The Year of CDFI CUs: The Ultimate Financial First Responders

2021 has been a groundbreaking year for the CDFI field. CDFI Certified Credit Unions are the ultimate financial first responders, leading the charge to assist amidst the worst economic crisis in recent memory. To mitigate the impact of the crisis, Congress made available trillions of dollars in resources to stabilize the economy, support vulnerable consumers and preserve small businesses. The SBA’s Payroll Protection Program (PPP) directed hundreds of billions of dollars to small businesses across the country but exposed the ugly truth of a financial system that doesn’t work for everyone.

Now more than ever, CDFI Certification is an essential credential for credit unions with a focus on financial inclusion to access resources that can have a transformational impact on the credit unions and the communities in which they serve.
Holy Rosary Credit Union (HRCU)

Holy Rosary Credit Union is located in Kansas City, Missouri, serving over 6,000 members. For 78 years, HRCU has been dedicated to moving economically distressed populations from debt to asset building and unbanked to banked. HRCU does this by offering multicultural/multilingual services in Vietnamese, Spanish, and English, educational and asset building opportunities, and creating a mutual trust between staff and members. In 2020, HRCU received a Technical Assistance grant from the CDFI Fund that allowed it to implement a Mobile Banking Branch to provide services in areas which HRCU would not typically be able to support. This technology allows members to connect with the credit union via smartphone video, from their computers if they have a camera and speakers, or from a specialized station in the branch. In addition to many practical uses like opening accounts, sending a wire, showing loan payment options, or accessing credit reports, the technology just aids communication. Talking face-to-face with members improves relationships and allows HRCU staff to serve in new ways. This technology supports HRCU’s ultimate goal to continue development of lending program excellence so that HRCU can deliver more asset-building loan opportunities to low-income membership.

“As a CDFI, HRCU has been able to increase its capacity to serve in so many ways that would not have been possible without this special grant and investment assistance. Staff at HRCU is mission driven to help members achieve dreams of cars to work, alternatives to payday loans, development of strong credit scores and home ownership. HRCU’s capacity to help members achieve these dreams has been multiplied by the assistance of the CDFI funding which has provided resources for not only video banking, but financial education, increasing credit building capacity, business lending development, software that provides for competitive alternatives to payday loans, and more. Thank you to Inclusiv and the CDFI Fund for helping us transform the lives of our members.”

— CAROLE WIGHT, President/CEO

Holy Rosary Credit Union Highlights:

- Certified CDFI, CDFI means lending deeper into communities historically underserved by financial institutions
- NCUA Low Income designation
- Juntos Avanzamos designation
- 90% of lending in Target Markets
- 54% of lending in High Poverty Areas
- 63% of loans to low-income members
- Demographic served: 38% Vietnamese, 35% Hispanic, 12% African American
CDFI Program Highlights

- In 2021, HRCU received a RRP grant, a TA grant, and an ECIP secondary capital investment. These resources will support reaching underserved communities farther from HRCU’s branches.

Highlighted CDFI products

Now, more than ever, CDFI certification is an essential credential for credit unions with a focus on financial inclusion and who need financial resources that can have a transformational impact on the credit unions and the communities in which they serve. Inclusiv has a variety of CDFI Certification services and intelligence to include:

- A Way Back Home (AWBH) program leverages HRCU’s experience in consumer lending to low-income families struggling to qualify for and obtain mortgage loans.
- Payday Loan Alternative/Credit-Builder Loans: Small-dollar loans to help members avoid predatory loans and start building credit towards achieving financial security.
- Micro-enterprise and PPP loans (the latter a must to support HRCU’s micro business owner members during the pandemic).
- Development Services: HRCU’s strategy to reduce housing debt and prepare families for homeownership and asset building in cooperation with community stakeholders.
Guadalupe Credit Union

Guadalupe Credit Union is a Community Development Financial Institution (CDFI) and Juntos Avanzamos designee that proudly serves Northern New Mexicans of all faiths, professions, ages and backgrounds. GCU is 100% committed to providing financial education, products and services that work to help low-income, low-wealth, and other underserved communities join the economic mainstream.

“The CDFI Fund has given Guadalupe Credit Union opportunities to expand our reach in New Mexico. The fund has allowed us to implement a financial coaching program, create unique products such as our Predatory Debt Relief Loan, and open branches in rural communities that would otherwise be underserved.”

— WINONA NAVA, President/CEO
CDFI Program Highlights

Guadalupe Credit Union believes that financial education and access to resources are necessary tools for achieving life security. Providing financial empowerment is part of our core purpose, and we were proud to be recognized by the Credit Union National Association (CUNA) as first-place winners of the 2020 Desjardins Financial Education Award and the 2020 Louise Herring Philosophy-in-Action Member Service Awards for the $50-250 Million in Assets category.

**Desjardins Financial Education Award**

Through Guadalupe Credit Union’s financial education program, GCU won the youth category for its BizKids program, which engages young people and helps them develop life skills in areas of financial literacy and entrepreneurship. The kids learn how to build business plans, budget, and create their own companies. More information can be found at www.guadalupecu.org/bizkids.

**Louise Herring Philosophy-in-Action Member Service Award**

The Louise Herring award recognizes that credit unions are more than just a financial institution. It warrants that the programs and policies that we demonstrate as a credit union help in our commitment to better people’s lives through our “People Helping People” philosophy. GCU was awarded 1st place for its Predatory Debt Relief Loan program, which helps members pay off payday loans and other predatory lenders, and includes free financial coaching and an emergency savings account of our core purpose, and we were proud to be recognized by the Credit Union National Association (CUNA) as first-place winners of the 2020 Desjardins Financial Education Award and the 2020 Louise Herring Philosophy-in-Action Member Service Awards for the $50-250 Million in Assets category. prepare families for homeownership and asset building in cooperation with community stakeholders.
IH Mississippi Valley Credit Union (IHMVCU)

Founded in 1934 and headquartered in Moline, IL, IH Mississippi Valley Credit Union (IHMVCU) is $1.8 billion in assets and 140,000 members strong making us the largest credit union in the Quad Cities region and the sixth-largest credit union in Illinois. With 12 locations in eastern Iowa and western Illinois, and a progressive and growing online branch, our Pathfinders provide convenient financial solutions catered to each member-owner’s journey to financial success. IHMVCU has a strong community focus and proudly earned our CDFI certification in 2014.

“IH Mississippi Valley Credit Union Highlights:

- Certified CDFI, CDFI means lending deeper into communities historically underserved by financial institutions
- Low Income Designated
- 63% lending activity in eligible CDFI Target Markets
- 26% lending activity in Low-and moderate-income communities
- Financial Inclusion Ratio of .98 where 1.00 indicates lending is exactly proportionate to the presence of CDFI Target markets in their service area

“Our role in the communities we serve is not just to get people a mortgage or a car loan, it’s about getting people into homes so they can build wealth - or transportation to their career so they can provide for their families... Being a CDFI is more than just making loans - it’s helping members uncover their hopes and dreams, making them a reality and investing in our communities.”

—BRIAN LAUFENBERG, President/CEO
IHMVCU recently partnered with another local CDFI to provide financing for the redevelopment of the Wilson Building, a historic, vacant six story building in downtown Clinton, IA overlooking the Mississippi River. This $14 million redevelopment project was aided by using New Market Tax Credits and Historic Tax Credits.

When the complete renovation is finished in mid-2022, The Wilson Lofts will have 33 residential apartments, with 26 being at market rate and 7 allocated as housing for those earning 80% of Area Median Income. The ground level will house two incubators for entrepreneurs: a retail/business start-up incubator and a commercial kitchen for start-up culinary businesses.

This is a great example of two CDFI’s coming together to energize and repurpose a vacant, historic building in a downtown area in need of economic spark. This project will encourage further investment in this economically distressed area while also providing much needed affordable housing.
River City Credit Union

River City Federal Credit Union, a $130 million credit union founded in San Antonio in 1936, is a CDFI/MDI/Juntos Avanzamos designated credit union, serving members in Bexar County, Texas. The credit union’s goal is to reach the financially underserved households and small businesses in the market, believing that everyone has a right to safe, affordable financial products and services, regardless of citizenship status. Strategic partnerships with the YWCA, City of San Antonio, Family Services, and the Mexican Consulate aid in the outreach effort, as well as the guidance and assistance from Inclusiv.

"Being a CDFI is at the core of everything we do. We take our mission seriously and strive to become the credit union that provides the biggest impact for our members. Increasing access to our products and services is a key step in reducing financial stress and increasing household wealth. This includes the small businesses in our market as well."

— JEFF IVEY, President/CEO

River City Credit Union Highlights:

• Certified CDFI, CDFI means lending deeper into communities historically underserved by financial institutions
• Minority Depository Institution
• Low Income Designated
• 69% lending activity in eligible CDFI Target Markets
• 55% lending activity in Low-and moderate-income communities
• Financial Inclusion Ration of 1.11 where 1.00 indicates lending is exactly proportionate to the presence of CDFI Target markets in their service area
The credit union introduced a Debt Relief loan in 2021 for members suffering from predatory loans, high interest rates, and excessive fees. The loan features a low fixed rate for up to sixty months, regardless of credit score.

“The ability to repay is the qualification, not prior credit history”, said Ivey. “We’ve saved members well over $1 million in interest since we introduced this loan, as well as putting loan recipients in a position to increase their credit scores and keep more of their hard-earned dollars.”

The loan program was a direct result of the CDFI grants the credit union received in 2021. The performance of this new loan product has been excellent, and no losses have been recorded. Additionally, the credit union saw the importance of participating in the SBA’s Paycheck Protection Program relief effort, generating over $35 million in loans, with an average loan size of under $20,000. These efforts helped save over 2,500 jobs in the San Antonio market.

“The needs of the small business market are often overlooked”, said Ivey. “The PPP effort clearly revealed that true small businesses struggle with access to affordable credit, and we are filling that need every day.”
Tucoemas Federal Credit Union

Tucoemas Federal Credit Union, founded in a Tulare County in 1948, is in a predominantly rural agricultural county. Community development efforts have been part of the cultural foundation of our organization from the beginning. Creating financial stability and real opportunity for every corner of our community is our mission and our mantra.

“"Our certification as a Community Development Financial Institution is a recognition of our commitment to the credit union movement. Providing security and opportunity for people of modest means is the North Star by which we guide our organization. Our board, leadership and staff have embraced a culture of care for our community and created a space for our members to join in the mission.”

— Brice Yocum, CSME, CCE, CEO

Tucoemas Federal Credit Union Highlights:

- Certified CDFI, CDFI means lending deeper into communities historically underserved by financial institutions
- Minority Depository Institution
- Low-Income Designated
- 79% lending in eligible CDFI Target Markets
- 93% lending activity in low- and moderate-income communities
- Financial Inclusion Ratio of 0.96 where 1.00 indicates lending is exactly proportionate to the presence of CDFI Target Markets in their service area
CDFI Benefits

As a certified Community Development Financial Institution (CDFI), Tucoemas FCU is committed to offering affordable financial products to everyone we serve. To accomplish our goal, we’ve empowered a team with the sole purpose of reaching out to underserved neighborhoods in our communities, those that are often the victims of fraud and predatory lending practices.

The CDFI designation has helped us demonstrate to our community that we’re committed to addressing financial instability and that Tucoemas is a partner in offering financial solutions to every corner of Tulare County. Although the problems we are tackling are daunting, our efforts have a deep and wide-ranging impact in our community.

Our goal is simple: to eliminate financial fragility and elevate our community toward a better financial future, one family at a time.

Our CDFI designation and partnership with Inclusiv have been integral to the success of our community focused initiatives. The Pathways program has offered our community important education and coaching to help people get out of debt and set tangible financial goals. The program has been such a resounding success that we’ve had to find additional team members to help meet the demand.

CUES has been an integral part of Tucoemas FCU’s professional development and a trusted partner for many years. It has helped drive organizational success and added depth to our team’s knowledge and expand our thinking.
Tongass Federal Credit Union (TFCU)

Tongass Federal Credit Union is located in Ketchikan, Alaska. TFCU serves eight coastal communities on six islands in the boundaries of Southeast Alaska’s Tongass National Forest. Started by teachers in 1963, TFCU began serving the underserved from the very beginning. Teachers were unable to receive loans from local banks because of their “seasonal” income. In 2005 TFCU began serving underserved communities when Metlakatla Indian Community leaders asked them to open a branch after Wells Fargo left their town. Since then, TFCU has opened branches and community microsites with a focus on unserved and indigenous communities in the region. TFCU is an NCUA low-income designated, and Community Development Credit Union with 8,967 members. TFCU provides a variety of products and services for the people and small businesses of their region, including credit builder loans, HUD 184 and first-time homebuyer mortgages, and small and micro-business loans.

“At TFCU we believe in sharing financial services that will help people and small businesses grow and thrive. As a CDFI, TFCU has been able to leverage grant funds as well as loan investment funds to bring financial services to communities with as few as 400 residents with our community microsites initiative. We have also been able to open our new community development and resource center, The Commons at TFCU in Ketchikan. Activities at The Commons include co-working spaces, a coffee shop, and periodic “Business Power Hour” webinars for entrepreneurs and small business owners. We also sponsor monthly Farmer’s Markets through the summer, and in the fall, we sponsor weekly Saturday Markets inside The Commons meeting space. These activities help small businesses and entrepreneurs startup, engage with others, and build their businesses. At TFCU, we promote thriving communities by financially empowering our member-owners.”

— HELEN MICKEL, CCE President/CEO
Mission

Our mission is to provide innovative and valuable financial services and education, to enhance the lives of our member-owners, and serve the diverse and changing needs of our coastal communities.

Teaching is Our Passion

TFCU has also worked to maintain a teaching culture. TFCU promotes the financial lives of our member-owners and our communities by providing relevant and affordable financial solutions. Never fear useless sales offers at TFCU, we are here to teach you how to build a thriving financial life. We make financial solution recommendations based on our relationship with each individual member. Let TFCU focus on financial service expertise so you can enjoy your community, family, and the beauty of Alaska.

Our Future

TFCU has also worked to maintain a teaching culture. TFCU promotes the financial lives of our member-owners and our communities by providing relevant and affordable financial solutions. Never fear useless sales offers at TFCU, we are here to teach you how to build a thriving financial life. We make financial solution recommendations based on our relationship with each individual member. Let TFCU focus on financial service expertise so you can enjoy your community, family, and the beauty of Alaska.

Inclusiv’s mission is to help low- and moderate-income people and communities achieve financial independence through credit unions.

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Frankenmuth Credit Union (HRCU)

Frankenmuth Credit Union is 90 miles north of Detroit, located in the Great Lakes Bay Region of Michigan. Frankenmuth CU was established by the employees of a local brewery in 1964 that grew into $1 billion in assets with over 60,000 members and 28 branches. In 2020, Frankenmuth CU was voted Forbes Best Credit Union in Michigan and in 2021 was named to Inc. Magazine’s Best Workplaces. For over 50 years, Frankenmuth CU has been dedicated to being a hometown financial solution for people living in underserved communities.

“Since becoming a CDFI member we have developed a deeper relationship with credit-challenged families and have become a vital resource for economic development in the Great Lakes Bay Region.”

—VICKIE SCHMITZER, President/CEO

Frankenmuth Credit Union Highlights:

- Certified CDFI, CDFI means lending deeper into communities historically underserved by financial institutions
- Minority Depository Institution
- Low-Income Designated
- 65% lending in eligible CDFI Target Markets
- 89% lending activity in low- and moderate-income communities
- Financial Inclusion Ratio of 0.86 where 1.00 indicates lending is exactly proportionate to the presence of CDFI Target Markets in their service area
Our Promise

We are growing trusted relationships by providing personalized financial solutions for our members and financial services that empower our communities. Our promise to you:

- I will treat you as an honored guest
- I will make it easy to do business with me
- I will identify your financial needs
- I will offer a solution that will improve your financial life
- I will provide you with ‘extra mile’ service
- I will strive to deliver 100% accuracy
- I will treat you with the highest standards of professionalism
- I will address you by name and thank you for your business

Our Success

Frankenmuth Credit Union is a member-owned, not-for-profit cooperative. When you open an account at Frankenmuth Credit Union you are an owner of Frankenmuth Credit Union. This is why credit unions call the people that use their financial services members instead of customers. Unlike other financial providers, who have stockholders demanding profits. Frankenmuth Credit Union’s key to success is we provide our members with the most secure, fairly priced and convenient services. Frankenmuth Credit Union knows that if it weren’t for the member/owners we would not be here; and we are committed to keeping our cooperative financially strong, which is better for all of our members. Frankenmuth Credit Union is run by a volunteer group of its members, who have been elected by their fellow members, as the Board of Directors.
In response to the high level of participations by CDFIs and MDIs across the country, Congress included $12 billion in the Coronavirus Aid, Relief and Economic Security (CARES) Act to increase the capacity of minority depository institutions (MDIs) and CDFIs. This unprecedented level of resources is transforming the CDFI industry and accelerating its growth. The number of CDFI Certified credit unions grew by 25% in one year. Regulated CDFIs now represent 57% of the CDFI industry, serving nearly 20 million consumers. CDFI credit unions serve more people and manage more community-controlled assets than the rest of the CDFI industry combined.

CDFI Certification requires that at least 60% of lending activities are directed to CDFI eligible target market borrowers. The combination of this requirement, accountability and mission has resulted in credit unions responding by meeting mission with margin. In February 2022, the CDFI Fund reported 464 CDFI Certified Credit Unions and it is anticipated that by the end of this year, that number will exceed 500. According to the last CDFI Annual Certification and Data Collection Report, CDFI Certified credit unions predominantly provide consumer lending to historically underserved communities and make up 60% of assets of all CDFI Certified financial institutions.

Inclusiv credit unions understand that with great resources come great responsibility. As we have seen an increase in CDFI Certified credit unions, we have seen growth in our CDFI credit union members. We anticipate that by scaling our internal resources for CDFI data, education, technical assistance and sustainability we will be strengthening the impact Inclusiv has as a network leading into 2023. The challenges that lie ahead include increasing participation among MDIs, managing compliance burdens, and increasing the impact of credit unions. And as CDFI Credit Unions have answered the call to support their communities and members, Inclusiv will increase the tools and resources we can provide for our members. As a result, we will see the CDFI industry continue to refine the community development finance business model to measure and scale-up impact to our communities and members.