



KNITTING VALUED PARTNERSHIPS

BY JESSICA WHITMORE

A businessman, an educator, a retiree, and a housing consultant. Each has perfected a niche area of expertise. Each holds a role on a credit union board. Each has found ways to leave a mark in the community. While the work of each of these board members is different, they all are connected by a focus that goes beyond themselves and into the community, then ties back into the credit unions they serve.

THE BUSINESSMAN

CUES Director member Peter Trombley knows about being a small-business owner, and what it's like to use credit cards to finance purchases and ongoing bills. He's actually done this while building his small business, Bankcard Compliance Group (www.bankcardcompliance.com). As a businessman and a CU member, he knows that a credit union can help with small business lending if it has the right structure in place.

Unfortunately, \$90 million TCT Federal Credit Union (www.tctfcu.org) in Ballston Spa, N.Y., where Trombley has served as a board member for the past three years, does not currently offer small-business loans. It doesn't yet have the structure and expertise to make such loans possible. However, small-business lending has been discussed by the credit union's board, touching the question "How do we go from nothing to something?"

For the past 12 years, Trombley has also been a volunteer loan committee member of the Capital District Community Loan Fund (www.cdclf.org) in Albany, N.Y. CDCLF makes loans to non-profit organizations that provide affordable housing, and to micro businesses. Some of these loans are funded through a 50/50 participation ratio with credit unions and commercial banks, with CDCLF underwriting the loans.

Through his involvement with CDCLF, Trombley

CU directors bring together their passions and volunteer endeavors to create deeper connections among people and communities.

saw an opportunity to combine his two volunteer efforts into a new opportunity for both organizations. He introduced the leaders of the CU and the loan fund, which led to discussions about the ways they could work together.

One of the ways will include CDCLF identifying current or potential TCT FCU members who could benefit from CDCLF participation loans. The loan then would continue as a participation loan with a 50/50 ratio and be underwritten by CDCLF. Additionally, if a small business comes to the CU looking for funding, TCT FCU will refer the business to CDCLF if it meets the necessary criteria.

Throughout the participation loan process, TCT FCU will be able to learn about small-business lending from CDCLF's experienced loan officers. As a result, TCT FCU will learn in an affordable way about directly entering the small-business lending world, and CDCLF will be able to increase its participation loan spending.

The organizations have been talking since December 2008 and are expected to move forward more this fall.

"It is a happy coincidence that these two volunteer roles are complementary. We're not competing against the bankers that we sit next to at meetings but working together to solve social needs. Together we can provide the appropriate financial options to the communities," says Trombley.



THE EDUCATOR

For CUES Director member Dorothy Orr, Ph.D., aka “Miss Credit Union,” education is a vital key in preparing for the future. Indeed, her own education would not have been possible without the role a CU played in her life.

Orr married in the late 1950s, started a family, and taught elementary school. She also wanted to return to school for her master’s degree, and she started to look for ways to pay for that degree.

While banks turned her down, it was a CU that said, “we can loan you money, and we’ll tell you how to do it.” The CU ended up working out a payment arrangement

that allowed Orr to work on her degree in the summer and repay the loan while teaching during the school year.

It was also during the 1950s that Orr joined now \$336 million BrightStar Credit Union (www.bscu.org), Fort Lauderdale, Fla. While serving as the executive assistant to the superintendent in the school system, she was asked to be a CU board member. The CU now has a community charter, but also honors its roots—a field of membership of educators. Orr has served as the board chair since 1988.

Even after retirement from the school system, Orr continues to pursue her passion for education and her CU advocacy. In February 2008, she saw one of her ideas launch: the CU@School program (www.bscu.org/pdf/MI0109.pdf). The



program initially included student-run branches at two high schools and one elementary school, and has since expanded to another high school and a middle school.

These branches allow high school students to make deposits and withdrawals and elementary school students to make deposits. The high school

branches are open at lunch once a week and run by students with the help of BrightStar CU staff. The elementary school branches open one morning every two weeks, run by BrightStar CU staff and Parent Teacher Association volunteers.

The CU@School program also teaches students about credit cards, credit scores, savings and budgeting. Incidentally, the program has caused more families to become involved in the CU, even to the point of children and parents attending BrightStar CU's annual meetings.

The impact the program has on the students is unmistakable. Here's what Eric Hunter, a student teller at one of the in-school branches had to say: "Thanks to BrightStar Credit Union, I was given the opportunity to learn about various subjects regarding the banking and the credit union field, such as the clear difference between a credit union and a bank. Not only was it an influential experience for me, but for other students as well. This opportunity gave students a chance to get a jump start on their own savings. Being able to participate in the marketing and the process of actual transactions gave me the experience and the drive to press toward my future goals."

THE RETIREE

It took 19 years of "not doing anything" as a CU member before CUES Director member L. Ben Freudenreich decided to volunteer on the credit committee at \$314 million BMI Federal Credit Union (www.bmifcu.org), Dublin, Ohio, where he had been a member since the early 1960s. Freudenreich started serving on the board in 1987.

In the 1980s, Freudenreich was reading while traveling for his job. One of the books he read was *Everything to Gain: Making the Most of the Rest of Your Life* by Jimmy and Rosalynn Carter. In the book, the Carters talked about leaving the White House, working with Habitat for Humanity, and questioning what was next.

After retiring in 1994, Freudenreich more fully embraced the impact that book had on him by volunteering at the Habitat for Humanity-Greater Columbus chapter.

Since then he has helped the group build houses, served on the chapter's board from 1999 to 2005 and was president of the board from 2000 through 2002. Since leaving the board, he has concentrated solely on building houses.

Freudenreich has seen the impact Habitat for Humanity has had not only on new home owners in the inner city, but on the communities as well. He has seen neighbors of a new Habitat for Humanity house inspired to invest in their own homes with new paint and new flowers.

"Going into the inner city neighborhoods helps to break down cultural barriers between those who have a little more than those who don't. In fact, being willing to go into those areas makes an impression with people," Freudenreich says.

He appreciates that staff and management at BMI FCU rally to volunteer time, effort and, at times, personal finances to good causes, including kids' camp events, charity walks and runs and—yes—Habitat for Humanity initiatives.

As president of the Habitat chapter's board, Freudenreich made arrangements for the CU's leaders to attend fundraising breakfasts and for the CU to sponsor a house.

One of the ways the CU's staff has worked together to support Habitat was through "selling" parking spots. BMI FCU has a parking lot near the Ohio State University campus. Every Saturday during football season, staff and management sell parking spaces for \$10 a car. A few years ago, the CU staff decided the funds from that football season—several thousand dollars—would go to Habitat for Humanity.

Freudenreich knows the Habitat homes mean a lot to the families, especially to the children. He has been cheerfully greeted by families he has visited, given tours of their homes, and at times he's been greeted by random interactions with Habitat for Humanity recipients.

"A couple of years ago, I was returning from a credit union trip and was walking through the airport in Columbus. A young man pulled up in one of the battery-powered conveyances and offered me a ride. He said, 'You look familiar. Do you work with Habitat?' He said that Habitat had built his home in 1996 when he was just a young boy and now he was working his way through college. He recognized me because I had worked on his house. Greetings and stories like these give me the incentive to continue to work and to support Habitat."

THE HOUSING CONSULTANT

Elissa Dennis knows the importance of working together in low-income communities. For the past 20 years, she has been involved in housing and community development initiatives in the Oakland, Calif., area.

Dennis works as an affordable housing consultant with Community Economics (www.communityeconomics.org) based in Oakland. So when she joined an effort about 10 years ago to create a community development credit union for an underserved neighborhood of West Oakland, she was able to put a lot of experience and knowledge to work for the effort.

West Oakland had not seen a CU or a bank since the 1960s. Instead, check cashing stores, pawnshops and payday lending businesses had moved in. While these businesses provided financial services, the people in the community were not able to save or build credit using their offerings.

The efforts to build a community development CU resulted in People's Community Partnership Federal Credit Union (www.pcpfcu.org). The CU was chartered in November 2000 and opened in March 2001. The organizing committee that Dennis joined later became the board of directors for the credit union.

In September 2008, People's Community Partnership FCU merged with \$301 million Self-Help Federal Credit Union, Oakland, Calif., and now is known as People's FCU, a division of Self-Help FCU. The merger was a result of People's Community Partnership FCU realizing it was not feasible to continue operating as a one-branch community development CU. It found in Self-Help FCU a place that would "keep our little branch open," Dennis says.

With the merger came a change to the board of directors, now an advisory committee that Dennis still serves on. It is the previous volunteer work of these board members turned advisory committee members that made an impact through this one-branch community development credit union in an underserved area.

Directors volunteered to run the Volunteer Income Tax Assistance program, offering free tax preparation for members of low-income households.

"We have lots of success stories from our VITA site where people had previously gone to Jackson Hewitt or one of the other tax preparers and spent a lot of money. When they came to us, they used their refund to open a savings account, and sometimes accounts for their kids too. As they became members, they also saved, took out loans, and got themselves back on solid financial ground," Dennis says.

Board members also provided financial education workshops on topics ranging from budgeting to credit management and homeownership. Individual credit review sessions also helped members build their assets as well as taught them how to review credit reports, dispute claims and improve credit scores. Outreach and marketing efforts also included board members walking throughout the neighborhood and having tables at local events.

"On our first neighborhood walk when we first opened, one of our volunteers rang a bell and a Spanish-speaking family came to the door. They told about how the young adult son had just gotten ripped off on a car loan from a dealer.

RESOURCES


Read more on cumanagement.org. Choose "Article Archives" then "Board" and finally "Partnerships."

CUES' Financial Literacy Clearinghouse offers help for teaching members about money management at cues.org/financialliteracy/. Get tips on how to talk about your CU's good works with policy makers and the press from CUES' Operation Outreach, cues.org/operationoutreach.

Check out the online column, "Teaching Smart Money Management." You can find the latest installment at cumanagement.org. Look in the middle of the page.

He thought he had negotiated a deal, but then the English-only documents had a different deal. People's helped him refinance the car at a more reasonable rate," Dennis says.

Dennis and the other advisory committee members realize the importance of having the CU be recognized as a part of the community. Volunteer work is just one way board members can further promote the CU and its resources.

"A lot of people in the community do not know what makes a credit union different from a bank," says Freudenreich, the "retiree" in this story. "In fact, I think that many credit union members just see us as 'better banks.' We need to keep working to change that perception. One of our responsibilities as board members is to be ambassadors for our credit unions within the larger community." 

Jessica Whitmore writes on financial and human interest topics from her home in Pennsylvania. When she isn't writing, she is chasing down her two small and very active boys.

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