



# Press Release

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## CU Revest Crosses Million Dollar Threshold in Money Found for Credit Unions

SAN DIEGO, CA (April 24, 2015). Two years ago a seasoned financial services executive took center stage during the “Next Big Idea Competition” at NACUSO’s 2013 Annual Conference in Las Vegas. Mike Joplin, CEO of CU Revest, unveiled a unique business model designed to restore abandoned credit union capital and recover valuable credit union members. “Bad things happen to good people”, Joplin told the audience, “and if you leave good people alone long enough, they will get back on their feet. Abandoned capital and banished prior-prime members are an untapped source of growth. Both can be “revested” (vested again) in their credit union”.

What is “abandoned capital” and who are “prior-prime members”? To answer those questions, one needs only to look to the protracted negative effects of the Great Recession. The three most prominent causes of credit default, medical emergency, divorce and prolonged unemployment were exacerbated by a harsh economy that resulted in over \$30 billion in consumer loan losses suffered by the credit union industry from 2008 through 2014. While credit unions and their attorneys and collection agencies have worked hard to recover those losses, about \$20 billion of the oldest uncollected credit union loans, credit card balances and negative share balances lies ignored and abandoned.

Credit Unions and their collection agencies simply do not have the internal resources to convert 4, 5 or even 6 year-old charge offs to positive assets. Under regulatory pressure, credit Unions must focus available resources on loss mitigation and early stage loss recovery. Collection agencies focus their sights on the low-hanging fruit of newly assigned portfolios from their multiple clients and do not have the resources or the technology to efficiently or effectively mine older portfolios. In other words, for years it has been believed that old charge offs are just too expensive to collect.

Herein lies the irony: the older the charge off, the better the chances are of recovery. Why? Because, as Joplin stated, good people get back on their feet, even if it takes several years. But, there’s a Catch-22. According to CU Revest, the credit union must have the technology to know precisely who to reach out to and when to make contact before the account becomes time-barred by federal statute.

CU Revest has the technology. Their patent-pending predictive analytics model was launched in 1997 and has built itself on the repayment attributes of more than 1 million borrowers and \$3 billion in debt under management. Using behind the scenes triggers set with all credit reporting agencies and lifestyle attributes that go beyond FCRA reporting requirements, CU Revest’s model is accurate to

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within one standard deviation and re-educates itself daily as additional consumer data is run through the model. Armed with these analytics, CU Revest has, in two short years, recovered more than \$1 million in forgotten, abandoned capital and 1,600 prior-prime credit union members.

CU Revest is not a collection agency but a multiple-credit union owned asset management CUSO with a member-centric philosophy. For most Americans, financial crisis is a temporary setback, but the negative, life-changing effects can last for several years. Knowing when and how to contact a charged off, prior-prime member with dignity and respect is critical to the success of a loss recovery program. This philosophy goes to the very roots of the credit union movement: people helping people. If a financial crisis is temporary, is a lifetime ban appropriate? Put another way, if a prior-prime member has gotten past the financial crisis that caused a charge off and is willing to repay the credit union 100% of the amount charged off, should not that member be given a second chance? In many cases the answer is “yes”. After all, isn’t that what credit unions are all about? Mike Joplin, the employees of CU Revest and their credit union clients certainly think so.

#### **ABOUT CU REVEST, LLC.**

CU Revest is a CUSO owned in part by Kinecta FCU (Manhattan Beach, CA), Desert Schools FCU, Phoenix, AZ), ORNL FCU (Knoxville, TN) and GTE Financial Credit Union (Tampa, FL). In addition to being a proud NACUSO Platinum Partner, CU Revest has also established collaborative partnerships with industry leaders Akcelerant, a Temenos Company, and Allied Solutions. Using proprietary methods, CU Revest and its sister companies Credit Solutions Corporation and DPM, a consumer finance company, dedicate their 18 years of experience to the valuation and collection of non-real estate secured consumer charge offs using member friendly, non-litigation means and recycling charge off members into new performing assets and share accounts through:

- A highly trained systems integration team;
- Proprietary patent pending software to analyze portfolios and project recoveries;
- Fully transparent reporting and analytics to provide credit union partners and regulators to reliably quantify results;
- Seasoned special asset officers and recovery professionals to maximize credit union returns while treating members with dignity, respect and the potential to re-establish a positive relationship with their credit union.