Core Banking and Needs of LMI Market

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To strengthen the financial health of underserved communities through financial services and education

The elimination of poverty in all the communities we serve
About ASI

- Located in Greater New Orleans area
- Chartered in 1961
- Began with 10 shipyard workers who pooled $10 each
- $327M Assets
- 70,000 Members
- 13 Branches
- 166 employees
1996 - Low Income Designation - NCUA

1999 - Community Development Credit Union - NFCDCU

2005 - A Shared Initiative, Inc. (ASII) - formed Sister Affiliate

2006 - CDFI - Community Development Financial Institution
ASI and Technology

- Core System - Critical Dependency
- ASI Board - “Leverage Technology”
  - Automating work processes/workflow
  - Improving to track/report on data
  - Using data to drive decisions
  - Measure impact
  - Grow beyond sustainability to scalability
ASI-Recent Work

- Core System - FISERV XP2
  - BSA 2012-2013
  - 40-50% increase in use of system
- Other Solutions
  - Mobile App/Upgrade Online Banking
    - Research and Member Survey
    - Financial Management Platform and Budgeting
ASI-Recent Work

- New Website
  - Interactive - 15 Financial Calculators
  - 70+ Languages
- DocuSign - Electronic Signatures
- Pre-Paid Cards
ASI Current Products

- All products support LMI members
  - Consumer
    - Auto Loans - C,D,E Paper
    - Credit Card
    - Credit Builder LOC’s
    - Payday Loan Refinance ("Freedom Loan")
  - Mortgage Loans
    - Various Mortgage Products
    - 2010 CDFI Grant - $1M - Refinanced Sub-Prime Mortgages
  - Commercial Loans - ASI - ASII
    - Business Loans/Higher Risk up to $250K - ASII
    - Business Loans up to $2M - ASI
    - CDFI- HFFI Loans
ASI Current Products

- General Characteristics of Loans to LMI Members:
  - Non-Credit Based Products
    - Look at DTI and Employment
  - Collateral not always required
  - All loans reported to credit bureaus
ASI “Freedom Loan”

- To consolidate/eliminate debt owed to Payday Lenders
- $3,500 max loan amount
- 25 years
- Staff provides budgeting and financial management coaching
- Savings account is established with $15 deposited monthly and held in savings
- Loan term not to exceed 18 months
- 60% success rate
New ASI Payday Loan

- Scrubbing from ACH/EFT transactions to identify members using Payday Lenders
  - Using Company Description on incoming transaction
    - Some will actually say “PAYDAYADV”
    - Any reference to word “LOAN”

- Product Features
  - DTI Based - < 50%
  - Require financial counseling by ASII prior to loan approval
  - Used to refinance current Payday loan - but will consider refinancing/consolidating other loans
    - May require credit check or providing collateral

- Outreach to members identified to offer refinancing opportunity
Challenges with Core System to Design and Manage LMI Products

- Requires manual processes
- No ability to track member progress
  - Improve credit history and long term financial health
  - Change future borrowing behavior
- Reporting Requirements
  - Impact
  - CDFI Reporting