Opportunities Credit Union

“We don’t say no, we say when”
Founded in 1989

• Opportunities was founded by an ecumenical group that identified a need for an alternative lending institution in the community

• Counseling was an integral aspect from the outset, but beginning in 2002 with the assistance of a HUD grant OCU establish a separate counseling department

• Although open to all, initially counseling focused on reducing the delinquency rate for consumer lending and other barriers to obtaining loans
The Local Community

• OCU is a 38 million dollar credit union, which serves the state of Vermont

• VT has a population of 650,000. There are 237 towns and 14 counties

• OCU has 150 partners who provide referrals to counseling and lending

• There is ongoing generational poverty, and low income earners, and recently an influx of immigrants as well as younger tech workers
OCU Money $ense Department

• Has 1.5 counselors

• The Money $ense Program Manager specializes in foreclosure, community outreach and department compliance

• The financial educator specializes in debt negotiation and pre-purchase counseling
Community Needs

• Basic living needs

• Transportation

• Housing

• Credit Repair
Access to Financial Services

• Counseling and Lending have a dual referral service, but the majority of the referrals originate with lending and are transferred to counseling
• The average credit score is 525 with collection debt being a primary barrier
• We now have products and services that target the specific needs of clients, and also provide an aspect of credit repair and budgeting
WOW AUTO LOAN

- Transportation is an issue. The state is rural, it does not have an extensive public transportation system. Other lenders are allowed to charge up to 20% interest. Max WOW interest is 10.99% with a possible interest rate reduction with timely payment history.

- This financing option offers but is not limited to:
  
  a. The vehicle value has to be 70% of the loan amount
  b. Lower vehicle payment/interest rate
  c. Pay off collection debt
  d. $1000 is placed in an escrow account as a reserve, or for emergencies
  e. Releases clients from predatory lending and getting out from an underwater lending situation
YTD Consumer Loan Portfolio

• 16% of our loan portfolio are WOW Auto Loan Product

• 9% of our loans are Independence Fund loans (assistive technologies)

• 29% are Tracker Loans or Credit Builder Loans
TRACKER LOAN “CREDIT BUILDER LOAN”

• This loan product allows borrowers to build their credit while funding a savings component. The funds are released upon completion of the loan terms.

• This product defined us as a credit union in our local market place, and with our local community partners
Debt Negotiation

• As prevalent an issue as transportation and just as big a barrier

• In 2017 counseling negotiated $255,578 down to $124,491, which is a 49% reduction of consumer debt

• YTD 2018 counseling negotiated $1,123,002 down to $635,142, which is a 57% debt reduction
# Consumer Debt Figures for Engaged Clients

<table>
<thead>
<tr>
<th>% of clients with Reduced Debt</th>
<th>43</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of clients with Reduced Consumer Debt</td>
<td>49</td>
</tr>
<tr>
<td>% of clients with Improved Credit Score</td>
<td>63</td>
</tr>
<tr>
<td>% Improved Credit Category</td>
<td>19</td>
</tr>
<tr>
<td>% of clients who established credit</td>
<td>73</td>
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**2018 Annual Conference**
Counseling Pipeline

- Lending denies a client for a loan product. If there are extenuating circumstances, or the client has enough income to support the loan payment and address credit repair clients will be referred to counseling.

- Occasionally lending might have reservations/concerns and ask counseling to determine if a client is up to the challenge of loan repayment.
Outreach and Partnerships

- Housing Authorities (BHA, CHT, VHFA)
- Social Service Organizations (Lund Family Center, COTS, STEPS)
- State Agencies and colleges (Community High School, Northern Vermont University)
- Faith Based Agencies (JUMP)
- Social Service Resettlement (AALV, Vermont Refugee Resettlement)
- Congressional Agencies (Senator Leahy, Senator Sanders)
Thank You

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