

## Leasing + Lending = Exponential Benefits For Growing A National Credit Union

Bethpage Federal Credit Union is headquartered in Bethpage, Long Island, the center of one of the largest leasing markets in the country. They have been offering indirect auto loans and auto leases for several years. Bethpage made the decision to transition their leasing program over to Credit Union Leasing of America (CULA) in March 2016.

Bethpage wanted to work with a vendor that was fundamentally focused on working with credit unions and their members. Additionally, the CULA program for lease terminations allows dealers to buy the vehicle for the same price offered to the member, and that aligned with what Bethpage was looking for. Chris Walsh, the Senior Manager of Consumer Lending, who has been with Bethpage for more than 18 years, explains the thinking behind the decision: "We wanted to work with a vendor that was really focused on credit unions and its members and CULA is more than qualified. CULA's program was very well aligned with our goals for leasing."

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Chris Walsh  
Senior Manager of Consumer Lending  
Bethpage Federal Credit Union

### Deeper, More Profitable Dealer Relationships

Offering leasing has allowed Bethpage to provide a complete indirect lending program to their dealers, complementing their traditional retail products and providing dealers with a financing outlet for any type of product they want to sell. Walsh explains that leasing has deepened their connection with local dealer partners, "we have traditional retail products, balloon products, and by adding lease products, we were able to provide the dealer with a financing outlet for any type of product they want to sell. While they had been in indirect for years, it's really hard to get a lot of volume because that market is very competitive."

When Bethpage introduced leasing, because the financing system connection and relationships with Bethpage already existed, their dealer partners instantly had the ability to leverage Bethpage for leases as well as retail loans. As soon as the dealers realized that the Bethpage leasing program was market competitive, the dealers became more open to Bethpage's indirect retail program. Walsh explains how the decision to add leasing to the portfolio had an exponential impact on Bethpage's loan volume and yield, "leasing was the springboard to give us more volume in our retail program as well. The CULA program has allowed us to build deeper relationships with our dealers because when we're getting high volumes on leases from dealers, the dealers are engaged with us and it allows us to sell our other products like retail loans. When

we started to introduce the leasing product, the dealers saw it was a competitive program were more open to our indirect retail program.”

### **Leasing: While Dynamic, The Return Works Out**

In Long Island, an area that has a very, very heavy leasing volume, Bethpage is currently striving for an origination mix of sixty-five percent lease and thirty-five percent retail. While auto leasing has some inherent risk factors, such as residual value risk and off lease collection, Walsh explains that working with an experienced partner like CULA has enhanced Bethpage’s ability to manage these elements, “after accounting for the residual value risk and off lease collection, the CULA lease program still has a higher return than our indirect retail program.”

Walsh says that when they are originating loans, they look for diversification among vehicle makes and models. “Overall, it is a different product than a retail loan, but it’s profitable,” said Walsh. “It just needs to be managed more thoroughly than a traditional loan portfolio and CULA listens to these unique needs, understands them and acts on them. They have been a great partner to work with.”

### **About Bethpage Federal Credit Union**

Bethpage Federal Credit Union is a premier financial institution committed to enriching the lives of its members, employees and the communities it serves for over 75 years. Bethpage is the largest credit union in the Northeast region, as well as 16th largest in the nation. Voted Money Magazine’s Best Place to Bank in New York for 2018, Bethpage is a federally chartered credit union, available to people nationwide who open a \$5 membership account. Bethpage offers a robust digital platform that allows members to bank with us from anywhere. Bethpage is a part of the national CO-OP network that gives members access to their accounts at over 30,000 free ATMs and 5,000+ shared branches across the U.S. As a financial cooperative, Bethpage offers the best-in market rates, lowest fees and world-class service, plus a full menu of personal and commercial financial services. For more information on Bethpage’s robust portfolio of banking, borrowing, and investment services, visit [www.lovebethpage.com](http://www.lovebethpage.com) or call 1-800- 628-7070.

### **About Credit Union Leasing of America**

CULA is the leader in working with credit unions to increase yield, diversify their portfolios, and reach more members through indirect vehicle leasing. Founded in 1988, CULA provides a leasing program designed to support credit unions’ growth and advancement. Visit [www.cula.com](http://www.cula.com) to learn more.