

White Paper

# Innovative & Member-Friendly Sources of Non-Interest Income

## What Does this White Paper Cover?

The pursuit of non-interest income (NII) sources is nothing new to credit unions. In fact, credit unions are relying more heavily on NII than ever—not only as a major source of revenue, but to grow. In 2018, NCUA call reports indicated NII as a percentage of gross income was 27%—up from 19% in 2008. The sources of NII need to be regularly reviewed for ongoing validity and diversification of offerings, with new sources added and others retired. When credit unions make NII decisions as financial partners in members’ best interests, loyalty and goodwill follow.

This white paper focuses on NII strategy and sourcing that combines solid revenue streams with member needs, including:

- Strategies credit unions are deploying in their NII approaches,
- Creating a healthy balance between interest and non-interest income—now and in future economic situations,
- The pressures of interchange income (and other factors) that drive NII’s importance, including associated risks of growing and relying more heavily on NII,
- Innovative products and partnerships credit unions might pursue, and
- Approaches that combine and consider solid revenue streams along with member needs.

## Contributor Profiles



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CFO

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\$967 million in assets  
77,000 members



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“If you think you can’t charge a fee for a product or service, then you should question why it doesn’t seem to offer value someone is willing to pay for.”

**Paul Meissner**  
Credit Union of America

## Top 3 Takeaways

- 1 Non-interest income is essential as the financial services sector becomes increasingly competitive.
- 2 Any NII strategy needs to be revisited, as competition alters products’ effectiveness for the credit union.
- 3 Recognizing the credit union difference and tying NII to member value will help credit unions develop a sustainable strategy.