below (and in Figure 4 above), credit unions that have CU*BASE online credit cards continue to receive bundled pricing advantages for ATM and debit card transactions. We do so not only as an incentive to the credit union to bring their credit card portfolio into the loan servicing toolkit in CU*BASE but also to help them save money from their credit card vendor. We continue to hear estimates of 40-60% percent savings on their vendor's invoice, not to mention the ability to deploy a virtually unlimited number of special promotions to members without any assistance/permission from their plastics vendor. Giving members the ability to manage their cards through your native mobile app is yet another advantage.

Lastly, the ability to offer **1Click Credit Card** offers to your members can be a major benefit to having the cards real-time in CU*BASE. If you haven't explored our 1Click offerings, make sure you reach out to the **Lender*VP** team!

For all of these reasons, we anticipate that we will continue to offer a discounted Debit/ATM fee for PIN and SIG transactions for those credit unions who service their credit card portfolio in CU*BASE.

EFT Transaction-Based Fees					
	2020	2021	2022	2023	2024
ATM/Debit Batch Processing					
Batch Processing Fee	No Longer Offered				
ATM/Debit Batch Processing WITHOUT Online Credit Cards					
Credit Unions Less than 2,000 Members	Waived				
EFT 1-75,000 Transactions	\$0.0564	\$0.0550	\$0.0550		
EFT 75,001+ Transactions	\$0.0459	\$0.0448	\$0.0448		
Pricing Cap for < 250K transactions	\$7,000				
Pricing Cap for 250,001 to 500K transactions	\$8,500				
Pricing Cap for 500,001 to 750,000 transactions	\$10,000				
Pricing Cap for > 750K transactions	\$12,000			n/a	
Pricing Cap for 750,001 to 1.5M transactions	n/a		\$12,000	\$12,000	
Pricing Cap for 1.5M to 2M transactions	n/a		\$15,000	\$15,000	
Pricing Cap for > 2M transactions	n/a		\$18,500	\$18,500	
ATM/Debit Batch Processing WITH Online Credit Cards					
Credit Unions Less than 2,000 Members	Waived				
EFT 1-75,000 Transactions	\$0.0522	\$0.0509	\$0.0509		
EFT 75,001+ Transactions	\$0.0417	\$0.0407	\$0.0407		
Pricing Cap for < 250K transactions	\$7,000				
Pricing Cap for 250,001 to 500K transactions	\$8,500				
Pricing Cap for 500,001 to 750,000 transactions	\$10,000				
Pricing Cap for > 750K transactions	\$12,000			n/a	
Pricing Cap for 750,001 to 1.5M transactions	n/a		\$12,000	\$12,000	
Pricing Cap for 1.5M to 2M transactions	n/a		\$15,000	\$15,000	
Pricing Cap for > 2M transactions	n/a		\$18,500	\$18,500	
Credit Card Processing					
Credit Card Transactions	\$0.09				
Credit Card Transactions using MAP CUSO	n/a				\$0.08
Off Trial Balance Processing (Balance and Status File)	\$100				

Fee Reduced New Fee

Figure 6

Special Note Regarding MAP

In late 2023, we partnered with Member Access Processing (MAP), a Washington-based CUSO that is also a VISA DPS partner. Based on that partnership, our **2024 Online Pricing Guide** includes an incentive for our credit unions who use this platform. As you can see in Figure 7, ATM/Debit PIN and SIG transaction fees for clients who use MAP are discounted by \$0.01 (an 18% reduction). From a credit card pricing standpoint, Figure 6 on the previous page shows that the credit card transactional fee is also reduced from \$0.09 to \$0.08 (an 11% reduction) for clients who use MAP for online credit cards.

You will notice that the tiered pricing caps for MAP clients with or without online credit cards remain intact; it just takes them more transactions to reach the cap based on the reduced EFT fee.

EFT Transaction-Based Fees					
	2020	2021	2022	2023	2024
ATM/Debit Batch Processing Thru MAP CUSO WITHOUT Online Credit Cards					
Credit Unions Less than 2,000 Members		n/a			Waived
EFT 1-75,000 Transactions		n/a			\$0.0450
EFT 75,001+ Transactions		n/a			\$0.0348
Pricing Cap for < 250K transactions		n/a			\$7,000
Pricing Cap for 250,001 to 500K transactions		n/a			\$8,500
Pricing Cap for 500,001 to 750,000 transactions		n/a			\$10,000
Pricing Cap for 750,001 to 1.5M transactions		n/a			\$12,000
Pricing Cap for 1.5M to 2M transactions		n/a			\$15,000
Pricing Cap for > 2M transactions		n/a			\$18,500
ATM/Debit Batch Processing Thru MAP CUSO WITH Online Credit Cards					
Credit Unions Less than 2,000 Members		n/a			Waived
EFT 1-75,000 Transactions		n/a			\$0.0409
EFT 75,001+ Transactions		n/a			\$0.0307
Pricing Cap for < 250K transactions		n/a			\$7,000
Pricing Cap for 250,001 to 500K transactions		n/a			\$8,500
Pricing Cap for 500,001 to 750,000 transactions		n/a			\$10,000
Pricing Cap for 750,001 to 1.5M transactions		n/a			\$12,000
Pricing Cap for 1.5M to 2M transactions		n/a			\$15,000
Pricing Cap for > 2M transactions		n/a			\$18,500

Figure 7

New Fee

EFT TRANSACTIONS TAKEAWAY:

Our strategy for EFT pricing is to charge each credit union a small fee when they generate interchange income and to cap those fees at various thresholds. In 2020 and 2021, the per transaction fee for ATM/debit activity was reduced by 2.5% each year, fulfilling our commitment to reduce those fees by 10% over a 4-year period. The prices have remained stable since. In 2024, we introduced discounted EFT and credit card transaction processing fees for credit unions who use the MAP platform. EFT pricing will continue to be one of our primary focus areas for the foreseeable future.

E-Commerce Fee

Purpose: Licensing and Resource Usage Fee

In 2008, CU*Answers revolutionized its pricing by combining all its strategies related to E-Commerce between a member and a credit union into one flat monthly fee. Instead of an à la carte usage fee for each major component, CU*Answers instituted a flat fee that encouraged credit unions to push their members towards these cost-effective delivery channels.

In partnership with our customer-owners, we committed to capping our E-Commerce Fee, pushing ourselves to innovate with the same budget instead of simply adding more functionality and passing along additional expenses to the credit unions. The long-term goal of the CUSO is to reduce this fee while increasing the breadth and depth of the services. We want every credit union leader to see that every new member they add results in lower per-member costs when those members embrace electronic channels. With all the products and services packed into this single fee, it's easy to forget how much value is represented in this single line item on a credit union's monthly invoice.

As of the writing of this document (noted simply because we continue to add functionality over time) the E-Commerce Fee includes:

- **It's Me 247** with PIB multi-layered security
- E-Statements
- e-Notices
- e-Alerts
- Mobile Web Banking
- CU*Talk online Audio Response usage fee (up to a \$300 credit for CU installed IVR unit)

Figure 8 on the following page provides an inventory of the e-Commerce features. It reflects a 5-year snapshot of our decades-long investment in the breadth and depth of our member-facing tools, particularly on the digital content management side with CU Publisher. To minimize the pricing stress and encourage service use, we reduced the fee for MACO in 2021 and eliminated the RDC Automated Posting fee for non-eDOC Innovations solutions in 2023.

Unfortunately, we had to increase the E-Commerce fees in 2024; however, this fee is still being waived for CUs with under 2,000 members. This is the first pricing increase in nearly a decade, despite the continuous inclusion of new services covered by the fee. Since many of these features have a direct cost-of-goods-sold impact for the CUSO, a fee is warranted at this time. Examples include (1) our MACO "biometric" authentication solution we added to our mobile app in 2018 at a price point that was below our cost to the 3rd-party partner Daon and (2) CU*Talk Audio Response, which has telecommunications and 3rd-party software licensing components that get spread across our client base. Ultimately, it remains our goal to try to bring these components into our flat E-Commerce Fee.

NOTE: In Figure 8, you will also observe several new billable services that we have launched during the past several years. In 2021 and 2024, we added several new CU Publisher products to offer more self-service customization opportunities to our credit unions. In 2023, we added a new fee that covers our cost to certify new mobile app versions in the Google and Android stores on our clients' behalf.

		Monthly E-Commerce Related Fees				
		2020	2021	2022	2023	2024
Electronic Commerce Fees						
	Under 2,000 Members	Waived				
	2,001 to 3,000 Members			\$450		\$475
	3,001 to 5,000 Members			\$810		\$850
	5,001 to 10,000 Members			\$1,050		\$1,100
	10,001 to 15,000 Members			\$1,600		\$1,660
	15,001 to 30,000 Members			\$2,300		\$2,415
	30,001 to 50,000 Members			\$3,500		\$3,675
	50,001 to 75,000 Members			\$5,000		\$5,250
	Over 75,000 Members			\$7,500		\$7,875
CU*TALK Audio Response Fees						
	Dedicated Audio Line			\$25		
	Shared WATS Line (per minute)			\$0.025		
	e-Statement Processing			Included		
CU*Answers Mobile Banking Fees						
	CUA Mobile Banking			Free		
	New Version Certification - Google and Apple Stores		n/a		\$250/store	\$250/store
	Text Banking (per text)			\$0.035		
	MACO (Multi-Authentication Convenience Options) - per user	\$2.00/year	\$1.80/year		\$1.80/year	
	Remote Deposit Capture (RDC) Automated Posting		\$1.25- \$3/post		Discontinued	
	Remote Deposit Capture - IQ (near real-time posting) - monthly			\$25.00		
	CU Publisher Mobile Manager	n/a	\$50		\$50	
	CU Publisher - CU Info	n/a	\$20		\$20	
	CU Publisher - Form Generator	n/a	\$50		\$50	
	CU Publisher - Mobile Alerts	n/a	\$50		\$50	
	CU Publisher - It's Me 247 Manager			n/a		\$15-\$50/mo.
	CU Publisher - MOP Manager			n/a		\$25-\$100/mo.
	CU Publisher - Loan Manager			n/a		\$25-\$100/mo.

Figure 8

Fee Reduced Fee Increased New Fee

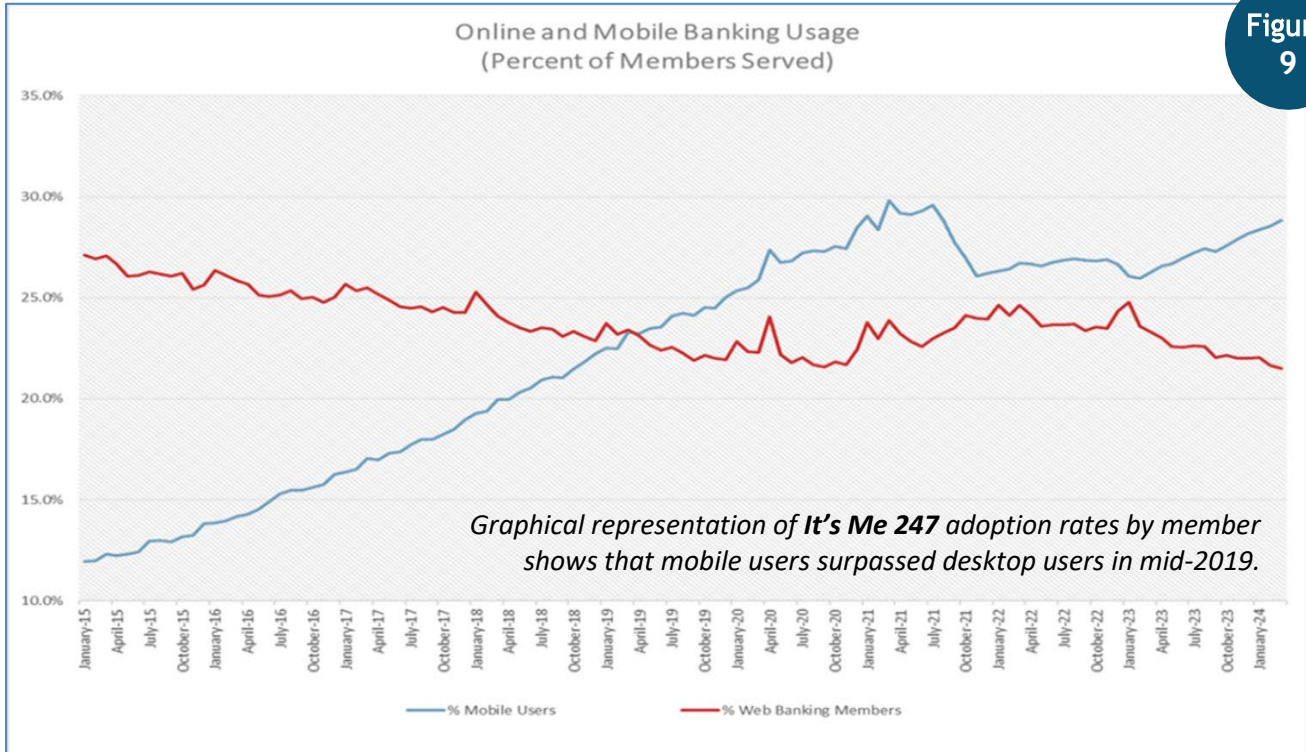


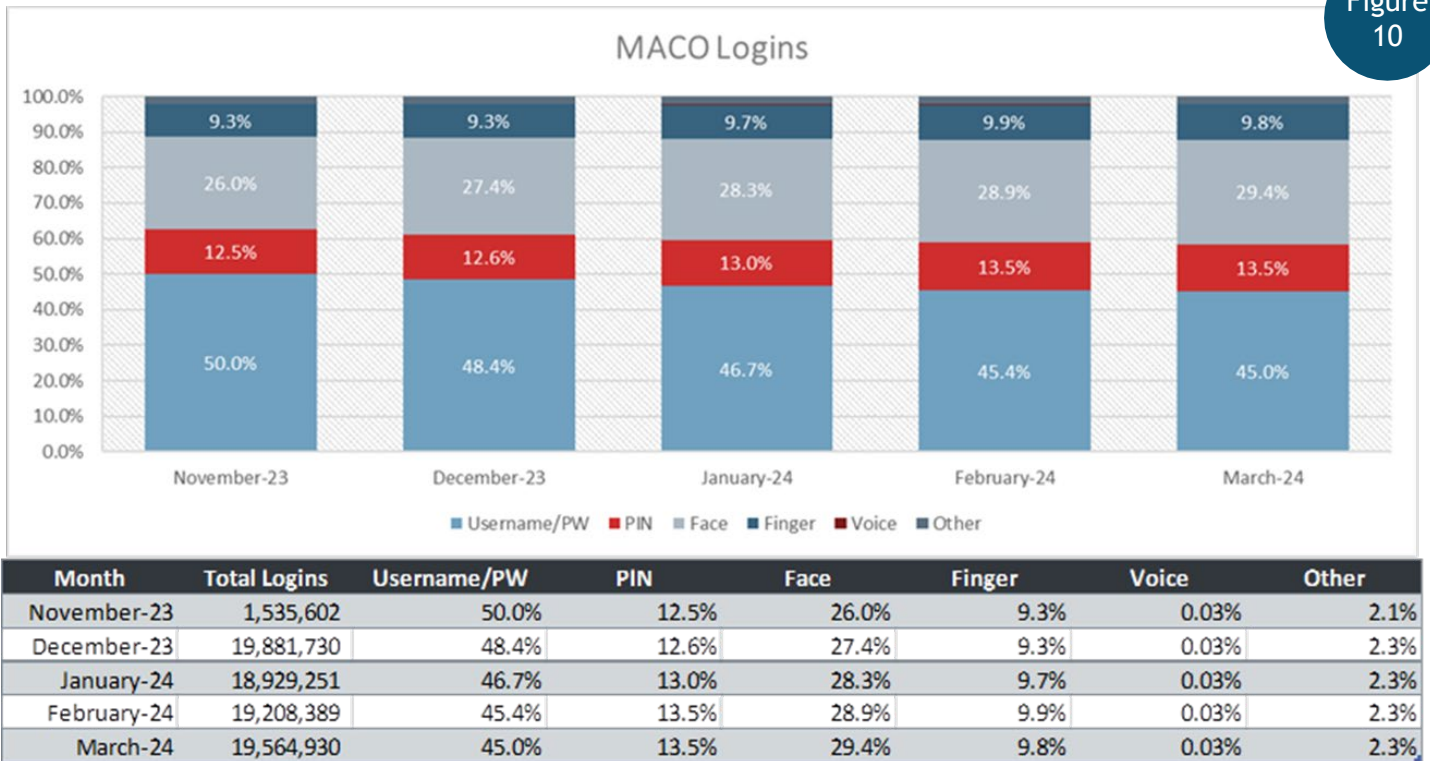
Figure 9

Figure 9 shows how member preferences have changed over the past decade. While the percent of members accessing web banking has remained relatively consistent, 2019 represented the first time that more members were accessing **It's Me 247** via the mobile app.

Figure 10 below provides some further insight into member preferences over the past year as they leverage our mobile app. We can draw several notable conclusions from this information. First and foremost, authentication with username and password is showing a steady decline. This decline has been offset by similar increases for PIN and face authentication. Lastly, voice authentication has seen very little usage by our collective members.

The deployment of Daon technology as part of our Membership Application/Opening Process (MAP/MOP) will provide additional metrics for us to report in the 2025-2029 volume of the Pricing Model: Historical Perspective document. From a pricing standpoint, leveraging Daon either in the Membership Opening workflow or to access the CU*Answers mobile app will not result in two annual fees for that member.

Figure 10



Bill Pay/Presentation

Online bill payment is an area where there has been significant pricing disruption during the past five years. As we entered 2018, we offered two native solutions to our credit unions based on our reseller relationship with both Jack Henry (JHA) and Paymentus for their iPay and Paymentus (previously Payveris) solutions respectively. For the smaller number of credit unions still leveraging CheckFree, we offer a Single Sign-On (SSO) strategy. As of today, our breakdown of clients offering bill pay is 55.6% on Paymentus, 38.6% on Jack Henry iPay, and 5.8% on CheckFree or others.

Over the past decade, our cooperative was able to reduce the complexity of the bill pay fee structure through our reseller relationships with JHA and Paymentus. While a few pass-thru fees still apply for both solutions (stop

payments, electronic and postal returns, etc.), the budgeting process for our credit unions was simplified to a flat fee per transaction. Although minimums exist for the CUSO with each vendor, our credit unions were insulated from those requirements.

As you will observe in Figure 11 below, our best CUSO-negotiated pricing continues to be the Paymentus solution. You will also see that those partners are able to institute COLA increases to our reseller pricing. Our agreements with Jack Henry and Paymentus allow for annual increases, which unfortunately do not align with either our fiscal year or our January-December Pricing Guide calendar, so mid-year adjustments to your invoice are sometimes required. Figure 11 below shows that Paymentus has exercised that COLA increase in four of the past five years, while Jack Henry (iPay) only issued an increase in 2022. For credit unions that remain with Fiserv’s CheckFree product, we offer only a Single Sign-On (SSO) into their toolkit. That fee is based on the size of the credit union’s membership, ranging from \$150 to \$2,000 monthly.

The only other material change to pricing during the past five years was Paymentus’ decision to include their Paywatch Fraud Detection tool kit as part of the transactional fee. This feature has been free since 2022. One other item to note – CU*Answers continues to waive the Person-to-Person (P2P) fee from Paymentus even though we have the same cost-of-goods expense as “traditional” bill pay transactions. **From a dollars and cents standpoint, we expect to waive at least \$55,000 in P2P fees during our 2024 fiscal year!**

Bill Pay Fees					
	2020	2021	2022	2023	2024
VAR Relationship Pricing - Ipay/Payrailz					
Per Transaction Fee		\$0.655	\$0.675		\$0.675
VAR Relationship Pricing - Paymentus (Payveris)					
Per Transaction Fee	\$0.605	\$0.605	\$0.623	\$0.642	\$0.661
E-Bill Presentment Fee (per active e-bill)		\$0.25	\$0.258	\$0.266	\$0.276
Person-to-Person feature (per transaction)		\$0.40	\$0.623	\$0.642	\$0.661
Paywatch Fraud Detection (per transaction)		\$0.02	Free		Free
Non-VAR Single Signon (CheckFree)					
Per Transaction Fee	SSO Fee Based on Membership Size				

WAIVED BY CUA

Fee Reduced Fee Increased

Figure 11

E-COMMERCE FEE TAKEAWAY:

Many analysts have said for years that there would be a reduced utilization of bill pay services by members, but we have not seen that in our network. We have experienced new enhancements by both Paymentus and Jack Henry. When Paymentus bought Payveris, they married their extensive international payments engine with Payveris’ presentment technology, so our credit unions have more A2A, P2P, and ACH options to deploy. Not to be outdone, Jack Henry acquired Payrailz in a similar manner. We currently have projects with JHA to integrate their P2P solution, which will be followed by A2A. While offering more choices to members from a bill pay standpoint is important to our network, it remains to be seen how Real-Time Payments® (RTP) and the FedNow® Service will impact traditional bill pay vendor offerings. Lastly, we will continue to invest in business bill pay tools alongside our business partners.

Other Miscellaneous Fees

The remaining sections of the Fee Schedule in our Pricing Guides relate to items that have a smaller impact on the individual credit union’s invoice. While very significant to our cooperative’s overall revenue stream, these items seldom raise questions about their place in our overall pricing scheme. That said, they remain very important for us not only to analyze on an ongoing basis but also to keep our ears open for marketplace perception. Once again, the history of these fees shows the balance of CU*Answers’ desires to control expenses for credit unions and to expand services quickly and cost-effectively.

The charts that follow show the great variety of CU*Answers’ service offerings. Services like online credit bureau access include multiple strategies for credit unions, from pulling a credit report to every desktop for risk-based lending, data mining, and trending to identify opportunities for more wallet share to the automated handling of ACH, OFAC, and off trial balance (OTB) products utilized by the members. In the pages that follow, you will find comparison charts for the following miscellaneous items:

- OTB Processing Charges
- Service Charges and Processing Charges
- Miscellaneous Statement Handling Fees
- External Vendor Communications
- Data Archival Fees
- Custom Programming Fees

OTB Credit Cards

OTB processing has traditionally been the fee for plastics vendors that send data to us so that CU*BASE could be updated via nightly batch processing. It has expanded to include mortgage servicing and other 3rd party services used by our credit unions. With the increase in credit unions using CU*BASE to service online credit cards, the OTB-related revenue to the cooperative has diminished, but the fees have remained consistent per the chart below.

Off Trial Balance Related Fees					
	2020	2021	2022	2023	2024
Existing Vendor Setup Fee			\$500-\$1K		
Existing Vendor Monthly Fee			\$100		
New Vendor Setup Fee			Quote Provided		
New Vendor Monthly Fee			\$100		

Figure 12

OTB CREDIT CARDS TAKEAWAY:

The OTB-related fees have remained consistent for the past five years. The only fee that we anticipate a possible change to would be the one-time setup fee for OTB vendors. Those data exchanges/integrations/APIs have experienced an increasing level of complexity during the past few years and may necessitate a change to cover our programming and QC effort.

Service Charges and Processing Charges

This section of our Fee Schedule covers special service charges that credit unions have configured in CU*BASE as well as OFAC and FIDM. Aside from some pricing decreases in 2018, these fees have been consistent for over two decades.

Service Charges/Processing Fees					
	2020	2021	2022	2023	2024
Internal CU Service Charge			\$17.50		
Internal CU Dormancy Fees			\$17.50		
Internal CU ATM Fee Programs			\$17.50		
Financial Institution Data Match (Quarterly)			\$125		
OFAC Data Match			\$10		
Dividend Regeneration			\$125		

Figure 13

SERVICE CHARGE FEE TAKEAWAY:

Per above, these prices have remained steady for many years. We do not anticipate any pricing action for the foreseeable future.

Miscellaneous Statement Handling Fees

The fees outlined below are peripheral fees for miscellaneous handling related to statements. CU*Answers works closely with several vendors, encouraging print vendors to be creative and offer our credit unions as many options for printing statements as possible. Our primary print partner is Sage Direct, Inc., but as we grow our presence in new regions of the country, we are sending data to an increasing number of print shops.

It should be noted that services like consolidated online credit card statements, special handling for mortgage statements per growing regulatory requirements, etc., are creating additional pricing pressures on both statement providers and credit unions. We will continue to watch this area over the next several annuals, as well as work with credit unions to develop even more creative ways to drive higher e-Statement penetration.

Figure 14 below shows the pricing for miscellaneous statement handling has stayed consistent over the past five years. In fact, aside from email marketing fees, these fees have remained the same for the past 25 years.

Miscellaneous Statement Handling Fees					
	2020	2021	2022	2023	2024
CASS Certification			\$100 per run		
Digitized Statement Logo			\$175		
Select Statement Inserts (1st)			\$150		
Select Statement Inserts (additional after 1)			\$50		
Email Marketing Messages			No Charge		

Figure 14

MISCELLANEOUS STATEMENT HANDLING TAKEAWAY:

The miscellaneous statement handling fees have stayed stable for many years. We anticipate these unwavering fees will remain consistent for the foreseeable future.

External Vendor Communication

This section is the catch-all for service charges related to ongoing communication with 3rd-party vendors. Every online credit union has several of these services (ACH, credit bureau retrieval and reporting, etc.).

We are happy to say these prices have stayed stable for over 10 years with only one change in this fee schedule. In 2022, we replaced the 247 Lender Decision Model with the FUEL Automated Decision Model, resulting in a 90% pricing decrease!

External Vendor Communications <i>(monthly fee unless noted)</i>				
	2020	2021	2022	2023
Loan Insurance Load/Run Processing			\$30	
ACH Processing			\$50	
ACH Returns and NOCs			\$0.80 per return	
Online Credit Bureau Access (per report)			\$0.75	
247 Lender Decision Modeling	\$0.50			Replaced by FUEL
FUEL Automated Decisioning	n/a		\$0.05	\$0.05
Qualifile Risk Assessment			\$0.50	
Credit Bureau Reporting			1 bureau = \$20	
			2 bureaus = \$35	
			3+ bureaus = \$45	
AIRES File Creation			\$50	
A-to-A via Magic Wrighter (Annual and per txn fee)			Billed by MWI	
				New Fee

Figure 15

EXTERNAL VENDOR COMMUNICATION TAKEAWAY:

These fees have not changed in many years. We issued a major pricing decrease in 2022 when we replaced the 247 Lender Decision Model with the FUEL Automated Decision Model. It goes without saying that the complexity of the credit bureau pull and reporting processes has increased significantly over the past several years. In 2022, we transitioned from ZOOT to our partners at Sync1 Systems for our credit report pulls. We avoided significant price increases by doing so and tightened our relationship with a sister CUSO in the process. Despite the increasing complexity, we anticipate that external communication fees will remain at current levels for the foreseeable future.

Data Archival

Even the title doesn't fit anymore: what was once primarily data archival has become a broad range of services based on CU*Answers' close alignment with eDOC Innovations. Over the past decades, CU*Answers has transitioned from a CD-ROM-based archival system (does anyone remember microfiche?) to a robust set of real-time archival strategies such as electronic receipts, electronic loan documents, and Check 21 processes. The demand for these tools and the increased adoption of in-house document imaging servers from eDOC was the primary catalyst for creating the CU*Answers Imaging Solutions Team in 2015 to help manage all things imaging and broaden the features available in our online CU*Spy solution. The result of that investment was the

Enhanced Online Vault, which has seen an explosion of deployments in the past five years and is now the *de facto* standard on all sales proposals for credit unions that do not have a robust vault when they convert to CU*BASE. With the deployment of our FormFLOW initiative, we will have even more options for our credit unions to leverage.

As demonstrated in Figure 16, the data archival fees have remained consistent over many years. And despite significant enhancements to our Enhanced Online Vault deployment, we have kept those prices the same during this review period.

		Data Archival Fees and Enhanced Online Vault				
		2020	2021	2022	2023	2024
Software and Media Fees						
	Setup/Licensing Fee			\$3,000		
	Storage of DVD/Media			\$2.50 per DVD per month		
	DVD Distribution Fee			\$10 per DVD		
	Re-Creation of DVDs			\$100 plus \$10 per DVD		
CU*Archives Fee						
	Statement Archiving - Under 5,000 Members			\$50		
	Statement Archiving - 5,001 to 7,500 Members			\$100		
	Statement Archiving - 7,501 to 10,000 Members			\$175		
	Statement Archiving - 10,001 to 15,000 Members			\$300		
	Statement Archiving - Over 15,000 Members			\$600		
	Report Archiving - Under 5,000 Members			\$50		
	Report Archiving - 5,001 to 7,500 Members			\$100		
	Report Archiving - 7,501 to 10,000 Members			\$175		
	Report Archiving - 10,001 to 15,000 Members			\$300		
	Report Archiving - Over 15,000 Members			\$600		
	Hybrid In-House Strategy			\$10		
	Fully In-House Strategy			\$25		
	Loan Forms Archiving (quarterly)			\$50		
	Receipt Archiving (quarterly)			\$50		
Enhanced Online Vault						
	One Time Charge for Setup			\$250		
	Monthly Fees Based on Membership Size					
	1 - 3,000 Members			\$100		
	3,001 - 5,000 Members			\$200		
	5,001 - 7,500 Members			\$350		
	> 7,500 Members			\$500		

Figure 16

DATA ARCHIVAL TAKEAWAY:

From a pricing standpoint, these prices have remained steady for the past several years. We will continue to look for alternative strategies and areas for cost reductions to pass along. During the new client due diligence process, we continue to get questions centering around when we will shift away from DVDs to other media type(s). We continue to study alternatives.

Custom Programming

Maintaining the balance between when to charge, when not to charge, and how much to charge when we have to remains one of the biggest challenges we face. While many of the fees listed in this section have been applicable for a decade or more, we continue to review on an annual basis to ensure they are both warranted and fair.

We created the Developer’s Help Desk (DHD) Team in 2017 to inspire credit unions to bring new ideas to the table and to help manage the custom programming process. The DHD Team has helped coordinate and launch hundreds of custom programming projects in the past five years. It should be noted that most, if not all, are provided at a break-even or loss for the CUSO.

Our de-conversion programming fee remains the most aggressive in our industry. Although a fee increase might certainly be warranted based on the increased complexity of the de-conversion process, we have avoided that inclination. The same can be said of our \$1.00 per member Conversion Programming Fee for an incoming conversion as those projects become more complex and time-consuming. We increased the hourly labor rate for custom programming in 2020 for the first time in more than a decade, and we changed the pricing for the Custom Training Edition (CTE) library for the first time ever.

Developer's Help Desk (DHD) Fees					
	2020	2021	2022	2023	2024
Custom Programming Fees					
Per Labor Hour (Credit Union Rate)	\$125		\$125		
Per Labor Hour (3rd Party Vendor/Partner Rate)	\$160		\$160		
Project Minimum	\$250		\$250		
MICR Line Changes			\$350		
Check Processor Setup (non-CUA)			\$1,500		
Conversion Programming (per member)			\$1		
De-Conversion Programming Fee (per member)			\$0.65		
Custom Training Edition		\$250			\$350
					Fee Increased

Figure 17

CUSTOM PROGRAMMING FEES TAKEAWAY:

With the launch of our Developer’s Help Desk unit, we’ve had an increasing number of credit unions engaging with our CUSO for custom development projects. Our prices have stayed consistent and aggressive, and the adjustment we made in 2020 was prudent. The first-ever increase for CTE is reflective of the increased complexity of supporting a growing number of clients using the service. Outside of the increases made to those line items, we do not foresee additional increases in the next few years.

Conclusion

The past five years was a special period for our cooperative, especially in the face of a national pandemic. We have welcomed nearly sixty new partners to the CU*BASE community, not to mention a similar number of credit unions who are working with one of our Certified Distributors. We saw our mobile app toolkit expand significantly; our Developer's Help Desk was busier than ever before; we expanded credit unions' ability to tailor the digital member experience through the CU Publisher content management system; we launched Real-Time Payments® (receive-only) through The Clearing House and laid the foundation for receiving payments via the FedNow® Service; we deployed partner technologies in the MAP/MOP workflow and introduced multi-factor authentication; we paved the way for Digital Issuance, and we are well on our way to deploying CBX as the new user interface for our core product across the network.

From a volume standpoint, we saw increases across the board for EFT, online credit cards, electronic bill payments, mobile app and MACO usage, members joining online through the MAP/MOP process, and other products/services that are too numerous to mention.

At the same time, we were able to avoid the significant pricing actions that your peers experienced with other core data processors. While this five-year study period was the first time in twenty-five years where we were not able to waive COLA for at least one year, we remain proud of the fact that customer-owners that have been with us for at least one contract term have a lower Base Member Processing Fee than was outlined in the contract when they signed with the CUSO. We will continue to keep a close eye on the BMPF and COLA.

We anticipate that the 2024 Conversations on Pricing event will have the highest number of attendees since this events inauguration thanks to leveraging ZOOM. The foundation that was laid through the collaborative efforts of the previous four Pricing Focus Groups has helped strengthen our cooperative, and we expect the 2024 event to yield similar results – valuable input and feedback for the Board of Directors and Management team to utilize in upcoming planning sessions. For our cooperative to survive and thrive, we must be in alignment with the business models of our customer-owners through a focus on charging only when affordable and necessary.

Thank you for being a valuable part of our cooperative!



2024 Pricing Guides are available on our website!

www.cuanswers.com/resources/doc/pricing-guides



Loan Comparison

FINANCIAL

Volume 5

Conversations on 

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