

THE
AFFORDABLE
BANKING REPORT



Langley
Save, Borrow & Spend Wisely

SPECIAL REPORT: AFFORDABLE BANKING AT LANGLEY

We are pausing our traditional Fall Newsletter to share the latest solutions Langley has implemented to make banking more affordable. As a not-for-profit financial institution, we return our profits to members through lower loan rates, higher deposit rates, lower fees, and convenient services. We continuously look for ways to improve the value of membership at Langley – we want to be the best financial institution for all our members.

Over the past several years, we have repeatedly reviewed our business practices to lower the cost of banking for everyone. With over 300,000 members, there are many different options we pursued, looking for ways to make the largest impact to the greatest number of people.

The special report was written to share with you the latest changes we made to give your Langley membership

even more value. These benefits can be categorized into the following areas:

- Fees
- Rebates
- Rewards

Most of the time, people with higher incomes, better credit scores and greater financial knowledge get the best rates for banking services. The people who are less knowledgeable, earn less and have lower credit scores, pay more for the same services. We want to make sure that all members at Langley get a fair shake, and no one has to pay exorbitant fees for the occasional slip-up or mistake.

We're proud of these efforts and the positive impact they have made on our members. These changes represent millions of dollars in reduced fees and improved benefits annually. Elsewhere, competitors are raising fees

and eliminating benefits to feed their profits. At Langley, you are our bottom line, and your financial success is what matters to us.



Tom Ryan,
President/CEO, Langley FCU

SOME RECENT HISTORY

ESSENTIAL CHECKING GRADUATION

The Essential checking account was developed in 2015 to serve members who could not obtain a traditional checking account. It comes with a \$5 monthly fee and some restrictions on services. After an extensive review, we developed a path for responsible users to migrate to a standard checking account. The first graduation occurred in April 2019 with 3,400 members transitioning to a Smart Checking account. This eliminated their \$5 monthly account fee and gave them access to all the functionality available in our regular checking accounts. **Since 2019, over 5,000 members have graduated from an Essential Checking account, collectively saving over \$300,000 in fees.**

COVID-19 EMERGENCY RELIEF SUPPORT

In response to the COVID-19 pandemic and the economic hardship that followed in early 2020, Langley took swift action, introducing emergency relief loans, and initiating two months of skipped payments for consumer loans. A total of **170,000 payments** for cars, credit cards and personal loans were skipped, giving members much-needed breathing room throughout the crisis. At the same time, Langley approved over 300 PPP loans for small businesses, totaling over \$16 million.

In addition to these lending efforts, Langley processed over **210,000** Economic Impact Payments (stimulus checks) for a total of more than **\$310,000,000** in stimulus funds to members over the course of the program.

FEE CAPS

At the beginning of 2020, we took the significant step of capping the number of times a member would be charged for insufficient fund (NSF) transactions. When a member makes a payment with a check or electronically, and there are not sufficient funds to cover the payment, it is rejected, resulting in a fee to the member. We placed a limit on the number of times this NSF charge could be applied in a month, resulting in members paying **\$400,000** less annually in these fees.

MORE FEE REDUCTIONS

MORE NSF/COURTESY PAY FEE REDUCTIONS

We weren't satisfied with simply reducing the number of times a member was charged an NSF or Courtesy Pay fee - we also examined whether we could lower the actual fee amount. Based on our most recent analysis, on October 1, 2021, NSF fees will be reduced from \$30 to \$10.

Langley offers Courtesy Pay - a service where we cover the transaction even if you are short on funds. Effective October 1, 2021, we will reduce the fee on Courtesy Pay from \$30 to \$20. In addition to the fee reduction, we are setting a transaction amount minimum at \$10 before those fees are charged. This means that a simple overdraft slip-up of a few dollars won't incur the fee at all!

These are not small changes. Approximately 40,000 members will save over **\$4.5 million** in fees annually as a result of these changes.

DON'T BE OVERCHARGED WITH HIGH FEES

	NSF	Courtesy Pay
Langley	\$10.00	\$20.00
Bayport	\$29.00	\$29.00
ABNB	\$35.00	\$35.00
Chartway	\$30.00	\$30.00
Navy Federal	\$29.00	\$20.00
Truist	\$36.00	\$36.00
Wells Fargo	\$35.00	\$35.00
Townebank	\$42.00	\$42.00

*Data on fees are valid as of **07/31/2021** from competitors' websites.

REDUCING FEES ON ESSENTIAL PRODUCTS

While we are pleased with the graduation progress of Essential checking members, there are still many who are on the path to financial stability. To further ease the cost of that journey, effective October 1st, Essential checking members who make a payment with a Langley debit card or log into online banking during the month will see the \$5 monthly fee waived.

Our fee reimbursement is just one of many ways we want to support our members in our Essential products. Along with the Essential checking account, we offer the Platinum Essential Visa credit card for members without a long credit history. In 2020, the Platinum Essential Visa included a \$50 annual fee which will now be eliminated entirely, further reducing the burden on these members.

REBATES

REDUCING MORTGAGE PAYMENTS WITH NO PMI

Purchasing a home is one of the most important decisions in our lifetime. Langley is honored to help guide our members through this important step. It is a complicated process and can have its share of hidden pitfalls. One of those - we think - is Private Mortgage Insurance (PMI).

When people buy a home, a 20% down payment is recommended. If you don't have the ability to put down a 20% deposit, most lenders require PMI.

PMI protects the lender if you stop making payments on your loan - it's just insurance for the bank! We offer mortgage loans that do not require PMI.

Eliminating PMI can save you hundreds of dollars on your monthly mortgage payment.

For example, a homeowner with a \$200,000 mortgage could be paying over \$91 monthly in their mortgage payment. Without PMI, they would save over \$1,100 a year!¹

¹Some restrictions may apply. Based on a \$200,000 fixed rate 30-year loan, with a credit score of 710, the average private mortgage insurance would be \$91.65 monthly.

On average, members
save over

\$1,100¹
a year without PMI!

SO FAR IN 2021, OUR MEMBERS HAVE SAVED OVER \$1.4 MILLION IN MORTGAGE LOAN CLOSING COSTS

Over the last year, many of our members were able to take advantage of lower mortgage interest rates to refinance their mortgage loans. However, some members chose not to refinance their mortgage loans because of the associated costs and continued to pay higher interest rates on old loans. Recognizing this, Langley offers a no-closing-cost refinance, which has saved each member an average of \$2,500 in closing costs. But more importantly this has allowed them to take advantage of historically low interest rates and lower their monthly payments, further lowering their monthly payments if they were paying PMI on their previous loan.

10% INTEREST REBATE ON LOAN PAYMENTS

People with great credit scores get rewarded with low interest rates on loans. People with lower credit scores pay more. But we believe that all members who make timely payments on their loans deserve a break. When you make timely, self-directed payments through an active Langley checking account on a qualified Langley loan, we rebate you 10% of the interest paid monthly back into your savings account¹.

¹Self-directed payments include automatic transfers set up in-branch or in Online Banking and payments transferred from your Langley checking account through Online Banking. Active Langley Checking Account includes any checking account where your payroll is deposited and pay monthly expenses. Cannot be combined with any other offers. Limited time offer.

Since the start of 2019,
Langley has given over

\$3 MILLION

with members earning
an average of \$150 each year!

ELIMINATING CLOSING COSTS ON HOME EQUITY LOANS

Using the equity in your home can be extremely beneficial. People use their home equity to pay off more expensive or larger debts or make improvements to their homes.

We have made home equity options even more valuable by charging no closing costs for our members. Our home equity products have maintained low annual percentage rates and now with no closing costs, this option saves members even more! On average, members have saved over **\$750.00** per loan with no closing costs on our Home Equity loans. This savings is extremely valuable to members looking to make their home's value work for them.

REWARDING MEMBERS

OFFERING MORE CASH BACK ON CREDIT CARDS

Earning cash back on your credit cards is a perk you can enjoy. These days, most major credit card companies offer some form of cash back incentive. But, with higher interest rates and annual fees, are you really saving? We do it differently. We not only offer cash back rewards to you, but we do it with low interest rates and no annual fees. We also give back in more ways than one.

The **Langley Signature Cash Back Visa** gives you the power to decide your cash back with our new 5% "Pick Your Category" program. With this card, you choose one of three categories each month to receive 5% cash back – plus, you continue to earn the same unlimited rewards of 3% on gas, 2% on groceries and wholesale clubs, and 1% on everything else¹.

Our **Platinum Quint Visa** maximizes your spending with 1% cash back in five categories – gas, groceries, wholesale clubs, drugstore purchases, and EV charging stations².

Since January 1, 2021, Langley members earned a total
of over \$135,000 in rewards each month – that's

\$1.3 MILLION

 so far!

¹Signature Cash Back Visa credit card holders will receive 5% cash back on cardholder's choice each month, 3% cash back on gas purchases, 2% cash back on in store grocery and wholesale club purchases and 1% cash back on all other purchases. 5% cashback rewards must be activated to earn cash back, up to \$100 in earnings. Annual Percentage Rates (APR) for cards are variable and determined by credit history, subject to approval. The Langley Signature Cash Back credit is applied to your savings account and shown on in Online Banking. ²Platinum Quint Visa credit card holders will receive 1% cash back on EV charging stations, gas, groceries, wholesale club purchases, and drug store purchases. Annual Percentage Rates (APR) for cards are variable and determined by credit history, subject to approval. The Langley Platinum Quint Visa cash back is applied to your savings account and shown in Online Banking.

PAYING YOU TO SAVE MORE

Growing your savings account can seem impossible at times. With a LangleyPays Checking account, we make it simple! Every time you swipe your LangleyPays debit card, you earn 10 cents that is automatically deposited into your Langley Savings account each month. Since January 2021, members with a LangleyPays Checking account have saved over **\$785,000!** Getting paid to use your debit card is easy. Active members average \$84 in rewards each year for everyday purchases.

TRACKING YOUR REWARDS IN ONLINE BANKING

Langley’s Mobile and Online Banking empowers you with control of your money at your fingertips. This powerful tool now features a dedicated menu displaying the rich rewards you’ve received from Langley!

Easily keep track of several of the rewards mentioned in this special report by logging into Online Banking today.

Rewards available in Online Banking:

- LangleyPays Checking Debit Rewards
- Spend ‘n’ Save Round up Program
- Signature Cash Back Visa Earnings
- Platinum Quint Visa Cash Back Earnings
- ATM Fee Reimbursement
- 10% Interest Rebate
- Essential Checking Reimbursement

FINANCIALLY EMPOWERING YOU

ROUNDING UP TO SAVE OVER \$1.5 MILLION WITH SPEND ‘N’ SAVE

Many often wonder how they can increase their savings without all the effort. With Spend ‘n’ Save, you can do just that! When you enroll your Langley debit card in the Spend ‘n’ Save program, you turn your card into a savings tool – each purchase you make is rounded up to the nearest dollar. Those extra pennies are transferred into your savings account, helping you save even more.

In the last year, our enrolled members have saved a total of \$1,527,901.

Enrolled Members saved

\$1,527,907

PROVIDING EDUCATION TO SUPPORT FINANCIAL WELLNESS

We care about your financial wellness. Our free financial education service, **BALANCE**, provides guidance in every financial step of life – whether it’s reducing debt, buying a car, investing in a home, or simply improving money management skills.

As a Langley member, you’ll have free access to expertly crafted financial education and resources to help with your finances. We want to help you master your money. Through our partnership with **BALANCE**, you can work with a financial expert to boost your credit rating, attend free webinars, or access budgeting calculators and lifestyle articles on relevant topics.

The BALANCE financial experts helped 196 members in the last year – that’s over 150 hours of credit counseling, budget planning, and more!

Financial wellness becomes simple with guidance from **BALANCE**. Your path to financial fitness starts at LangleyFCU.org/balance

BALANCE financial experts helped

196 members
in the last year!



MAKING A DIFFERENCE

INVESTING TIME AND RESOURCES IN THE COMMUNITY

Langley invests time, resources, and funds into the Hampton Roads community to give everyone more opportunities and support. We have made a strong commitment to Hampton Roads through charitable giving and the rapidly growing Langley for Families Foundation. **In 2020, we gave a combined**

\$1,400,000
to 127 different non-profit organizations

Langley for Families Foundation (LFF) is the charitable arm of Langley Federal Credit Union – a registered 501(c)3 with the mission of making a difference in the lives of people in our communities. The Foundation leverages the power of Langley’s employees and membership to raise grant funds for four program areas: healthcare, housing & human services, education, and safety & security. Members can easily get involved by donating online or participating in the monthly charitable cash raffle.

We value the importance of education, as it is one of the four program areas for the Foundation. We have granted **\$110,000 in scholarships** so far this year to both graduating high school seniors and local college students through university partnerships, including Christopher Newport University, Hampton University, Old Dominion University, and the College of William & Mary. Additionally, we will grant 30 \$500 awards this fall to teachers across Hampton Roads for existing or new classroom projects, such as field trips, reading corners, 3D printers, and more.

We are also committed to the well-being of our communities and fully support mental health programs. **In 2019, we pledged \$1,000,000 to CHKD’s new mental health hospital for children.** This mental health hospital will make a significant impact in the community by filling a much-needed gap of services, including 60 inpatient beds and an extensive expansion of outpatient services. The hospital is currently under construction in Norfolk, VA and set to open fall 2022.

Langley has demonstrated our commitment by donating more each year, and we remain dedicated to supporting the Hampton Roads community.

FINAL THOUGHTS

Langley delivers a profound economic impact on the Hampton Roads region. With over \$4 billion in assets, \$3 billion in deposits, and \$3 billion in loans,

Langley Improves Members’ Lives

by helping them Save, Borrow, and Spend Wisely. Langley loans put people in cars, homes, schools, and more. As a full-service financial institution, we provide a huge variety of services to help members meet their financial goals.

Our 600 local employees in the region come to work at Langley every day. They are committed to giving you the best service and quality financial advice whenever you need it. We are dedicated to creating an environment and culture where our people will grow professionally and prosper.

We hope that this special report has made you aware of our commitment to your financial well-being and all the different ways you can save at Langley. **Thank you for your membership!**

