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Friends and Family CU-Based Online Auction Service Springs from Oregon Roots

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PORTLAND, Ore. – A new online auto auction service created specifically for credit unions is a bit of a family affair.

Michael Taylor and Mark Coleman were friends and colleagues at a software company with

“It’s also set up so that anyone can register the proper contact information and bid, and then the winning bidder is notified by e-mail and/or fax. After that, the CU steps in again and makes arrangements for title, payment and delivery.”

Three credit unions currently are using the service in Oregon, and expansion efforts have begun in Washington and California, with 20 more credit unions already asking for proposals, Coleman says.

The fledgling firm got a big boost when the CUAO’s confidence in Coleman and Taylor helped lead to a marketing pact with the Credit Union Association of the West, which includes Washington, California and

manager at \$300 million, 45,000-member Safeway Northwest Central Credit Union in Beaverton.

Two of those success stories were repossessions that the CU first tried to sell at a local auction lot but didn’t get the money it needed for them. “We put them up on TitleAuctions and each one sold for a minimum of \$1,000 more than what we would have gotten at auction,” Barnes says. (They actually were a Ford Ranger pickup truck and a JetSki.)

Safeway NW Central won’t put all its repos on the site, just those that it feels are desirable enough to bring in some revenue to make up for the credit union’s investment in the vehicle. And that won’t drive off with the credit union’s reputation.

“We want to get the best return on the vehicles that we can, which is part of our obligation to serving the members, and we want to represent the vehicle as honestly as we can,” Barnes says.

“We have all kinds of pictures on our Web site

to give the potential buyer some sort of idea as to the physical condition of the vehicle, and we’ll run Car Fax on it to, if they wish, to get the history on it. We also have it checked over by a mechanic, so we can sell this car to a new buyer with confidence,” Barnes says.

His CU has committed to TitleAuctions for the rest of the year, and plans to promote the service more actively, beginning with statement stuffers going out this summer.

Coleman, meanwhile, also has plans of his own.

“Where do we see ourselves going? Ultimately, I’d love to see us create a national marketplace for credit union repos, so a member in New Jersey can browse and bid on a repo in Portland, Oregon, and bid with confidence knowing that that vehicle is coming from a credit union with full disclosure,” he says.

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credit union and auto dealer clients when Taylor’s mother, Arlene Moss, then manager of Dal-Gold FCU in The Dalles, told them about how a factory closing in her area had left her \$2 million CU with eight repossessed vehicles to sell in a small market.

That gave them an idea – to create a user-friendly, economical way for credit unions to market their repossessed vehicles on the Internet, allowing CUs to get more for the vehicles and consumers to buy with confidence from a reputable source.

A year or so of preparation and planning led to a pilot test with the help of the Credit Union Association of Oregon in October, and after further assessment and testing, the service went live as TitleAuctions.com in March. (The central auction page has since evolved into www.CUAuctions.com.)

The ASP service is available in two levels: The basic level allows credit unions to post directly to the central auction page, or they can opt to frame their own customized auction page on their own site and link it to the central page.

The basic service will cost \$500 a year while the custom level’s maintenance fee is \$2,500 a year, which includes all reports and upgrades, Coleman says. Either way, when a car is posted on the site, the initial bid will cost the CU \$50 and then a final bid fee of \$150 when it’s sold.

Coleman notes that there are numerous other online venues for selling cars, as well as software for credit unions that want to do it themselves, but says, “I’m not really aware of any other service that does exactly what we do.”

“For a few dollars per car, we’ve got servers and the database and the business logic with reports built in, everything a credit union needs to quickly and easily have a customized auction on the Web, despite limited resources.

“We kept hearing from credit unions that they want to be in charge of the whole process and that’s what this is about. We even wrote our integration guide such that a Webmaster with maybe a year of experience can take it and frame in his own auction page and get the whole thing going in as little time as half a day.”



Nevada as well as Oregon.

“We’re going to be sending out flyers and holding presentation meetings so credit unions throughout our four-state association can gain more understanding of how TitleAuctions can help them sell their repossessed vehicles,” says Sallie Sylvester, senior vice president of credit union services at the CUAO.

“We want to provide our credit unions with a choice of services that can help them meet their needs, and combining the resources of all four states through TitleAuctions is one way to do that, by helping to provide more

cost-efficient pricing of cars those credit unions had to repossess,” Sylvester says.

“Plus, this firm, because of their background, is very conscientious of the philosophy of credit unions, and we’re very excited for them that they have this opportunity,” she says.

Meanwhile, Moss, now retired, says: “When Michael and I talked about creating a larger audience for Dal-Gold’s repos using the Internet, it just ticked with me, and with our board of directors, too.”

“I’m so proud of the work they’ve done getting TitleAuctions off the ground. It’s a good thing for credit unions and for members.”

Besides family and friends, another important constituency also is pleased with what’s going on with TitleAuctions.

“We’ve only been on it for two months, and we haven’t had a lot of exposure yet, but we’re seeing more and more activity as other credit unions put their vehicles on there, too, and more members are looking. And we’ve had good success so far,” says Dave Barnes, collections

