

GARN BILL TRAINING MATERIALS

UNITED BANKS OF COLORADO

November-December 1982

# FOR YOUR IMMEDIATE ATTENTION

## GARN PRODUCT TRAINING TELECONFERENCES

Our new Garn Product -- the United Bank Money Market Account -- is such an important deposit product that two phases of training are being planned to support it. All United Bank affiliates are being asked to participate in both phases of training via audio teleconference. Here's why your bank should make plans to participate in our teleconference:.

- You'll have the chance to ask questions directly of the people who are developing our product.
- You'll get up-to-the-minute information about our new United Bank Money Market Account.
- You'll have the opportunity to benefit from the questions and comments made by other affiliate United Banks.
- The teleconferences can provide complete training on the new product for all or part of your staff.

### PHASE I TRAINING TELECONFERENCE

In Phase I we'll discuss:

- the Garn Bill and its impact on financial institutions
- basic features of our new Money Market Account
- United Banks' advertising and promotional strategy
- answers to your questions.

**Phase I Teleconference Sessions are scheduled for:**

Monday, November 29 2:45-4:15 p.m.

Tuesday, November 30 2:45-4:15 p.m.

(Your bank can participate in either session, but must choose only one.)

### PHASE II TRAINING TELECONFERENCE

**Phase II will cover all the specifics of our new Money Market Account including:**

- features and benefits of the new product
- how to recognize prospects and sell the new account
- what the competition's doing
- account opening procedures and new forms
- operational concerns
- your questions and concerns.

**Phase II Teleconference Sessions are scheduled for:**

Wednesday, December 8 1:30-3:30 p.m.

(Metro affiliates)

Thursday, December 9 8:30-10:30 a.m.

(Western slope affiliates)

Friday, December 10 8:30-10:30 a.m.

(North/South affiliates)

(over)

**Here's what you need to do to participate in our training teleconferences:**

- (1) Let us know ASAP by calling in your reservation to Sandy Jaeger, UBD Marketing, 863-4521. Note: We must receive word from you no later than Tuesday, November 22 if you plan to participate in the first teleconference. Reservations will be taken on a first-come, first-served basis. We have 13 slots open for each session.
- (2) Several banks are already equipped for audio teleconferencing (Denver, Fort Collins, Boulder, Greeley, Colorado Springs and Grand Junction have portable conference telephones. In addition, Pueblo and Durango have speakerphones). If your bank is not among those listed, you can still participate by:
  - (a) joining one of the banks listed
  - (b) arranging for either a speakerphone or portable conference set (Model 50A) from Mountain Bell. The portable conference set is preferred but requires several days notice for installation; the rental cost for the unit is \$12.00/month. If you can't get one installed in time for the first session, try to have one available for the second teleconference. If you want to order equipment, call Maggie Klenke, UBC, 863-4544. She'll coordinate the order with Mountain Bell for you.
  - (c) calling in on a regular telephone headset if just one person participates at your bank.
- (3) Designate someone to serve as Teleconference Coordinator and Site Host. The Teleconference Coordinator should be someone who can attend to the details of making all the necessary arrangements to hook your bank up to the teleconference, while the Site Host will assume responsibility of facilitating discussion at your end during the teleconference. The same person can serve in both roles.

NOTE: We'll be sending specific instructions and a materials packet to your Teleconference Coordinator next week.
- (4) Let us know who will be participating in the teleconference at your site. A participant list form is attached for this purpose. You can either complete the form and send it ASAP to Sandy Jaeger, UBD Marketing, (0105), or provide us with the information over the phone (863-4521, Sandy Jaeger).
- (5) There's virtually no cost to you for participating. The only possible charge that may be incurred by your bank is the cost of a long distance phone call to Denver. This cost can be eliminated if your bank decides to use you Denver line.

**Teleconference Training - Participant List**

Phase I- Preliminary training.

Session: \_\_\_\_\_

Bank:

Site Host:

Coordinator:

Overhead Projector: Yes \_\_\_\_\_ No \_\_\_\_\_

Names/Titles of Participants

Phase II- Final Product Training

Session: \_\_\_\_\_

Names/Titles of Participants



# **Training Matters** United Banks of Colorado, Inc.

## **PHASE II FINAL PRODUCT TRAINING United Bank's Money Market Account**

The following listed handouts are included in this training packet. The presenters are likely to refer to certain pages during the training session -- so, keep the packet handy for easy reference.

- list of presenters
- agenda
- product fact sheet
- how to sell the account
- operational concerns
- sample forms
- competitive analysis
- evaluation

**PRESENTERS FOR  
PHASE II TRAINING TELECONFERENCE ON  
UNITED BANK'S NEW MONEY MARKET ACCOUNT**

These are the people you will be hearing from during our second teleconference training session on the new Money Market Account.



**Marlene McDaniel,  
Instructional Development Specialist,  
United Bank of Denver**

A member of the Communications department at UBD, Ms. McDaniel is responsible for the employee training of new and existing products. She holds an M.Ed. degree in Adult and Continuing Education and a B.S. degree in Consumer Science from Colorado State University. Ms. McDaniel has 9 years experience in training.



**Sally Kelly, Personal Banking Manager,  
United Bank of Denver**

Employed by United Bank of Denver since 1965, Ms. Kelly has experience in several areas of the bank. Formerly she worked in operations and management positions, but for the past four years Ms. Kelly has been in personal banking. She was recently named to head up the newly created senior center for the Denver bank.



**Heather Chisholm, Customer Relations Representative,  
United Bank Service Company**

A member of the UBSC Customer Relations staff, Ms. Chisholm is responsible for support and training in the following applications: Demand Deposits, Demand Analysis, Loans, Mortgage, Charge off, General Ledger, Teller Terminals, and Budget Modeling. Ms. Chisholm, a graduate of the University of Colorado is pursuing her MBA at UCD. She joined United Banks in 1980.



**Henry Janiszewski, Marketing Manager,  
United Bank of Denver**

Mr. Janiszewski is the deposits product manager at UBD with the responsibility for the design, and implementation of new retail products and services for United Banks. He is a frequent instructor with the American Institute of Banking.



**Diane Simpson, Marketing Officer and Director of  
Communications, United Bank of Denver**

As Director of UBD's Communications activity, Ms. Simpson has responsibility for all of the Bank's internal and external communications, including press relations, audio-visual services, product training and financial communications. A graduate of the University of Utah with a degree in Journalism/Mass Communications, Ms. Simpson joined United Banks in 1980.

**AGENDA**  
**Phase II - Final Product Training**  
**United Bank's Money Market Account**

Welcome and Introductions	Marlene McDaniel or Diane Simpson
Objectives (OH 1*)	Marlene McDaniel Diane Simpson
United Bank's Money Market Account (OH 2A, 2B*) <ul style="list-style-type: none"><li>•Features and Benefits</li><li>•Questions and Answers</li></ul>	Henry Janiszewski
How To Sell the New Account (OH 3*) <ul style="list-style-type: none"><li>•Developing a Sales Approach</li><li>•Questions and Answers</li></ul>	Sally Kelly
Account Opening Procedures/Forms (OH 4*) <ul style="list-style-type: none"><li>•Review of What's New</li><li>•Questions and Answers</li></ul>	Henry Janiszewski
Operational Concerns (OH 5*) <ul style="list-style-type: none"><li>•New Account Impact</li><li>•Reporting</li><li>•Questions and Answers</li></ul>	Heather Chisholm
What's the Competition Doing? <ul style="list-style-type: none"><li>•Competitive Analysis</li><li>•Questions and Answers</li></ul>	Marlene McDaniel or Diane Simpson
Adjourn	



8. Excessive activity charge \$5 for each withdrawal/transfer in excess of the six limited transactions (combination of transfers and checks). However, customers must be told that no more than three checks per month are allowed.
9. Check safekeeping Accounts will be mandatorily safekept. Default value will be safekeeping. Banks will have to override parameters to allow return of checks.
10. Funds availability for withdrawal Ledger balances less holds (available balances).
11. Interest Accrued daily, paid monthly (end of each statement cycle period).
- Interest rate adjusted weekly (New rate takes effect each Tuesday. In event of holiday, takes effect same day as new rate on weekly government auctions.)
- Customer will see it as an administered rate (no index).
- Interest disbursement: to account only.
- Interest paid on funds after they've been on deposit one day (one day delay).
- Daily compounding (both current rate and lower rate).
- Systemwide pricing (banks electing to pay higher rate require regional executive approval).
12. Interest rate disclosure
- Short-term:
- a) Statement will disclose current rate at time of statement rendering.
  - b) Consumer rate line (if available)
  - c) Lobby (rate board)
  - d) Banks should ensure rate is readily available.
- Long-term:
- a) Statement (will disclose effective rate per statement period)
  - b) Consumer rate line
  - c) Lobby (rate board)

13. Monthly statement
14. Loans extended to meet minimum account opening balance prohibited.
15. Bank reserves right to require 7 days' notice of intent to withdraw funds.
16. Account opening
  - Requires opening separate account.
  - Accounts can be set up throughout cycles. No common cycle required.
17. Overdrafts
  - Not allowed; items will be returned.
18. Account forms
  - Specially designed checkbook cover which would include:
    - a) Check register
    - b) Checks (corporate check)
    - c) Deposit slips
    - d) Withdrawal slips readily available in lobby.
  - Rules and procedures
  - Signature card
  - Fee schedule
  - Charges for checks will apply (based on cost plus).
19. No automatic overdraft line of credit.
20. No sweep arrangement although an automatic transfer arrangement could be arranged.

## HOW TO SELL UNITED BANK'S NEW MONEY MARKET ACCOUNT

### Prospects-

These individuals are likely prospects for our new Money Market Account:

1. High balance (\$1,000 +) checking or savings customers.
2. Current CD holders (7 day, 3 MMC and 6 MMC).
3. Friends or relatives referred to us by our existing customers.

### Cross Sell Indicators-

Be on the lookout for these cross sell indicators--they're your clues to potential new Money Market Accounts.

1. Customers or non-customers who ask you to give them immediate credit for a check on a Money Market Fund.
2. Customers who mention they want a high-yielding, liquid investment.
3. Customers who consistently maintain large balances in either a checking or savings account.
4. Customers or non-customers who list money market fund assets on a financial statement.

### Sales Steps-

Once you've identified a potential customer for our new Money Market Account, follow these basic steps in selling the account.

1. Start by asking a series of probing questions. They'll get the customer talking about his/her needs and you'll learn what benefits are particularly important to the customer. Remember that open-ended questions (questions that elicit more than a 'yes' or 'no' response) will yield the most information.
2. Next, tell the customer all about our new Money Market Account using benefit language. The attached feature/benefit analysis will make it easy for you to do this. Make sure to stress those benefits that are of particular interest to your customer.
3. Ask for the business and close the sale. Be upfront with the customer and say that you want to open an account for them today so they'll start earning a money market rate of interest right away. Explain that it's a simple procedure that will only take a few minutes.

Remember -- chances are you'll be successful if you're enthusiastic about the new product.



## Overcoming Objections

In any sales situation, you should be prepared to overcome objections. Although our new Money Market Account is an attractive investment product, customers may raise objections and you should be prepared to handle them. Here are a few objections you might hear and suggested ways to overcome them.

**Objections:** "Your rate isn't as high as the other bank down the street is paying."

**Counter:** Even though our rate may not be the highest (it may or may not be), it's still competitive. And I think you'll find that the service we'll give your account is worth the small difference in rate. (You might calculate for the customer what the rate difference actually amounts to in dollars and cents.)

**Objection:** "Why should I open a Money Market Account with you when my regular bank is more convenient?"

**Counter:** Because when you open your account with us, you'll be banking with the state's leading family of banks. Besides, it's easy and convenient to access your account with us. In addition to using our tellers, you can write checks on your account, arrange for automatic or pre-authorized transfers, wire funds out-of-town or to other banks--and use our network of minibanks or Bank-by-Phone, if you wish. (Although we're not promoting ATM or Bank-by-Phone access, they are available to customers who want them.)

**Objection:** "I don't like the idea of the rate not being tied to any specific index."

**Counter:** Don't let that bother you. The rate for this product is deregulated, which means all financial institutions are free to set their own rate. At United Bank, the rate will be an administered rate, competitive with current money market interest rates.

**UNITED BANK MONEY MARKET ACCOUNT**  
**Feature/Benefit Analysis**

With our new Money Market Fund we're able to offer our customers a product that's directly competitive with money market funds. Here's a summary of the key features of United Bank's Money Market Account, translated into customer benefits.

**Features**

**Benefits**

- |   |  |
|---|--|
| 1. \$2,500 minimum deposit required to open the account.  | It doesn't take a large initial deposit to open the account.   |
| 2. \$2,500 maintenance balance required to earn money market rate. NOTE: The rate falls to 5 1/4% if balance drops below \$2,500. | Earn money market rates on all the funds in your account as long as you keep a \$2,500 balance. Even if you drop below the minimum, your account continues to earn interest at 5 1/4%.   |
| 3. FDIC insured up to \$100,000.  | Security and peace of mind knowing that your investment is insured.  |
| 4. Primary account access through check, teller transactions, and preauthorized or automatic transfers.                           | Convenient -- easy to use.   |
| 5. Deposits allowed at any time and in any amount.  | Once the account is open, there's no minimum deposit amount like some Money Market funds require. And you can add to your account at any time.   |
| 6. Withdrawals permitted at any time and in any amount.   | You have immediate access to your funds with this liquid account. (There's no delay as with out-of-state institutions.) And you can withdraw any amount you want -- a minimum withdrawal amount doesn't apply to our account.          |
| 7. Make up to 6 automatic or pre-authorized transfers each month. (Of these, no more than 3 can be checks.)                       | The number of limited transactions (checks, pre-authorized or automatic transfers) allowed each month should be more than adequate considering that nationally, money market fund users write an average of only 0.6 checks per month. |

8. Unlimited transfers or withdrawals are permitted through tellers

Even if you're up to your check or pre-authorized transaction limit, you can still make withdrawals, without fee, through the tellers.

9. No fees or commissions.

Unlike many money market funds offered through brokers, you pay no fee or commission with our account.

10. Competitive interest rate changes weekly.

Our administered rate is competitive with money market funds. And because the rate is set weekly (instead of daily) you'll be able to lock in the rate for a full week, which is helpful when rates are falling.

11. United Bank investment.

Security and peace of mind knowing that your funds are invested with the leading family of banks in Colorado.

UNITED BANK MONEY MARKET ACCOUNT  
OPERATIONAL CONCERNS

The new United Bank Money Market Account (MMA) has been designed with simplicity in mind. With the short time frames from initial announcement to actual bank implementation, United Banks have chosen to incorporate this new product within the Demand System. That decision has made operational issues almost non-existent.

NEW ACCOUNT IMPACT

DESCRIPTION

Account Type Code  
Account Opening

3  
No conversions from existing DDA accounts will occur. Existing customers electing the MMA, will have new DDA accounts opened under the new type code.

Interest Adjustments

Interest adjustments made to the account will be handled exactly as the IWC interest adjustments are now.

Service Charge Waiver  
General Ledger

Same as above  
It is recommended that new principal, interest, and expense accounts be created to support this product.

Terminal Input

Create Account - the only change is the Bulk Filing Code. If the Bulk Filing Code entered is other than "1" (safekeeping), the system will display a message Safekeeping Suggested. At this point, the terminal operator can override this field with a "1". Otherwise, the system will retain whatever Bulk Filing Code is input.

REPORTING

• DDA 825 - Demand  
Bookkeeping Recap

There have been enhancements to the totaling page to include MMA (see attachment I)

• DDA 824 - Demand Deposit  
Interest Earning  
Accounts Activity  
Report

• New Field Headings  
SCC - Service Charge Code  
AT - Officer Number  
• For totaling purposes, a new section "MMA" has been added (see attachment II)

• DDA 830 - Demand Deposit  
MMA Balance and  
Activity Report

A new report to accommodate the MMA. (see attachment III)

Note: User documentation will be available 12/13/82.

Interest Rates

Initial rate will be loaded by UBSC. Banks will be supplied with program to enter all subsequent rate changes.

The new MMA will work exactly as a DDA account with regard to overdrafts, stop payments, cautions, etc.

## **United Bank Money Market Account Rules and Procedures**

By signing the signature card for this account, you (the depositor) agree to be bound by its rules and procedures. The Bank reserves the right to change these rules and procedures upon written notice mailed to you.

### **Interest**

Your funds start earning interest after they have been on deposit for one day at the current rate in effect as long as any day's balance remains at \$2,500 or above. The interest rate on your account will change weekly on Tuesday. The current week's rate can be obtained by calling the Bank.

If your ending balance on any day falls below \$2,500 during the monthly statement cycle, the interest rate will be adjusted to 5-¼ % for each such day that the balance is below \$2,500. Your account will continue to earn interest at the current rate when the ending balance on any day is \$2,500 or above.

Interest will be compounded daily and paid at the end of each monthly statement period. Interest will be paid by adding it to the account balance.

### **Deposits**

You may make additional deposits to the account in any amount and at any time. A deposit may be made by using one of the deposit slips provided to you for this account. All checks and other items received as deposits will be taken subject to collection. For the customer's convenience, the Bank may supply missing endorsements.

### **Transfers and Withdrawals**

Funds may ordinarily be withdrawn without advance notice to the Bank. However, federal regulations require the Bank to reserve the right to require you to give the Bank seven days written notice of intent to withdraw funds from the account.

You may make up to six transfers or withdrawals from the account per month, no more than three of which may be initiated by check. However, you may make unlimited in-person transfers or withdrawals from the account at a teller station using a withdrawal slip.

You may preauthorize us to transfer funds from the account to another of your accounts at the Bank or to make a loan payment at the Bank by signing the Bank's preauthorization form.

### **Overdrafts**

Withdrawals in excess of the available funds on deposit in your account are prohibited. Available funds are equal to the balance of collected funds less the amount of checks previously written, but which have not yet been paid and any holds placed on the account. The Bank will not be liable for dishonoring any checks or withdrawals, which, if paid, would exceed the available funds on deposit. You will be charged an overdraft fee as specified in the Bank's current fee schedule.

### **Safekeeping**

Unless otherwise directed by you, copies of your checks, withdrawal slips and deposit slips will be safely stored on microfilm at the Bank instead of being included in your statement. Copies are available upon request.

### **Inactive and Closed Accounts**

The Bank may refuse to accept any deposit. The Bank may close the account, with or without reason, upon mailing notice of termination to the depositor. If there is no activity on the account for five years, the account will be closed, interest will cease to accrue, and a service charge may be imposed.

### **Fees and Charges**

The Bank reserves the right, from time to time, to impose account activity charges as well as other charges associated with this account. Please refer to the Bank's current fee schedule for applicable charges.

### **Other**

Any notifications to you regarding the account will be sent to the last known address on file at the Bank.

Your account is insured up to the maximum allowed by law by the Federal Deposit Insurance Corporation.

**United Bank Money Market Account**  
For Bank Use Only

Date

Account Number

A Sign  
Here ▶  
in Ink

B Sign  
Here ▶  
in Ink

C Sign  
Here ▶  
in Ink

D Sign  
Here ▶  
in Ink

This line will carry the name of each respective United Bank.

**To United Bank of Denver National Association, Denver, Colorado:**

Above is the signature of each person authorized to sign for this account. This account is subject to the provisions of the Colorado Probate Code and all other applicable laws and to the rules and regulations of the bank from time to time in force governing this account, including those relating to the bank's fees and charges.

If this is a joint account: (a) each party and the bank shall have the power to endorse and deposit to this account any item payable to, or for the account or benefit of, any party alone or jointly with another or others; and (b) the bank may, but need not, recognize any stop-payment order from any party with respect to an item drawn on this account by another party. Not transferable except on books of the Bank.

**Please Sign This Tab** →

X

X

Signatures Required

Received By

- |  |                                     |  |                                      |
|--|-------------------------------------|--|--------------------------------------|
| <input type="checkbox"/> Joint         | <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation         | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Miscellaneous | <input type="checkbox"/> Joint      | <input type="checkbox"/> Trade Name—         |                                      |
| <input type="checkbox"/> Organizations | <input type="checkbox"/> Venture    | <input type="checkbox"/> Sole Proprietorship |                                      |

Change of Title

Change Type  
 of Account

Old Account Number:

**Check Safekeeping:**

Copies of cancelled checks will not be returned with monthly statements. Statement items will be microfilmed and retained at the Bank. Photocopies of items will be made available upon request.

If check safekeeping is not desired, check here

## Training Program Evaluation

Help us determine how effective our teleconference training session was by responding to the five questions listed below.

1. How do you rate teleconferencing as a training method?

<u>Poor</u>	<u>Fair</u>	<u>O.K.</u>	<u>Good</u>	<u>Excellent</u>
1	2	3	4	5

Comments: \_\_\_\_\_  
\_\_\_\_\_

2. Rate the visuals and handouts that were used during the program.

<u>Poor</u>	<u>Fair</u>	<u>O.K.</u>	<u>Good</u>	<u>Excellent</u>
1	2	3	4	5

Comments: \_\_\_\_\_  
\_\_\_\_\_

3. Give the teleconference training session an overall rating:

<u>Poor</u>	<u>Fair</u>	<u>O.K.</u>	<u>Good</u>	<u>Excellent</u>
1	2	3	4	5

Comments: \_\_\_\_\_  
\_\_\_\_\_

4. What did you like least about the program?

\_\_\_\_\_  
\_\_\_\_\_

5. What did you like best about the program?

\_\_\_\_\_  
\_\_\_\_\_