



CDFI CREDIT UNIONS BUILD INCLUSIVE ECONOMIES



The CDFI Fund is one of the Federal government's best market-based strategies for leveraging 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 create financial capability to expand consumer purchasing power.

**CATHIE MAHON, CEO/PRESIDENT
NATIONAL FEDERATION OF COMMUNITY DEVELOPMENT CREDIT UNIONS**

CDFI CREDIT UNIONS HELP YOUNG ADULTS BUILD CREDIT



Working a full-time, minimum wage job and still unable to meet basic living expenses, Joshua took out several payday loans. He also found himself delinquent on several accounts including a federal student loan and a major credit card.

Joshua enrolled in Year Up Bay Area and MyPath Credit, a partnership between MyPath and Self-Help Federal Credit Union to connect young, underserved consumers to quality financial services. In six months Joshua's credit score jumped dramatically from zero to over 600.

Self-Help FCU serves over 80,000 people in California, Illinois and Florida and has delivered \$6.8 billion in financing through almost 102,000 loans to individuals and small businesses.

CDFI CREDIT UNIONS PROVIDE FINANCIAL COACHING

Paige was struggling to balance 10 different credit cards and didn't know what was coming in or out of her checking account. Her stepfather suggested Paige speak to his credit union, New Orleans Firemen's Federal Credit Union, where she was able to connect with Kathy, the Financial Services Manager. Paige opened a savings account and set down firm goals, which included closing out her current credit cards, opening a lower-rate New Orleans Firemen's credit card, and transferring outstanding balances towards a credit union signature loan. Now, Paige feels like she “gets it”.

New Orleans Firemen's is the third oldest federal credit union in the US. The credit union serves almost 26,000 members through nine branches in Orleans, Jefferson, St James, Pearl River County, St Tammany and Lafourche Parishes in Louisiana.





CDFI CREDIT UNIONS HELP PEOPLE OUT OF HIGH-COST DEBT

A serious car accident, a death in the family, hours at work suddenly cut – common, but unexpected situations can lead to new expenses and diminished income. With limited options available, many people turn to payday loans, moving from loan to loan and falling deeper into debt. Nix Neighborhood Lending, a Credit Unit Service Organization of Kinecta Federal Credit Union, provides alternatives to help people in their community escape the payday loan cycle. Kinecta serves 270,000 members with branches across southern California from Goleta to San Diego.

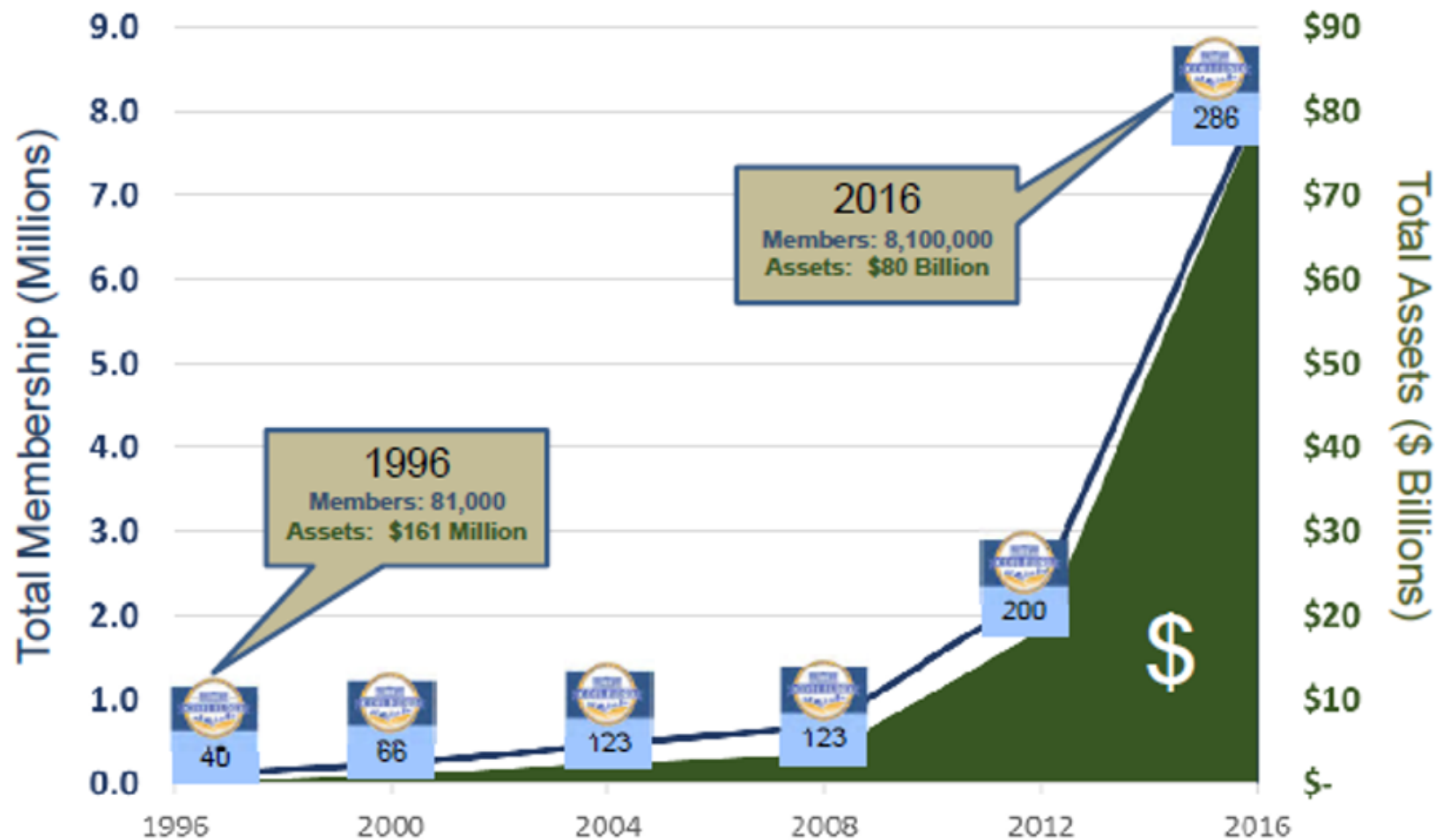


CDFI CREDIT UNIONS TURN JOB OPPORTUNITIES INTO JOB REALITIES

A single mother and cancer survivor, Michelle looked forward to a fresh start with a new job offer. But there was a catch – the job was a 45-minute drive from her home, and her very old car couldn't handle the commute. Michelle didn't think she could qualify for an auto loan, but a St. Louis Community Credit Union staff member assured her that they could work with her. “Once I found out they could help me, even before I had the car, it was just like a weight lifted,” says Michelle.

St. Louis Community opened each of its 15 branches in neighborhoods with little or no banking access. Celebrating its 75th anniversary this year, St. Louis Community serves 52,000 members.

Credit unions are highly concentrated in CDFI target markets. With safe and affordable financial products and services, credit unions are the best choice for lending effectively and profitably in low-income communities. An additional 300+ credit unions may be immediately eligible for CDFI certification.



CDFI CREDIT UNIONS REVITALIZE NEIGHBORHOODS

Roanoke's West End neighborhood was a food and financial desert for years until private and public officials worked together on a revitalization plan. Today, West End Village Station houses a full-service branch of Freedom First Credit Union, a community education facility, a permanent sheltered local farmers market, and a community commercial kitchen and culinary business incubator.

“We have a responsibility to improve the communities where our members live, work and play,” explains Paul Phillips, President and CEO of Freedom First.

Freedom First CU serves 48,000 members in the Roanoke and New River Valleys of Virginia.



CDFI CREDIT UNIONS PROMOTE HIGHER EDUCATION

When Darrell found himself homeless after Hurricane Katrina, he made his way to San Francisco. Finding housing wasn't easy without good credit, paycheck stubs, or bank statements. When Darrell enrolled at City College, they referred him to Self-Help Federal Credit Union.

"I didn't have the best credit scores. They had to take a chance on me," Darrell recalls. He began with a secured credit card and then graduated to a Fresh Start Loan. Within two years, his credit score jumped 300 points.

Self-Help FCU is a family of two credit unions, a non-profit loan fund, and an advocacy group. 86% of their loans are to low-income borrowers, 51% are to people of color, 59% are in distressed areas and 21% are in rural communities.





CDFI CREDIT UNIONS INCREASE HOUSING STABILITY

Brenda didn't have a bank account and was relying on various social services when her brother told her about South Side Community Federal Credit Union. He and his wife had joined a program between The Community Builders and South Side Community designed to build the financial health and credit of Oakwood Shores residents. Brenda was delighted to hear about the ability to save at her own pace and the variety of free financial classes on offer. Now, she's one of the biggest savers at South Side Community. South Side Community FCU serves 2,000 members on Chicago's south side.

CDFI CREDIT UNIONS BUILD FINANCIAL HEALTH



Paul was looking to the future and thinking about purchasing a home. He worked with Teri, the CEO of Pacific Northwest Ironworkers Federal Credit Union, to create a plan that included debt consolidation as well as other ways to improve his credit score, and with Logan, Mortgage Loan Specialist, to apply for his home loan.

“It was a three year process,” Paul explains, but once he got on track for the home loan, “it was smooth sailing! They understand the logistics of the job. The ups and downs in the work and paychecks.”

NW Pacific Northwest Ironworkers' 5,500 members earn up to 12 times more interest than they would in a for-profit bank. The credit union has branches in Oregon and Washington.

CDFI CREDIT UNIONS EMPOWER SUCCESSFUL SAVERS

When he started using the financial counseling services at Neighborhood Trust Federal Credit Union, Clemente needed to improve his credit. At his Financial Counselor's recommendation, he opened a secured credit card from Neighborhood Trust. He also reduced his debt by over 80% – and saved more than \$3,000!

“The secured credit card has helped me a lot,” says Clemente. “In one year, I’ve seen my credit score jump 84 points!”

Neighborhood Trust FCU is attuned to the needs of the Washington Heights neighborhood of New York City - they use flexible underwriting criteria to make loans to consumers who might otherwise turn to predatory lenders.



To Congressmen and Council Members at the state and national level, please do everything in your power to maintain the subsidy for the financial counseling program and to the credit unions that provide them. Without this program, many people will simply fall into an abyss and won't know how to manage their finances. Please do all you can to maintain this program and the services of the credit union, so that other people can also take advantage of it, just like I did. There are no words to describe such an important service.

**CLEMENTE, MEMBER OF NEIGHBORHOOD TRUST FEDERAL CREDIT UNION,
NEW YORK, NY**

CDFI CREDIT UNIONS HELP TO RESETTLE REFUGEE FAMILIES



Hicuburundi and Ntibamumpaye, refugees from Burundi, were determined to start a new life in the United States. Shortly after arriving in Rochester they joined Genesee Co-Op Federal Credit Union. They'd begun saving for their first home when a slot opened in the local Rochester Acquisition-Rehab Program.

Through Genesee Co-Op the couple were able to buy a wonderful, affordable house in the northwest section of Rochester. They put 3% down and got closing cost assistance.

Genesee Co-Op FCU calls itself the "place for first opportunities and second chances." Since opening in 1982, Genesee Co-op members have opened 7,100 accounts.

CDFI CREDIT UNIONS SUPPORT JOB TRAINING

Chris at CDS Tractor Trailer Training knew there were many potential students who could not afford the classes required to earn a commercial driver's license. Freedom First Credit Union partnered with CDS to provide short-term, small-dollar loans to students who wanted to get their commercial drivers' license.

“This partnership is a win for everyone involved. We are able to get more students into school – and faster. The students benefit the most by getting the credit they need to go to school and start working,” explains Chris.

Freedom First CU employs 160 people across 10 branches, all dedicated to helping Virginia communities in Montgomery, Botetourt, and Roanoke counties thrive.





CDFI CREDIT UNIONS IMPROVE ACCESS TO AFFORDABLE HOUSING

Newlyweds Brooke and Daniel wanted a place to call their own. Manufactured housing was an affordable option, but financing can be difficult because conforming mortgages require a permanent foundation. They turned to Missoula Federal Credit Union and learned they could get a mortgage at a reasonable rate regardless of foundation type.

"Now friends, co-workers, and even our insurance agent are asking us how we were able to find and get the loan. Our answer is to go talk to Missoula Federal," says Daniel.

Missoula FCU has won the Best of Missoula Award for 20 straight years. Their employees volunteered a total of 2,500 hours last year.

CDFI CREDIT UNIONS CLEAN UP POOR CREDIT REPORTING

When Yago moved to the United States he opened a savings account at Border Federal Credit Union and discovered his credit report included false information. Diana, a Border Financial Counselor, worked with Yago on an action plan to correct his report, including dispute letters, phone calls to creditors and filing police reports. It took a year, but Yago was finally able to clear all negative and incorrect information from his credit report. Now, he regularly refers family and friends to the counseling department, praising their knowledge and ability to provide simple solutions to complex problems.

Border FCU is a Juntos Avanzamos (Together We Advance) designated credit union committed to serving Hispanic consumers at its branches in Del Rio, Eagle Pass, and Crystal City, Texas.



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 AND NETWORK ENGAGEMENT
NATIONAL FEDERATION OF COMMUNITY DEVELOPMENT CREDIT UNIONS**

CDFI CREDIT UNIONS PROMOTE FINANCIAL WELLNESS



Jimmy and his wife Melissa both worked, making a steady income, but didn't know why they were struggling financially. LaTasha, Essential's Plaquemine Branch Manager, met with Jimmy on numerous occasions to formulate a plan to take control of his finances and improve his credit score. Recently, Jimmy and Melissa made their dreams come true with the purchase of their first home. Jimmy says he never would have been able to make the purchase if it were not for Essential Federal Credit Union.

Essential CEO Rick Williams says, "Through the CDFI program, we can strengthen our community while empowering our members." Essential FCU serves more than 27,000 members in the nine parishes of the Greater Baton Rouge community.

CDFI CREDIT UNIONS SUPPORT AFRICAN-AMERICAN HOMEOWNERSHIP

When Tynice was just 25, she set out to purchase her first home in Washington, DC. But as a public servant living in one of the most expensive cities in the country, there were many barriers: finding an affordable home, saving enough money for a down payment, and qualifying for financing.

Tynice found a co-op at an amazing price east of the Anacostia River. Her credit union, District Government Employees Federal Credit Union, partners with a local housing cooperative and a HUD-approved housing counseling agency and was able to make Tynice's dream a reality.

District Government Employees serves over 11,000 members in our nation's capital.





CDFI CREDIT UNIONS SAFEGUARD FAMILIES

It wasn't until Barbara started the process of obtaining guardianship for her two great grandchildren that she realized the importance of having a place of her own. She wants to know her family will always have a roof over their heads in case something unexpected happens. She took financial education courses and coaching in a partnership program between St. Louis Community Credit Union, their affiliate Prosperity Connection, and Kingdom House. Now Barbara owns a two story bungalow in a quiet neighborhood of North St. Louis.

St. Louis Community has mini-branches in three social service agencies, including Kingdom House.

To become Community Development Financial Institutions (CDFIs), credit unions must direct at least 60% of their financing activity in economically distressed markets and build the capacity of their members to improve their financial security.

- *There are 286 CDFI credit unions in the United States serving more than 8,110,000*
- *CDFI credit unions hold more than \$80 billion in combined assets that stay in the community*
- *CDFI credit unions have 871 branches in economically distressed CDFI investment areas and 195 branches in persistent poverty counties*
- *21% of the people who live near CDFI branches are below the poverty level*
- *CDFI credit union provide affordable loans in communities that most need access to credit; their combined loan/share ratio is 74%*
- *CDFI credit unions have more than \$69 billion in loans outstanding*

#FundCDFIs

This spring, the National Federation of Community Development Credit Unions is celebrating the overwhelmingly positive impact CDFI credit unions have on the low-income communities they serve. *America First: A Budget Blueprint to Make America Great Again*, proposes cutting the CDFI Fund budget for 2018. The Federation urges Congress to fund the CDFI Fund at \$250 million to expand economic opportunity throughout the country.

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