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**PRESS RELEASE**

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## **Continued MBL Growth Creates Need for Sophistication**

### **ON-SITE COVERAGE**

**ALEXANDRIA, Va. (Oct. 21, 2014)** — As credit unions continue to grow their business lending portfolios, there is an increased need for more sophisticated tools.

One such tool is a commercial loan pricing model, which helps credit unions quantify the impact of deposits and related services on overall relationship profitability.

In a keynote at CU Business Group's 2014 National Business Services Conference earlier this month, Tom Edwards, a product specialist for lending and financial performance solutions at ProfitStars<sup>®</sup>, a division of Jack Henry & Associates Inc., discussed the many components of revenues and expenses associated with commercial lending, and how even small adjustments in pricing can enhance the overall profitability of the relationship.

Edwards explained that this type of model can also help credit unions be more consistent in pricing loans while increasing net interest income and return on assets. Edwards demonstrated how relationship profitability can be positively impacted through tactics such as small increases in the loan fee or taking in an additional deposit account.

"These are tools credit unions need to compete with banks and more sophisticated lenders today," explained CUBG President/CEO Larry Middleman. "Credit unions often price loans on a transactional basis and then lose the deal to banks who are pricing based on the relationship. Credit unions need to become more sophisticated in how they price all the elements of a business relationship, and a pricing model can easily pull together all the necessary components and do the math."

This year marked CU Business Group's 8<sup>th</sup> annual conference focused on business services, and the first on the east coast. CUBG will host conferences in Portland, Ore., and the Washington, D.C. area in 2015.

### **About CU Business Group**

Established in 2002, CU Business Group, LLC, provides a wide array of business lending, deposit, and consulting services to credit unions nationwide. CU Business Group provides products and technical expertise to credit unions

with advanced business programs, and all the basics for those just starting out. Based in Portland, Oregon, with offices in the West, Southwest and Eastern U.S., CU Business Group has a staff of 36 professionals and is the largest business services CUSO in the industry, serving more than 470 credit unions in 45 states. For more information, visit [www.cubg.org](http://www.cubg.org).

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