

ITIN Lending and Financial Inclusion

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President/CEO, Guadalupe Credit Union (CDFI)

Santa Fe, New Mexico



Full Organization Support

- Board made up of 2nd and 3rd generation Hispanics
- Board Chair championed the cause
- Board chose the immigrant population as one of our strategic initiatives in 2000

First Steps

- Our Board and Management Team made a determination that immigration status would not affect membership eligibility
- Changed policies
- Started with remittances, SAFE Accounts, and share secured loans and credit cards
- Somos un Pueblo Unido provided training for staff on immigration facts

First Steps

- Staff cultural sensitivity
 - Not everyone was on board even though predominately “Hispanic CU”
 - Mixed immigration status of potential members
- Spanish language skills
 - “Se habla español” signage
 - Spanish-speaker distribution

Importance of TRUST

- Trust is the key to success entering this market
- It takes time and commitment to reap the benefits
- Must commit for the long haul
- All staff must have respect and empathy
- Trust is built through relationships
- Partnerships with Community Organizations



Policies & Products

- CIP (Customer Identification Policy): accept any non-expired government-issued photo ID
- Appropriate products based on tax status and IRS requirements
- ITIN (Individual Taxpayer Identification Number)





Strip Mall Branch, 2008

then free-
standing branch,
2012



Results

- Membership growth in 2014 - 7.6% compared to .9% for credit unions nationally in our asset size.
- Average age of member in 2000 in line with national average of 47, current average < 40.
Average age of Hispanics in US is 27.
- Current average share balance of undocumented member accounts is >\$1500.00.
- Full-time financial counselor to assist members in Spanish with budgeting, establishing and improving credit, providing Financial Empowerment!!!

Results

Guadalupe Credit Union	Assets	Members
2000	\$30M	4,800
2008-opened Branch in Hispanic Neighborhood	\$70M	8,000
February 2015	\$138M	15,410

Results

Consumer Loans

Loan Balances	\$8,892,902.88
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Percentage of Portfolio	20%
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Average Loan Balance	\$7,659.69
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Net Yield	7.38% (+6 bp)
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Results

Mortgage Loans	
Total Loan Balances	\$10,272,363.62
Percentage of Portfolio	18.25%
Average Loan Balance	\$100,709.45
Net Yield	4.56%

Total Portfolio

- Delinquency Ratio (as of January 2015)
 - ITIN 1.90%
 - Other 1.86%
- Charge Off Ratio (2014)
 - ITIN 1.53% (Mortgage Loans 0%)
 - Other .95% (Mortgage Loans .40%)

Final Thoughts

- ***Word-of-mouth is extremely powerful!***
- Understand the needs of both documented and undocumented.
- CDFI status
- When Hispanics find a product or service that they have confidence in they tend to stick with it. (Pew Research Group)
- Strong loyalty in the marketplace when immigration reform is inevitably passed.

Upcoming Executive Order

- Steps we are taking today
 - Community Meetings with Mayor, Mexican Consulate, and Partners, such as Somos Un Pueblo Unido and Adelante
 - Gearing up for demand for proof of residency through copies of GCU account statements, loans for financial costs
 - Information ready for our membership
 - Fundraising and organizing pro bono attorneys

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Growing a Loan Portfolio Video (NCUA OSCUI Archive)

<http://event.on24.com/eventRegistration/EventLobbyServlet?target=lobby.jsp&eventid=745109&sessionid=1&key=F7842401BC93E007D9D1FB32152B02B8&eventuserid=114658299>

