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 2\textsuperscript{nd} and 3\textsuperscript{rd} 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

<table>
<thead>
<tr>
<th>Guadalupe Credit Union</th>
<th>Assets</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$30M</td>
<td>4,800</td>
</tr>
<tr>
<td>2008-opened Branch in Hispanic Neighborhood</td>
<td>$70M</td>
<td>8,000</td>
</tr>
<tr>
<td>February 2015</td>
<td>$138M</td>
<td>15,410</td>
</tr>
</tbody>
</table>
## Results

### Consumer Loans

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Balances</td>
<td>$8,892,902.88</td>
</tr>
<tr>
<td>Percentage of Portfolio</td>
<td>20%</td>
</tr>
<tr>
<td>Average Loan Balance</td>
<td>$7,659.69</td>
</tr>
<tr>
<td>Net Yield</td>
<td>7.38% (+6 bp)</td>
</tr>
</tbody>
</table>
## Results

<table>
<thead>
<tr>
<th>Mortgage Loans</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Loan Balances</strong></td>
<td><strong>$10,272,363.62</strong></td>
</tr>
<tr>
<td><strong>Percentage of Portfolio</strong></td>
<td><strong>18.25%</strong></td>
</tr>
<tr>
<td><strong>Average Loan Balance</strong></td>
<td><strong>$100,709.45</strong></td>
</tr>
<tr>
<td><strong>Net Yield</strong></td>
<td><strong>4.56%</strong></td>
</tr>
</tbody>
</table>
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