



# CDFI CREDIT UNIONS BUILD INCLUSIVE ECONOMIES



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SPRING 2021

# INCLUSIV & CDFI CREDIT UNIONS

At the heart of the Inclusiv mission is advancing people and communities that credit unions serve. With the commitment to support credit unions to deepen and grow their work in communities of color, Inclusiv has helped to expand the network of CDFI-certified credit unions.

In the economic downturn following the pandemic, CDFIs have stepped up to fill the gap in underserved communities and facilitate stimulus dollars reaching people and businesses that needed it most. In recognition of how effective CDFI credit unions have been in serving communities left behind, the Coronavirus Aid, Relief, and Economic Security (CARES) Act set

aside an unprecedented \$12 billion for minority-depository institutions (MDIs) and CDFIs.

Inclusiv offers training and technical assistance during weekly CDFI office hours, held with CUNA Mutual Group; an informative library of videos on the importance of certification and how to navigate the application process; regular conversations to help credit unions capitalize on their designation, and advocacy efforts to streamline the process and to gain additional funding to benefit credit unions. As a result, we will see a growing number of CDFI-certified credit unions raising and channeling funds back into the communities they serve.



# ABOUT CDFI CREDIT UNIONS

**The CDFI Fund is one of the Federal government's best market-based strategies for utilizing private dollars. CDFIs leverage \$12 of private capital for every \$1 of public investment. Investing in CDFIs generates billions of dollars annually in the form of loans to create jobs and grow businesses, build homes, increase job mobility, expand access to affordable healthcare and childcare, and expand consumer purchasing power.**

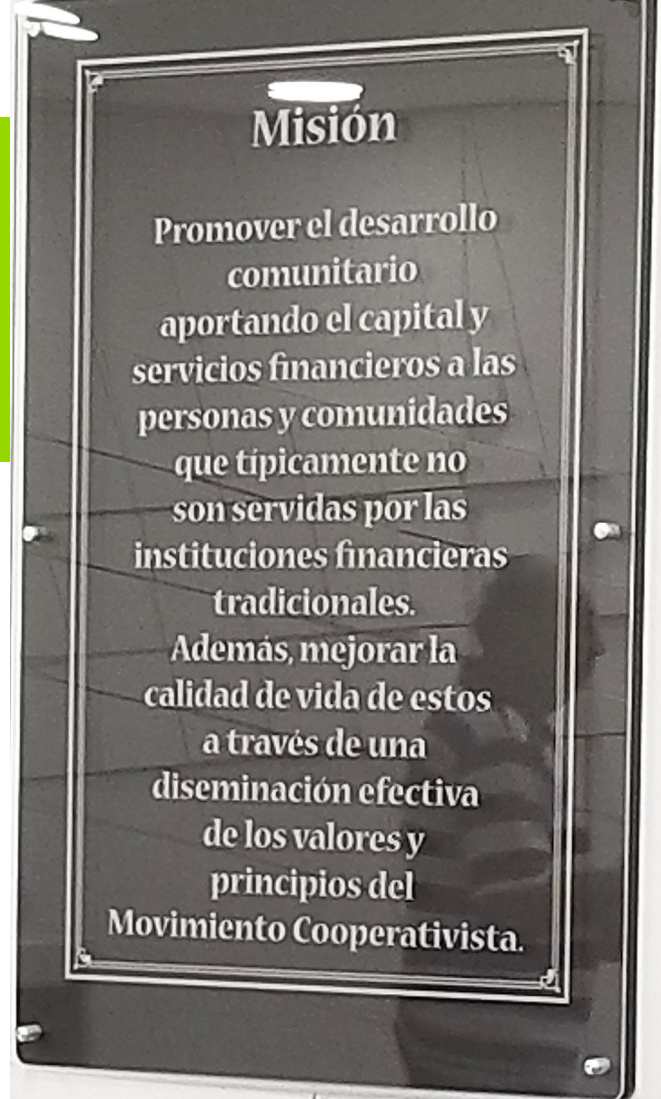
The CDFI Fund is a unique source of capital for community development credit unions. CDFI grants can fuel growth in membership, deposits, and loans in communities eager to join the movement toward cooperative finance.

Since its first funding round in 1996, the CDFI Fund has provided billions of dollars to community development financial institutions. Credit unions have received \$370 million in technical and financial assistance grants. The CDFI Fund has become the most important source of external resources for mission-driven credit unions.

In 2021, the Coronavirus Response and Relief Supplemental Appropriations Act provided \$3 billion to the CDFI Fund. Federal funding was made available to CDFIs in recognition that people and communities were consistently being left behind in economic advancements due to systemic discrimination and then, in 2020, the coronavirus pandemic.

Community development credit unions have filled this space to assist people who are low-income and traditionally unbanked or underbanked. As CDFIs, credit unions can take advantage of stimulus grants so that they may offer more products and better serve their members. Credit unions provide ongoing financial services, with 7.6 million outstanding loans for a combined \$117 billion and financial counseling, education, and literacy classes.

Inclusiv seeks to increase the shares of CDFI funding that credit unions receive through advocacy, technical assistance, and membership services.



# GUADALUPE CU

**SANTA FE, NM**

**DESIGNATION: LID, MDI, CDFI**  
**MEMBERS: 22,737**  
**ASSETS: \$217,713,473**



Guadalupe Credit Union's financial coaches were frustrated that they were limited in what they were able to lend to credit-challenged members. They knew that members were losing thousands of dollars waiting to qualify for loans.

As a response to this crisis, the staff at Guadalupe developed a Predatory Debt Relief loan (PDRL) in May 2017. The pilot loan was structured so that credit-challenged members could easily qualify if they met the following obligations/criteria: the borrower needs to meet at least twice with a financial coach and be able to demonstrate either \$0 or positive cash-flow; the monthly payment must be 20% or less of the borrower's monthly income; the borrower must commit to meet monthly with a financial coach for a full year, and be able to demonstrate two years of continuous employment.

The program was a success, but by early 2019, it became clear that the pilot project was not large

enough to cover title lending loans, a popular product among Guadalupe's membership.

In March of 2019, the team at Guadalupe launched a solution: the PDRL Title Loan. The Title Loan product was very similar to the unsecured loan launched in 2017, with the addition that the vehicle for which the loan is used must be the primary form of transportation with full insurance coverage. Also, 10% of the payment amount is set up to deposit into a Pay Yourself First Certificate of Deposit, which builds emergency savings.

In one typical instance, a predatory title lender was charging a rate of 130.68% APR on \$8,554.53 in financing, requiring 48 monthly payments of \$962, Guadalupe's PDRL Title loan featured a 15.99% APR on financing of \$9,882.58 with 40 monthly payments of \$242.

The PDRL program has been a success for Guadalupe's members, with loans of \$341,755 to 90 borrowers, for savings of \$496,963! There has been one delinquent loan of less than \$5,000 from a member out of state dealing with a sick relative, and one charge-off of less than \$3,000 from a member who passed away.

**Guadalupe CU**  
**Predatory Debt Relief Loan**

- Rate: 15.99% APR
- Amount Financed: \$9,882.58\*
- Monthly Payments: 40 @ \$242.00
- Available cash after expenses: \$28.16
- Finance charge: \$3,570.69

vs.

**Predatory Title Loan**

- Rate: 130.68% APR
- Amount Financed: \$8,554.53
- Monthly Payments: 48 @ \$962.00
- Available cash after expenses: -\$668.76
- Finance charge: \$37,614.63

\*including interest due and GAP insurance

**SAVINGS WITH GUADALUPE CREDIT UNION'S  
 PREDATORY RELIEF LOAN AS HIGH AS \$34,043.94**

# CLEARWATER FCU



## MISSOULA, MT

**DESIGNATION: LID, CDFI**  
**MEMBERS: 52,408**  
**ASSETS: \$752,760,460**

Clearwater FCU cares about its community and recognizes the repercussions of how they do business on their members, the economy, and the planet. That is why Clearwater is dedicated to making environmentally conscientious choices. From recycled paper and a reduction in water use, to how employees commute – Clearwater has taken a hard, objective look at their internal practices, identified opportunities for improvement, and is committed to exceeding their members' expectations of environmental stewardship.

### Environmental Impact Assessment

Clearwater understands the basis of improving environmental sustainability is knowing the impact your business has. For three years, they have conducted and published an Environmental Impact Assessment analyzing business operations. The assessment informed Clearwater's Environmental Management Plan. Clearwater is working with the Partnership for Carbon Accounting Financials to understand the impact of the balance sheet. You can find Clearwater's Environmental Impact Assessment on their website [clearwatercreditunion.org/sustainability](http://clearwatercreditunion.org/sustainability)

### Path to Carbon Neutral

Driven by data from their Environmental Assessment, Clearwater charted a course to become carbon neutral. Their newest branch is a net zero branch, powered by a solar array. All Clearwater owned branches have undergone renovations to maximize solar capabilities. All branches offer full recycling to co-workers, including glass and compost services. Clearwater worked with a non-profit to purchase local carbon offsets that provide solar power in an affordable housing complex.

### Helping Members Become Green

Clearwater is paperless and is helping its members go paperless too. They provide members with online, mobile and phone banking options to reduce paper reliance. The credit union offers an array of lending products to assist members with improving their own environmental impact through energy improvement loans, solar loans, and an innovative Indirect Lending program with Solar installers across their region. Clearwater is an advocate for environmental stewardship, with philanthropy, volunteerism, and participation in community environmental programs.



# GREYLOCK FCU

PITTSFIELD, MA



**DESIGNATION: LID, CDFI**  
**MEMBERS: 90,406**  
**ASSETS: \$1,422,449,203**

Greylock Federal Credit Union embraces community partnerships as core to their mission as a CDFI. These special relationships with area community organizations allow Greylock to offer affordable financial products designed to address the unique needs of underserved populations.

Through community partnerships, Greylock develops special loan products, makes direct referrals for services, and provides financial coaching to their specific population.

Each special loan product is backed by funds on deposit from the partner. In turn, Greylock provides loans that can serve as an escape from payday loans, the means to avoid eviction, the resources to maintain utility connections, and to ensure mobility through car loans.

Some examples of Greylock's partnerships include Berkshire Community Action Council (BCAC), with two micro-loan options and a Community Access

to Rides car loan program. All BCAC loan program applicants receive coaching from Greylock's Certified Credit Union Financial Counselors. Another partner, Construct Inc., owns numerous low-income properties to provide people experiencing homelessness with safe, affordable housing. For this partnership, Greylock provides security deposits through a micro loan along with coaching to help the new residents build financial stability.

In addition to the special loan programs and coaching, Greylock also offers its partners access to community meeting space and private offices. This space is part of our recently opened Community Empowerment Center (CEC). The CEC is the home of Greylock's CDFI activities, including coaching and educational programs.

Current partner use of the CEC includes accepting fuel assistance applications, free tax preparation services, Individual Taxpayer Identification Number processing, and medical, dental and mental health care through a mobile medical clinic. These are services that one does not see in traditional banking establishments, but are

**GREYLOCK'S COMMUNITY EMPOWERMENT CENTER IS HOME TO THEIR CDFI ACTIVITIES. PARTNER USE OF THE CENTER INCLUDES SERVICES NOT SEEN IN TRADITIONAL BANKS, BUT ARE THRIVING AT GREYLOCK THANKS TO THEIR CDFI CERTIFICATION.**



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thriving at Greylock, thanks to their CDFI certification.

When Congressman Richard Neal and SBA officials, Wendell Davis and Oreste Varela, needed to see PPP lending in action, they visited Greylock Federal Credit Union.

Thanks to Jodi Rathbun-Briggs, SVP and Chief Lending Officer, and the team at Greylock, 455 small businesses secured PPP loans in the first round of funding, amounting to \$30.6 million and saving 3,999 jobs. Repro Systems, a family-run commercial printing and blueprint business, is just one of the many businesses able to rehire

employees they had been forced to let go because of the pandemic. Congressman Neal, an author of the CARES Act, expressed satisfaction that Repro Systems and businesses like it were receiving help, just as the legislation had intended. In Greylock's second round of PPP, they helped 577 businesses with \$32.6 million and saved 3,455 jobs.

John Bissell, Greylock President and CEO, acknowledge that more was needed for Berkshire County's small family businesses, but is grateful for Congressman Neal's support and the Greylock team's "work around the clock to save almost 7,500 local jobs."



**Repro System, a PPP borrower, at Greylock**

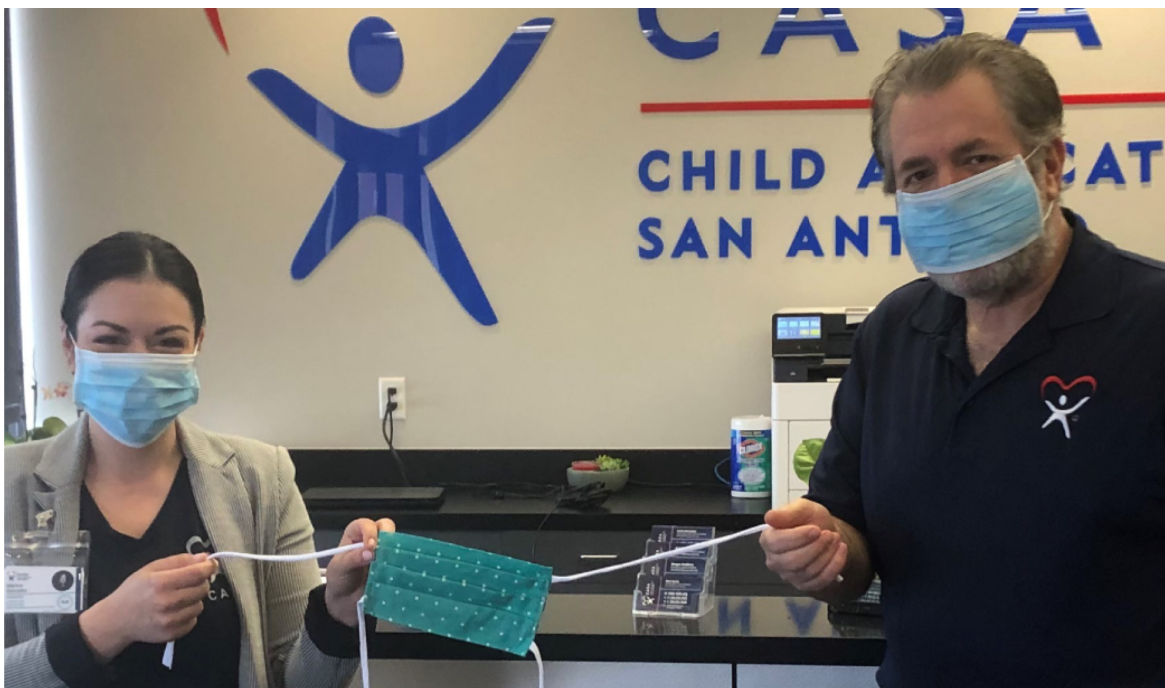
# CDFI CREDIT UNIONS ARE FINANCIAL FIRST RESPONDERS

**FROM THE PAYCHECK PROTECTION PROGRAM TO LOAN EXTENSIONS AND MODIFICATIONS, CDFI CREDIT UNIONS HELP THE MOST VULNERABLE PEOPLE AND COMMUNITIES SURVIVE AND RECOVER FROM THE PANDEMIC**

Community development credit unions have been delivering targeted relief to communities in distress on a massive scale since they were founded. Vulnerable populations, especially those living in poverty, are less able to weather a crisis, have smaller financial cushions to rely on in times of economic hardship, and will be less resilient during recovery from economic shocks.

CDCUs are experts in rapidly deploying targeted stimulus into America's hardest hit communities to reach our most vulnerable populations. During the pandemic, CDFI credit unions:

- Waived late fees and early withdrawals;
- Lowered interest rates;
- Provided emergency relief loans;
- Increased limits on wire transfers;
- Worked with members to modify, forebear, skip-a-pay, or defer consumer and mortgage loans; and
- Participated in the Paycheck Protection Program (PPP) for loans to thousands of small businesses, including minority-owned businesses. At the height of the pandemic in late spring 2020, CDFIs outperformed other PPP lenders by approving more than \$7 billion in loans. During the second round of PPP, \$10 billion was allocated to CDFI lending.





# ONE DETROIT CU

DETROIT, MI



**DESIGNATION: LID, MDI, CDFI**

**MEMBERS: 11,323**

**ASSETS: \$50,831,184**

Refi My Ride is One Detroit Credit Union's auto loan refinancing program, which slashes interest rates in half. On average, One Detroit is able to reduce members' monthly payments by \$54.16, and sometimes by more than \$100, saving them more than \$3,000 over the term of their loans. That means extra cash for groceries, to put toward a vacation, holiday spending or anything else members might need.

One Detroit's goal is to put more money back into the local economy instead of into the hands of predatory lenders. In total, One Detroit has financed 1,324 loans for \$26 million and helped its members save more than \$4.7 million with Refi My Ride.

Refi My Ride was created to help Detroiters who have been cornered into dealership financing or buy-here, pay-here used car dealers. They promise easy credit, but practice predatory lending. Many consumers visit these dealerships because they are unable to secure financing through traditional financial institutions such as banks. Having a low credit score is one of the main factors that prevents a borrower from securing financing through a traditional financial institution.

More than 23 million Americans hold subprime auto loans, meaning the borrower has a credit score less than 620. Outstanding subprime auto debt now stands at about \$300 billion nationwide. Subprime loans are disproportionately originated by auto finance companies, and their share has nearly doubled since 2011.



**Pictures: One Detroit (above); a credit union member and a Refi My Ride user (below)**

**IN 2020, ONE DETROIT CLOSED 119 REFI MY RIDE LOANS, TOTALLING \$2,886,710**

# TONGASS FCU

KETCHIKAN, AK



**DESIGNATION: LID, CDFI**  
**MEMBERS: 8,063**  
**ASSETS: \$110,817,205**

There are several small communities in Southeast Alaska that do not have access to financial services. Most of these communities are located on remote islands or not connected to the road system.

Recognizing the need for financial services in these underserved areas, Tongass FCU established a plan to create TFCU microsities. The markets that TFCU seek to serve include small villages and towns within our Southeast Alaska field of membership, with population sizes of 400 to 1,000 year-round residents. TFCU microsities are open three days per week, four hours per day. TFCU also provides an ATM in the community. The sites are operated by one to two employees.

In 2005, TFCU began offering financial services in Thorne Bay, a former logging town located on Prince of Wales Island with 500 residents. At the time, TFCU didn't realize that Thorne Bay would become a blueprint for future sites. Thorne Bay's community business association asked TFCU to establish the site and provided volunteers to assist.

TFCU's first space was located inside a sporting goods store that was in the lower level of the store owner's home. The cash was kept in the gun safe, and transactions were noted on paper. Since then, TFCU has created a more sustainable model, hiring employees, using computers, and finding a permanent home in the City of Thorne Bay offices.

The Hydaburg microsite on Prince of Wales Island was opened in September 2019. TFCU partnered with a local school that provided a free office and a space for the ATM.

**Pictures: TFCU staff at opening day of the Kake microsite in the Tribal Corporation office (top); TFCU supporters in Hydaburg (middle); TFCU staff and new member in Hoonah (bottom)**



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The school in Hydaburg serves all grades and is the largest public building in the village. Hydaburg has never had local financial services or an ATM and is an hour drive from the nearest community with financial services, a TFCU branch in Klawock.

Hydaburg has approximately 400 residents. The new site has been especially beneficial in this community for elders who are unable to drive into Klawock and students learning about using financial services. The local tribe was the first organization to open an account with TFCU to demonstrate their support.

The second microsite was opened in Kake in December 2019. TFCU partnered with the local tribe to provide a free office space on the first floor of the tribal building and provided a space for the ATM in their local mini-mart. Kake is located on Kupreanof Island, 95 air-miles southwest of Juneau, the closest community with financial services. Kake has approximately 630 residents. In

In the first two weeks of services, TFCU opened 29 accounts. The grand opening was celebrated with locally made fry bread drawings for prizes, and transportation provided by the senior center van. Two Kake elders opened accounts that day.

Plans to open a microsite in the community of Hoonah in early 2020 were delayed due to the pandemic. The Hoonah Indian Association pitched in to complete physical upgrades needed to bring in equipment and teller stations, and, with considerations to travel and health and safety, staff was trained. The Hoonah microsite opened in summer of 2020.

TFCU is working to provide efficient services, using online and mobile banking to keep costs down. Community support and participation makes microsities sustainable. Partnering with the Hydaburg, Kake, and Hoonah communities ensure TFCU's long term sustainability and growth.



# PUBLIC SERVICE CU



## ROMULUS, MI

**DESIGNATION: LID, CDFI**  
**MEMBERS: 32,984**  
**ASSETS: \$337,086,477**

Public Service Credit Union (PSCU) is proud of its roots, serving as the credit union to the hard-working employees of Wayne County, Michigan. Over time, PSCU expanded its branch network to multiple counties in southeast Michigan and now provides membership to anyone who lives, works, attends school, or worships anywhere in the state. Along with a growing physical presence, PSCU also presents members and non-members with vast digital options to ensure they have 24/7 access to their money.

To help those being impacted by the economic crisis stemming from the coronavirus pandemic, PSCU currently offers the following resources:

- Skip-A-Pay for eligible loans
- No-interest loans for employees
- Waived fees for early CD withdrawals
- Loan extensions and modifications
- Relief loans

As a Small Business Administration-certified PPP lender, Public Service has approved loans for over 80 businesses at nearly \$6 million—helping to secure up to 1,000 jobs.

Mobile banking had it possible for Public Service to serve its members during the pandemic. Thanks to the quick response of Public Service's IT team, the credit union uses newsletters, blogs, statements, email blasts, social media—and even texting and online chat functions—to open up the lines for members digitally. Messaging on cash envelopes and outdoor banners has also been adopted to help steer drive-thru members toward digital options.

A photograph of two men, one in a white shirt and glasses and one in a blue shirt, looking at a smartphone together in an office setting. The man in the white shirt is holding the phone.

**Mobile banking with YOU in mind.**

**Step 1:**  
Download the mobile banking app free on the App Store or Google Play by searching **PSCU Now Mobile Banking**.

**Step 2:**  
Sign up through the app and begin using your account today!

**Need help?**  
Use our step-by-step guide at [www.pscunow.com](http://www.pscunow.com).  
You may also visit any PSCU branch or call us at 734-641-8400.

The logo for Public Service Credit Union, featuring a stylized sunburst icon to the left of the text "PUBLIC SERVICE CREDIT UNION".

**AS A SBA-CERTIFIED PPP LENDER, PUBLIC SERVICE HAS APPROVED LOANS FOR OVER 80 BUSINESSES AT NEARLY \$6 MILLION—HELPING TO SECURE UP TO 1,000 JOBS.**

# 1,264 CDFIs in the U.S.

LEVERAGE \$12 OF PRIVATE CAPITAL FOR EVERY \$1 OF PUBLIC INVESTMENT

TARGET NEARLY 75% OF LENDING PORTFOLIO TO SERVE LOW-INCOME FAMILIES, HIGH POVERTY COMMUNITIES, AND UNDERSERVED POPULATIONS

CDFIs are credit unions, community banks, and financial institutions that are not-for-profit and are community-owned. They predominantly serve people and communities historically overlooked and underserved by mainstream finance. They build financial capability among people and communities.

## CDFI CREDIT UNIONS EMPOWER LOW INCOME & MINORITY COMMUNITIES



Protect assets through safe, secure savings and account services



Build assets through affordable homeownership and small business loans



Control assets through affordable consumer credit and free financial education and counseling

## CDFI CREDIT UNIONS BUILD INCLUSIVE & RESILIENT COMMUNITIES



Nation's financial first responders during a crisis



Waive fees and offer paused or reduced loan repayment for a period of time



Provide emergency and bridge financing to consumers and small businesses

## IMPACT OF CDFI CREDIT UNIONS 364 CDFI CREDIT UNIONS SERVE 15 MILLION MEMBERS WITH \$180 BILLION IN ASSETS

★  
Increase community assets through community ownership

★  
Stronger communities, safer streets, higher property values

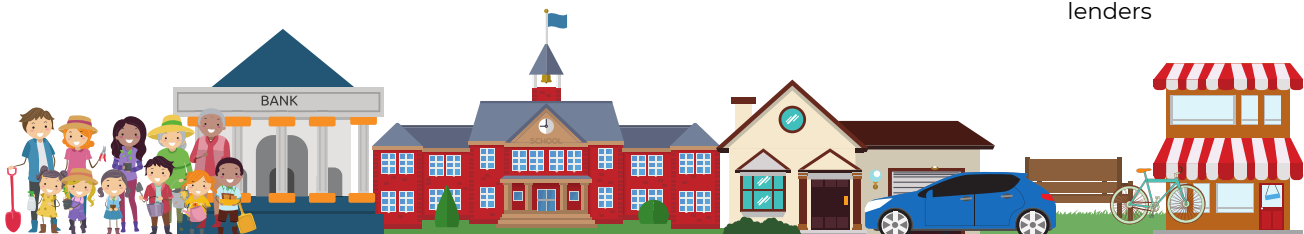
★  
Increase access to transportation ("Wheels to Work")

★  
Growth and survival of small businesses

★  
Consumer savings and wealth building

★  
Increase homeownership

★  
Reduce dependence on check cashers and payday lenders



# NEW ORLEANS FIREMEN'S FCU

**METAIRIE, LA**



**DESIGNATION: LID, CDFI**  
**MEMBERS: 26,114**  
**ASSETS: \$208,442,287**

The Faith Fund is a 501(c)(3) nonprofit partnership between Catholic Charities of the Diocese of Baton Rouge, MetroMorphosis, New Orleans Firemen's Federal Credit Union (NOFFCU), and Our Lady of the Lake Regional Medical Center of Baton Rouge.

The mission of The Faith Fund is to help individuals and families better manage their money, escape predatory lending, and achieve financial stability. NOFFCU believes that by pairing coaching and the right financial product mix, they can empower people to achieve their financial dreams.

By planting the seeds of financial awareness through education, NOFFCU helps individuals break out of downward economic spirals.

In 2020 alone, The Faith Fund has generated over 398 loans in the amount of \$882,199. The savings in interest rates and fees alone translates into \$2,645,597 in savings. In terms of economic

impact, that nearly one million dollars in money saved is an immediate injection back into families' bottom lines.

NOFFCU has also been able to unveil additional opportunities to help members of The Faith Fund save money. They established a RIDE SMART loan that enables members to get a reliable vehicle at a competitive rate.

A distinguishing feature of the RIDE SMART loan is that it had a savings feature attached. This allows for members to accumulate an emergency fund in case the vehicle needs repair or maintenance. Since inception in 2018, NOFFCU has made over \$7.3 million RIDE SMART loans. The dollars saved in interest through RIDE SMART is more than \$11 million.

New Orleans Firemen's has ramped up staffing and is ready to provide The Faith Fund services to a larger public audience and an entirely new segment - nearly 17,000 workers.

**IN ONE YEAR, THE FAITH FUND  
HAS HELPED MEMBERS SAVE  
NEARLY \$5 MILLION**



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Back in April 2020, James Hunter, then the Director of Real Estate Lending at NOFFCU, met a woman named Angela. She had reached out to The Faith Fund for help with four payday loans. She had been a victim of flooding and had taken out several loans to help fix up her mother's home. Later that year, her mother passed away and Angela had to take out another loan for funeral expenses.

Angela found herself in a ton of debt. The only other place she knew to turn was to payday lenders. It started with one loan that quickly spiraled into four. When Angela heard about the Faith Fund, she knew it was a blessing. NOFFCU gave Angela a Freedom Loan and helped her get out of this horrible cycle. Unfortunately, her troubles were not over.

In June, Angela contacted Mr. Hunter and told him that she had to surrender her vehicle. Her

car payments were \$630 a month. She was trying to catch up on her payments, but the monthly payment was so high that she could never get caught up. Late fees were eating her alive. Angela and Mr. Hunter had previously discussed refinancing her vehicle back in April; now, Angela was upside down by almost \$10,000.

Mr. Hunter quickly called Kathy Breaux, NOFFCU's Consumer Lending Director, and explained Angela's situation. They discussed an amount that Angela could afford, and he submitted an application for a pre-approval. The loan was approved!

Laurie Lesseigne, from NOFFCU's Financial Inclusion department, began helping Angela look for a car. After a few days, they found the right vehicle. NOFFCU was able to finance a 2018 Hyundai with a monthly note of \$420.



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*To whom it may concern:*

*I would like to send a sincere thanks to NOFFCU and especially to Ms. Laurie for helping me to purchase a vehicle. God puts angels in your pathway for a reason and Ms. Laurie was mine. After losing my vehicle approximately a month ago, I called her to see if she was able to help me and 2 days later she left me a voice mail with good news.*

*I told her where I would like my note to be and she gave me places to go and look at vehicles. After I found one I called her and the process went pretty fast. I'm getting back on track now thanks to you all. I would recommend NOFFCU to anyone because of the love that was shown to me. They were very professional and made me feel hope again. Again I would like to thank NOFFCU and Ms Laurie for allowing me another chance.*

*May God bless you, Angela*

# CONCORD FCU

## BROOKLYN, NEW YORK

**DESIGNATION: LID, MDI, CDFI**

**MEMBERS: 727**

**ASSETS: 10,489,845**

Concord Federal Credit Union is located in Bedford-Stuyvesant, a traditionally Black neighborhood of Brooklyn in New York City. The credit union was founded in 1951 by the Concord Baptist Church; today, it serves a majority population of Black and Hispanic people. In Bed-Stuy, the poverty rate is 23%, which is more than 1.5 times that of New York and almost double that of the United States. Approximately one-in-five households are unbanked and nearly 30% are underbanked, with high usage of expensive check cashing and high-interest predatory loans.

Concord has been an Inclusiv member since 2013. Inclusiv helped the credit union become CDFI certified in 2018 and to successfully secure a CDFI Fund Technical Assistance Grant. As a CDFI, Concord is eligible to apply for other stimulus grants released in 2020 and 2021, which meant funding for their work in the community. "Having that certification opens up resources for the credit union, particularly the opportunity to get grants from the Treasury. It keeps us going, and we're able to offer more products to our members," says Denise A. Michaux, President and CEO of Concord FCU.

Concord also received a grant for \$125,000 from the CDFI Fund. It helped them to build up their internal support: hire staff that would set their vision into practice and adapt to remote work during the pandemic. As Michaux notes, Concord had to help themselves during these challenges so that they could then help the people and the businesses of Bed-Stuy: "We are members of the community, too."

Without a doubt, CDFI credit unions know, understand, and serve their community.



Darnell Joseph, a 32-year-old entrepreneur also involved in real estate, is a Penn State graduate and started a restaurant, IV Purpose, with three partners. They were in progress with opening and business licenses when COVID hit New York.

Because IV Purpose was technically not open in 2019 but in 2020 and showed no profit, yet, they were ineligible for many loans and grants. In the midst of his search, Mr. Joseph was introduced to Concord FCU through the Bedford Stuyvesant Restoration Corporation, a community development based in Brooklyn.

"The loan process was easy and transparent. Concord was understanding and open with the limitations of the loans, and what I could do and couldn't do. They guided me throughout," Mr. Joseph said. "With that money, we paid our rent, increased our inventory, and purchased PPEs."



**Inclusiv and Concord staff at a Concord and Restoration partnership event in April 2019**





Some businesses built outdoor dining, often spending \$10,000 to \$20,000, but that cost had not been part of IV Purpose's business plan, especially when East Coast winters limited the use of any outdoor spaces. However, with the loan from Concord, they added in some outside seating. IV Purpose is now open seven days a week and does catering and events. "We were able to get a second round of the Paycheck Protection Program, but it was very limited on what we could use it for."

Mr. Joseph was familiar with credit unions. His aunt had worked with a major financial services group, and she raved about credit unions. But he hadn't realized that his business was blocks away from Concord. Due to being a part of the neighborhood, and his connection to Restoration to facilitate the loan, he was able to introduce himself and share the ideas of IV Purpose being a community asset.

"At a credit union, you deal directly with your loan officer. There's a personal connection; he or she understands your story and what you're capable of doing. I made myself known. And Concord said, 'If you can make it through COVID, you can make it through everything else.'"

Among other guidance and investments from Inclusiv, Concord has converted to the i-POWER platform, a new core processor, made possible

with a partnership between Inclusiv and VisiFi. This launched online banking for Concord's membership. The credit union also built up products and services to attract new members, including ACH deposits and pre-paid debit cards.

As part of a project with Citi to grow and expand Black credit unions, Inclusiv provided technical assistance to Concord by arranging a strategic planning session, making targeted introductions to address various topics (field of membership expansion, business planning, and financial counseling), helping identify sources of funding and grants, and through monthly calls with the credit union staff and board members.

The pandemic has been challenging for both credit union members and credit unions themselves. While Concord has limited office hours for health and safety reasons, their doors are nonetheless open to members who come in for transactions and loan applications.

Looking back at this last year, Michaux says, "Concord FCU has a great team, senior leadership, and board members. We're building a community-focused structure and have been successful in adapting our action plan so that we are able to operate safely and yet meet our members' needs. It has been challenging, but we're taking it one day at a time."

# NORTHWEST CU ASSOCIATION



## IDAHO, OREGON, WASHINGTON

Prior to serving as President and CEO of the Northwest Credit Union Association, Troy Stang built his professional background in credit unions, leagues, and in public policy as a White House appointee in the U.S. Treasury. At NWCUA, Troy provides an expert and nuanced perspective to his approach with credit unions and CDFIs, as the CDFI Fund was a part of his portfolio at Treasury.

The credit unions where Troy worked focused on serving a select group of people—parishioners, city and state employees—before expanding memberships to address the financial needs of the community at large. As Troy explains, “When I was with the faith-based credit union, 98% of parishioners were members. We could serve them and anticipate their next needs. But, when a credit union opens up to the entire community, there’s a sense of, ‘Where to start?’ How would a credit union communicate to a new group and assess the products they might need without the intimate knowledge of their behaviors?”

Troy brought this lens to the CDFI Fund, where certification as a CDFI presented a set of tools and resources that advanced credit unions’ community development work. However, he also understood that there should be consideration for a credit union’s own culture and strategic journey even before one starts a conversation on the benefits from a CDFI certification.

That consideration is at the foundation of the Northwest Credit Union Association’s work with its member credit unions. The Association supports its members in obtaining funding and certifications, as well as with consulting advice. At



**Troy Stang**

the right time and place, the Association introduces a conversation about CDFI benefits as part of a credit union’s approach to growth. A credit union has to not only understand the opportunities that being a CDFI might hold but also decide that it makes sense for its future services and success.

Troy explains, “In our region, we see a lot of credit unions interested in CDFI certification. However, if a credit union thinks of CDFI certification when a new round of funding becomes available, it can already be too late. That thought has to be embedded in the institution’s growth strategy, especially if that particular credit union has pivoted from its original roots of perhaps serving a smaller

## INTRODUCING CDFI CERTIFICATION AT THE RIGHT TIME AND PLACE

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group, to focusing on financial access for a larger, community membership.”

There also can be a lack of knowledge between how CDFIs and credit unions can collaborate, which a league or an association can make clear and accessible. During the pandemic, the U.S. Congress approved a series of stimulus packages, including the CARES Act, which provided support funds to states. While some stakeholders at the state level knew what a CDFI was, they did not know that credit unions also could be CDFIs.

“There was a lightbulb that came on,” Troy states. “At the Association, we have member-owned cooperatives that knew best what the needs were, in communities hardest impacted by the pandemic. Why not let CDFIs be distributors of grant dollars, for example, as small business grants or emergency loans? We could connect these funds directly to people who need them the most.”

Community credit unions should not overlook CDFI opportunities; they should examine the market and their potential field of membership and align with opportunities that would benefit them. Leagues and associations can play a key role in helping credit unions by understanding the scope and complexity of their credit union members’ work and introducing them to new products and services.

The NWCUA and Inclusiv, the CDFI expert in the credit union industry, can jointly encourage conversations that address issues and offers solutions by providing thought leadership and sharing ways for credit unions to tap into resources.

As CDFIs and the credit union industry evolve, there is more opportunity to use these funds and mission-driven financial institutions to address challenges to financial inclusion and financial equity.



**Northwest Credit Union Association**

# SPOTLIGHT ON PUERTO RICO

For several decades, Puerto Rico has experienced profound natural, fiscal, and economic crisis that affected low- and moderate-income people and communities. Since 2018, Inclusiv has been working in Puerto Rico to strengthen a network of over 100 community-owned financial cooperatives to help them become vibrant CDFI platforms, through which public and private resources can reach low-income people and communities on the island. An important component of our work has centered around removing structural barriers for *cooperativas* to access resources and funding available for credit unions in the mainland U.S.

In the past, Inclusiv worked to help cooperativas overcome the language and technical barriers to registration on federal websites. This past year, with the pandemic, the experience was challenging. Unnecessary complications arose, including CAGE code applications that dragged out for months, laying bare structural barriers in the registration process for Puerto Rico-based organizations. In response, Inclusiv doubled its efforts in providing translation and technical assistance so members can apply for emergency federal assistance, including helping with online application and registration platforms. Thanks to the support of Prudential and Citi, Inclusiv provided assistance for 36 cooperativas to submit CDFI certification applications.

In March, as grant application deadlines neared, cooperativas' senior leadership grew frustrated and concerned for their communities in need of financial assistance. The possibility of losing out on millions in recovery funds was devastating. Inclusiv helped remaining cooperativas with their applications but, due to the nature of the issues, it became clear that more action was needed.

Inclusiv reached out to one of the most vocal voices for Puerto Rico in Congress, New York Representative Nydia Velasquez. When cooperativas faced challenges in accessing SBA systems to start offering loans to businesses in their communities during first round of the PPP, it was Rep. Velasquez who helped. Again, she sprang into action.



**Sagrada Familia Cooperativa**

Inclusiv wrote a detailed letter outlining the challenges in detail. Within just a couple of days, cooperativas that had reported issues were reassigned or assigned their CAGE codes, allowing them to apply for funding—even those with challenges to their applications. This development brought relief for our members and gratitude for the swift and effective actions of Rep. Velasquez.

As our work in Puerto Rico intensifies, so has growth in Inclusiv membership. The impact of the Puerto Rico CDFI Initiative has resulted in the expansion of our network in the island to 70 cooperativas and growing. Currently, 30 cooperativas have received CDFI certification, and we expect the number to reach 50 before the summer. Twenty-seven financial cooperativas applied for the CDFI Rapid Response Program (RRP), which could potentially provide millions in funding to expand lending. Inclusiv also signed a Memorandum of Understanding with the Public Corporation for the Supervision and Insurance of Cooperatives (COSSEC), the island's main regulator, to facilitate secondary capital investments and automate CDFI certification compliance.

For Inclusiv, it is a privilege to help cooperativas leverage the resources our member credit unions in the mainland have leveraged for decades now. We look forward to continuing to help cooperativas grow and provide support to the communities they serve.

# INCLUSIV IS A GAMECHANGER FOR CDFI CREDIT UNIONS

With the pandemic heavily impacting the most vulnerable, credit unions—with a successful track record in reaching undeserved communities—are the best choice for lending effectively in low-income communities with safe and affordable products and services. In response, CDFI funding increased so that credit unions can step up their work to help people and communities left behind by economic growth and recovery. Therefore, CDFI certification is an essential credential for

credit unions that seek a larger role in the development of their communities.

Inclusiv is the CDFI authority of the credit union industry. We facilitate credit unions' access to funding opportunities for CDFIs. To this end, Inclusiv provides expertise, technical assistance, resources to CDFI-certified, CDFI-eligible, and MDI-designated credit unions seeking to participate in these programs.

Inclusiv offers:

- ✓ Safe advice for credit unions interested in CDFI-certification, including free weekly Wednesday CDFI “office hours” at 3 PM EST with CUNA Mutual Group experts. More than 100 people have attended these sessions.
- ✓ Inclusiv membership includes free CDFI annual certification reporting (ACR) and eligibility analysis.
- ✓ Tools to help CDFI members and Inclusiv members understand and access the CDFI Rapid Response Program (RRP), such as the RRP workbook and other step-by-step guidance for Inclusiv members. Over 200 credit unions have received the RRP workbook.
- ✓ A calendar of webinars lists interactive discussions for credit unions to learn and to ask questions, with speakers from the NCUA and the CDFI Fund. Our online library offers videos of these sessions.
- ✓ A robust outreach to MDIs and provides technical assistance to credit unions, including grant writing, credit union operations and compliance, and CDFI-related services.
- ✓ Inclusiv's CDFI advocacy platform addresses and advances issues and policies that affect, engage, and interest our CDFI member credit unions and the credit union industry.



**Despite serving the most economically distressed communities in the nation, CDFI credit unions consistently outperform their peers in growth, earnings and services, because they find and build new markets of successful borrowers.**

**- Pablo DeFilippi, SVP of Membership & Network Engagement, Inclusiv**

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# ABOUT INCLUSIV

At Inclusiv, we believe that financial inclusion is a fundamental right. We dedicate ourselves to closing the gaps and removing barriers to financial opportunities for people living in distressed and underserved communities.

Inclusiv is a certified CDFI and a CDFI intermediary that transforms local progress into lasting national change. We provide capital, make connections, build capacity, develop innovative products and services, and advocate for our member community development credit unions (CDCUs).

Inclusiv was instrumental in establishing the CDFI Fund in 1994, is a permanent member of the national CDFI coalition, and is the CDFI authority for the credit union industry.

Our community development credit union (CDCU) members serve over 14 million residents of low-income urban, rural and reservation-based communities across the U.S. and hold over \$184 billion in community-controlled assets.



## CONTACT US

**Pablo DeFilippi**  
SVP of Membership & Network Engagement  
[pablo@inclusiv.org](mailto:pablo@inclusiv.org)