Honor Our Heritage & Focus on the Future

2006 National Federation of Community Development Credit Unions' Latino Conference
The son of an immigrant mill worker, Ron Rioux of St. Mary’s Bank CU, Manchester, N.H., knows the value of community outreach and honoring one’s heritage.

After all, there are more than 70 different languages spoken in the Manchester community, including 11 at St. Mary’s Bank CU. Perhaps that’s why the credit union does more than translate materials into foreign languages. It offers diversity and cultural sensitivity training to employees and the call center and voice response systems offer members a variety of language choices.

St. Mary’s started out offering French Canadian immigrants a safe place to save and small, affordable loans. To Rioux and his staff, the credit union is on a mission—a mission of people helping people through community outreach.

In addition to no-cost financial literacy seminars for members, the credit union and its community partners offer family emergency loans, mortgage loans, low-income rental housing loans, individual development accounts, wheels-to-work loans, and other programs designed to reach out to the immigrant community.

“We’re in partnership with our community,” Rioux told attendees at the opening session of the National Federation of Community Development Credit Unions’ 4th Latino CU Conference in Durham, N.C. Indeed, recognizing that housing is the most important service the credit union can provide its immigrant population, St.

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Mary’s Bank’s home ownership loan program doled out more than $9.5 million in 2005. Rioux is so committed to the immigrant population that he recruited the New Hampshire League and other state credit unions to pony up a five-year commitment for $35 million to fund home ownership and emergency loans. The program is working so well he thinks credit unions in every state should set up similar funding programs.

Reaching out to immigrants takes dedication and commitment. Rioux outlined six steps to developing a community outreach program for immigrants.

1) Start with a needs assessment in your community. Don’t assume you know the community, get the facts. Communities are changing—fast.

2) Ask your board to make a multiyear commitment to community outreach to ensure your credit union stays committed.

3) Network and form partnerships. Don’t try to do this alone. Others will be important allies that can bridge political and financial gaps in your community.

4) Name a point person for your outreach effort at your credit union.

5) Establish a community outreach committee made up of lenders and nonlenders to review grant opportunities and nonconventional loan requests. That’s how you get a different perspective from the traditional underwriter’s view.

6) Evaluate your outreach performance annually. Set standards and goals and measure yourself against those goals.

Meanwhile, the largest low-
income designated credit union in the U.S., GECU, serves one of every three people in El Paso, Tex., and that market is predominantly Hispanic.

To hear Harriet May, CEO of Government Employees’ CU (GECU) tell it, serving Hispanics makes good business sense because this immigrant market works and pays its bills on time. “We are proud to serve them,” May said, noting that many second- and third-

generation Hispanic immigrants do not have a relationship with a financial institution.

But don’t stereotype this market, May warns. Reaching out to Hispanics is not just reaching out to workers in the field. They hold a variety of jobs at a variety of income levels. Credit unions need to conduct research and focus groups in their communities to really understand the market.

“Use the Matricula Consular,” May advised. “We read the Patriot Act and for us, the Matricula gave us a stronger piece of identification.” With 70% to 80% of the El Paso community of Hispanic heritage, hiring bilingual staff was no problem and a no-brainer. Teaching Hispanics American business terms and practices, however, was a little more challenging.

While the credit union is providing all its materials in Spanish and English, May says it is not even scratching the surface in terms of the local market’s real potential. GECU offers entry level savings programs—the No Excuses Savers’ Club—and formed an affordable housing CUSO (credit union service organization) with eight other credit unions in Texas.

“Sometimes, you have to step out of the box to find solutions,” May said. Offering a loan/lease program and monthly financial education programs in English and Spanish are such examples.

“Our only business plan is to serve our community. And our community is Hispanic,” May said.

For Luis Pastor, CEO of the Latino Community CU in Durham, N.C., the choice to serve the Latino market is simple. “Our history, our heritage, our passion is serving immigrants. We are Americans and our history is to serve this group,” Pastor said. “If you are not interested in serving them, then you are in the wrong movement.”

Latino Community CU is all about serving immigrants. After all, 95% of the credit union’s members are low income and 75% of the members are opening a credit union savings account for the first time in their lives.

Pastor’s credit union gets by with a little help from his friends—friends like Self-Help CU, State Employees CU, the North Carolina Minority Support Center, and others. North Carolina has the fastest growing immigrant population in the country so the opportunity is there.

This market needs help, Pastor said. Hispanics don’t trust financial institutions, have language and cultural differences, face documentation difficulties, and have both basic and sophisticated financial service needs. If you prove yourself to this market, you’ll be rewarded Pastor said. His credit union has a low delinquency rate (2%) on consumer loans and no delinquency on mortgage lending. Hispanics are loyal and willing to study to learn about their finances.

For some credit unions the ability to serve this market requires a change in culture—from the board to the tellers. While there are many resources available in the movement to help both members and staff, Pastor says they are not always easy to find. He believes there need to be more Hispanic CEOs and board chairmen in the movement.

“Different problems require different solutions,” Pastor said. “Find the partnerships that
That’s exactly what Latino Community CU did when it went about organizing. It has a statewide charter and represents about 65 organizations that serve the Hispanic market.

“What are the ‘must haves’ for this market?” Pastor asked. “Mortgages.”

Perhaps it was Randy Chambers of Self-Help CU in Durham, N.C., who best summed up the reasons credit unions need to target the Hispanic market. “There are 42 million Latinos in this country. One-quarter of them are undocumented. But you do know them: They are the people who take care of our children, build our streets, and work in our hotels. It’s just not acceptable to have many of them living where they do. They are people just like you and me … We are not just lenders. We are credit unions with a practice of people helping people …”

Group Wants to Start Network of Hispanic Professionals

Their vision is to promote understanding of Latinos’ financial needs and to strengthen their bond with the credit union system.

They want to advocate on the behalf of the Latino community and meet the financial needs of Latinos and to sponsor and develop Latino leadership in the credit union system. And they want to raise awareness about issues relating to the Latino market.

That’s a tall order but Carlos Calderón, OAS Staff FCU; Luis Pastor, Self-Help CU; María Martínez, Border Federal CU; Carla Decker, District Government Employees FCU; and others hope to build on what they are currently calling the National Association of Latino CU Professionals.

Membership would be open to an individual with any rank within the credit union. The organizers first announced their intentions a year ago, met again during CUNA’s Governmental Affairs Conference, and announced plans at the 4th Latino CU Conference to begin organizing this year.

“We want to sponsor and help develop Latino leadership in credit unions,” noted Calderón, who together with Decker approached the Federation about their plans at the last Latino CU Conference in San Juan, P.R., in 2004. At that meeting the group got a commitment from the Federation’s Board for assistance in organizing the new association.

Pastor noted that the credit union movement has plenty of Latino tellers and loan officers but few CEOs and board chairmen. They hope such a professional association will help change that.

For more information or to join, contact latinnetwork@oas.org.
If you’re looking to lend to the immigrant community, you need imagination and a willingness to serve.

Self-Help CU is such a lender. It has been making mortgage loans to immigrants since the mid-1980s, starting conservatively because the mortgage world was not quite ready to serve this market.

It started making adjustable-rate mortgages with 80% loan to value. Then in 2001 it began accepting Individual Taxpayer Identification Numbers (ITIN) and built its lending program from literally nothing to $35 million—making loans without regard to immigration status.

Today that program represents 80% of the credit union’s loan portfolio.

Lewis Dancy of Self-Help CU says the credit union accepts ITINs and a Matricula Consular or a driver’s license for identification purposes. The credit union’s only job is to make sure the person is who the person says he or she is. The credit union does not work for the INS (Immigration and Naturalization Service).

“The biggest risk to us is a subprime lender,” Dancy said. “They could enter the ITIN lending market. We use real estate brokers for referrals.”

He calls ITIN lending a political football.

“We have three primary rules or lending guidelines,” Dancy said, “and we can break all of them.” In other words, lending to this market requires a will to serve and not a lender looking for a reason not to make a loan. An ITIN program takes a lot of work verifying and cobbling together enough credit history to make a loan he said.

Some of the guidelines Self-Help uses for its ITIN program: a minimum credit score of 600 + for 100% loan to value … no minimum credit score for 90% loan-to-value loans … nontraditional credit criteria (two lines) are acceptable … minimum of 12 months rental … two of the following—phone bill, gas and electric bill, car payment, furniture payment … judgments paid off prior to closing …

Of course, there are underwriting challenges relating to accurate credit reports, undocumented income, shared households, and pricing.

But the real news here is that Self-Help’s ITIN loan performance is strong and the delinquency rate on ITIN lending is about one-half that of the credit union’s entire loan portfolio.

For Water and Power Community CU in Los Angeles, a program that works with more than 70 Hispanic-owned independent car dealerships in the San Gabriel Valley is just the ticket to building up loan volume. After working with dealerships to prevent fraud the credit union developed an instant provisional loan approval process.

“We fax the provisional approval to the dealer but we always meet individually with the member borrower,” noted Robert Mims, a branch manager for Water and Power CU. Dealerships had minimum requirements they needed to meet including a division of motor vehicle license, sellers’ permits, business license, surety bond, and references.

“This is not an indirect lending program, we still see the member,” Mims said. A branch manager visits with the dealer every month to verify everything, including: keeping an eye on inventory, rechecking licenses, and monitoring loan
activity with the dealer. The
credit union even creates a
packet for the dealer that
includes a welcome letter, field
of membership zip codes, a
member service representative
contact list, branch locations
and contacts, dealer faxing
instructions, credit union credit
applications, credit union mem-
bership applications, and family
reference sheets. The credit
union needs an ITIN or a valid
Social Security number (SSN) to
make a loan.
Since starting this vehicle
lending program in 2002 it has
gone from $796,000 and 333
new members to $37 million,
averaging $900,000 a month,
and 5,400 new members. The
program has a 6% charge-off
rate overall and 95% of the
loan business has been in the
valley.

Serving the Hispanic Market Makes Sense

1) The median age of U.S. Hispanics is
about 28. The average age of a credit
union member is 47. The graying of our
membership means a slowdown among
members in their prime borrowing years.
Tapping the younger, Hispanic market
will help ease an expected drop off in
lending services for credit unions. The
number of consumers age 25 to 44 has
dropped 17 percentage points since 1985.

2) The Hispanic market is a hot market for
retail financial services. TowerGroup
estimates that up to 70% of the growth in
retail financial services could come from
Hispanics by 2008.

3) HispanTelligence says Latino owned small
businesses in the U.S. will increase 45%
between 2005 and 2010 to 3.2 million
businesses generating more than $465 bil-
lion in total revenues.

4) Serving Hispanics is a good business
decision. It is also good credit union phi-
losophy. Credit unions are the people
helping people financial institutions ...the
credit union differences—member owner-
ship, democratically controlled, volun-
teerism, and the sense of community—all
fit well with Hispanic values and culture.
As low-cost providers of financial servic-
es, credit unions are ideally suited to
serve this market.

5) Membership growth in credit unions has
slowed to 2% annually since 2000. That’s
down from the 6% and 7% annual
growth rate in credit unions in the 1970s
and 1980s. As a group, Hispanics are
underserved by financial institutions.

How credit unions are doing
Two years ago CUNA asked credit unions
about their Hispanic outreach programs.
Here’s what they said:
* 19% of credit unions had or planned to
start a Hispanic outreach program.
* These credit unions represented 35% of
the nation’s existing membership.
* Community credit unions and credit
unions in magnet states were most likely to
have an outreach program.
* 11% of credit unions have a Latino pop-
ulation of between 20% and 40% of their
membership.
* 6% of the credit unions said more than
40% of their members were Hispanic.

Here are some of the guiding principles
that CUNA and its member credit unions
support:
1) To provide low-cost, high quality finan-
cial services to this Hispanic market
2) To recognize credit unions are uniquely
qualified to provide those services to
Hispanics
3) To recognize that serving Hispanics is
good business
4) To recognize that serving Hispanics is
good credit union philosophy
5) To try to become the pacesetters in reach-
ing out to Hispanics
The credit union cooperative principles are simple enough: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community.

And when NCUA Board Member Gigi Hyland takes those cooperative principles and applies them to today's realities there's not a better group of credit unions to meet the standard than community development credit unions (CDCUs).

Hyland pledged better collaboration between regulatory exam staff and credit unions, noting that examiners can make or break the reputation of NCUA. She pledged to bring better service and the cooperative principles to NCUA's regulatory process. Now having seen both sides of the examination process—from the credit union standpoint and the regulator's—Hyland understands the challenges of complying with regulations like the Bank Secrecy Act. She pledged to balance her role as a zealous advocate for credit unions with her job as a credit union regulator.

“Our job [as the regulator] is not to discourage you from taking risks,” she said. She called credit unions viable alternatives to check cashers and said credit unions are uniquely positioned to serve immigrants. She called the Federation’s secondary market for affordable mortgages a boon to the credit union movement.

Hyland said the agency is in the middle of its modest means study, having looked at about 200 of the 481 credit unions it is studying. She said the agency still is trying to determine whether it should try to provide a definition of “modest means.” On one hand, if the agency doesn’t define the term, others may. On the other hand, she asked whether defining the term answers a question that has not yet been asked. And she said the agency may look at additional credit unions beyond the 481 to ensure it has a representative sample of all charter types.

She said she favors making it easier for members to understand what they are voting for in a conversion issue. The agency has proposed modifications to its conversion rules. “Members need to understand what they are voting for,” she said. “If you believe in credit unions, you believe that members can choose whether or not to convert. I just want to make sure they get all the information they need to decide.”

Hyland briefly mentioned a number of other issues—the field of membership challenge, Bank Secrecy Act, data security, identity theft, credit card fraud, and others. She promised the agency will continue to question credit unions about their succession planning. While she worries about the loss of credit unions, she said PCA (prompt corrective action) rules tie the regulator’s hands when it comes to merging small credit unions with other small credit unions. She called on larger credit unions to consider providing back office services. And she said the agency does have a revision to PCA in the works and is working with Congress and the Treasury on the measure.
Immigration laws aren’t enforced because they do not reflect reality. And you can’t have a global economy with a free flow of financial services, money, technology, but not a free flow of people.

That’s why the intersection of public policy and politics do not come close to reflecting reality. So said Donald Terry of the Inter-American Development Bank, who promised he would be purposely provocative, and he was.

“If you have a free flow of goods and services, you have to have a free flow of people, too,” Terry said. Another major imbalance is demographic in nature, Terry opined. Japan, Europe, and Western Europe all require people to come in and keep their economies going forward. And while people in the U.S. don’t think that’s the reality here, it is. U.S. retirees will not be replaced in the work force by U.S.-born workers but by immigrants, Terry said. That’s the reality.

He noted the $50 billion sent to Latin America via remittances is only a fraction of the $650 billion immigrants contribute to the U.S. economy. While acknowledging that terrorism is a real concern, Terry said arguing about issues like accepting the Matricula Consular is a “real issue of waste.” And the way he sees it the future of the Social Security program probably depends on foreign workers—they currently provide about $10 billion annually to the program—“for which they will likely never see a penny.”

“Fighting terror with error” doesn’t do anybody any good, he said.

And for those people who don’t want to serve the immigrant community, especially the Hispanic community, Terry had this warning: 25% of the children in the U.S. today are Latino which likely means they’ll represent one out of every four future accountholders. “If you don’t care about them, you don’t care about the future.”

Terry recognizes that the immigration issue is one of compassion for some people. But to the former deputy assistant Secretary of the Treasury and staff director of three different congressional committees, immigration also is a business issue. For example, he suggested, where would North Carolina’s furniture-making business be today without immigrant workers?

He called both the House and Senate immigration bills “unenforceable” and said the best thing that can happen now is that no meaningful immigration legislation will pass this year.

Meanwhile Mary Dunn of CUNA reported that taking a formal position on immigration reform could leave credit unions vulnerable to opponents, particularly the banking lobby. Recognizing the issue is not likely to be solved anytime soon, CUNA has pushed to have the Matricula Consular made an acceptable identification card to comply with the Bank Secrecy Act. While the immigration issue is important to credit unions, Dunn warned credit unions to make sure they save some of their lobbying chips for issues relating to the financial well-being of credit unions.

“It’s important for credit unions to speak out on behalf of your members,” Dunn said. “Our goal is to represent credit...
unions on financial issues and the Matricula is a financial issue.” She encouraged credit unions to organize their position, develop their own networks, and communicate that position to Congress and the Administration.

Deborah Meyers of the Migration Policy Institute provided some statistical background to the immigration issue.

Right now there are three ways to get into the U.S.: as a permanent legal, as a temporary legal, and as an undocumented illegal. About 1.1 million immigrants came into the country in 2005 as permanent legal residents. In 2004 about 31 million foreigners came as temporary visitors (most are travelers, only about 3.5 million were students or workers).

Of course the debate that rages in this country is primarily about illegal immigrants. About 11 million or 12 million, or one-third of the total foreign-born population here, are believed to be illegal immigrants. Of that group, 80% are believed to be from Latin America and 56% from Mexico.

Where are immigrants going? Well, most people think of Texas, California, Florida, and New York as the magnet states for new immigrants. But in reality North Carolina has seen the most growth since 1990 as its population grew 274% between 1990 and 2005. That massive immigration has proven to be very beneficial for the economy of North Carolina, according to a study conducted by Dr. Jim Johnson of the Urban Investment Strategies Center at the University of North Carolina.

In the end it was moderator Deyanira Del Río of the Lower East Side People’s FCU in New York who noted that each credit union has to make its own decision on whether to serve illegal immigrants. “There is no law that requires credit unions to serve as immigration authorities,” she said. “Where you draw the line is up to you. For many of us, we have decided to serve our communities.”
O K, so you want to use Individual Taxpayer Identification Numbers (ITINs) at your credit union.

Start with the basics at irs.gov or with publication number 1915.

“I consider the ITIN program almost the most important thing I do,” says Sandell McLaughlin of Community Trust CU in Modesto, Calif.

What is an ITIN?

An ITIN is a tax processing number only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number (SSN). It is a nine-digit number, beginning with the number “9,” formatted like an SSN (NNN-NN-NNNN) and it is required for taxpaying purposes.

To obtain an ITIN, a person must complete IRS Form W-7, IRS Application for Individual Taxpayer Identification Number (PDF). (Solicitud de Número de Identificación Personal del Contribuyente del Servicio de Impuestos Internos (PDF) is available for use by Spanish speakers.)

Form W-7 requires documentation substantiating foreign/alien status and true identity for each individual. Applicants either may mail the documentation, along with the Form W-7, to the Philadelphia Service Center (which will be relocating to Austin, Tex., in the near future), present it at IRS walk-in offices, or process an application through an acceptance agent authorized by the IRS, Form W-7(SP).

Acceptance agents are entities—colleges, financial institutions, accounting firms, etc.—that the IRS authorizes to assist applicants in obtaining ITINs. They review the applicant’s documentation and forward the completed Form W-7 to IRS for processing.

There are 1,400 certified acceptance agents and in 2005 they processed more than 1.1 million W-7 applications. Of that total, one million came with 1040 tax return forms. So far in 2006 the IRS has received 1.4 million ITIN applications.

“The program is growing by leaps and bounds,” said Francine Prince, senior manager of the IRS’s individual taxpayer identification program. The ITIN program has processed more than 13 million ITINs.

Prince of the IRS and Bob Fenner of NCUA fielded questions from a standing-room-only audience during a morning breakout session covering ITINs. One of the issues credit unions wanted to know about was how to verify that an individual has lived in the U.S. for the required 183 days needed to be eligible for an ITIN. And Prince wanted credit unions to understand that an ITIN does not entitle recipients to a SSN or an earned income tax credit (EITC).

Prince encouraged credit unions to become acceptance agents and to understand that the agreements last four years. It requires fingerprinting by the FBI and tax compliance checks for employees. The IRS conducts an annual training and problem solving seminar in October for acceptance agents.

“We do not share (ITIN) information with Social Security or immigration,” Prince said. “In fact, we are
currently prohibited by law from doing so—unless there is a specific investigation.”

Fenner noted one of the biggest problems credit unions have is encouraging the Hispanic consumer to overcome his or her concerns about joining a credit union. He encouraged credit unions looking to serve this market to go to NCUA’s Web site and search for an opinion letter (ncua.gov/RegulationsOpinionsLaws/opinion_letters/2002/02-0250.html), where the agency suggested three ways for Latinos to use credit union services.

Fenner added that violations to the Bank Secrecy Act are on the rise. While most of the violations are technical in nature, the agency has put out for public comment some changes to its suspicious activity reporting requirements.

An ITIN will help create a credit history if the credit union reports that information to a credit bureau, Fenner noted. Both Experian and Equifax are accepting ITINs.

What the Hispanic Resource Center offers

• **New Hispanic Quick Start Kit**
  Just about everything your credit union needs to launch its Hispanic outreach effort is contained in the Hispanic Quick Start Kit™. The free tool, funded by the National Credit Union Foundation and developed after interviews with 115 credit unions already offering Hispanic programs, is available for download. Tools include sample business plans, board presentations, identification forms, and more.

• **The News Updates**
  Monthly updates about the Hispanic market and the credit unions that serve it

• **The Resource File Library**
  A collection of downloadable tools other credit unions have used and found useful.

• **Resource Links**
  A collection of links to other sites where you’ll find useful Hispanic market information and resources.

• **ListServ**
  Sign up for discussion groups with your peers. Share best practices, bounce new ideas off others and get answers to your questions.

• **Products & Services**
  A listing of Hispanic products and services and ordering information available from CUNA.

• **Hispanic Resource Center Advisory Group**
  A list of the credit union leaders who are guiding the development of the center.

• **Frequently Asked Questions**
  Everything you ever wanted to know about the market and about the Resource Center.

Stop by the Hispanic Resource Center today!
Visit [www.cuna.org](http://www.cuna.org) and enter Hispanic Resource Center in the search box.
The Credit Union National Association (CUNA) and the National Federation of CDCUs (the Federation) agreed to work more closely in their Hispanic/Latino outreach efforts.

At the 4th Latino Credit Union Conference, CUNA Chairman Juri Valdov and the Chair of CUNA’s Hispanic Resource Center, Danielle Chatfield, joined Rita Haynes, Chairman of the National Federation of CDCUs and Pablo DeFilippi, co-chairman of the National Federation’s Latino Credit Union Task Force, in signing a joint resolution to work more closely together in assisting credit unions serving the Latino market.

The two organizations pledged to begin holding regular joint communication sessions between representatives of CUNA’s Hispanic Resource Center Advisory Group and the Federation’s Latino Credit Union Task Force. In addition, the two groups will work to coordinate other Hispanic outreach efforts where appropriate.

Under consideration are such efforts as:

- Sharing a single Web site, such as CUNA’s Hispanic Resource Center, that can be accessed from both cuna.org and cdcu.coop. The site would provide information for credit unions seeking to serve Hispanics.
- Sharing appropriate reports such as coverage of the Federation’s Latino CU Conference or CUNA’s Hispanic Quick-Start Kit.

“The growing Latino community in this country represents a significant opportunity for credit unions,” said Valdov. “Credit unions should make every effort to serve this emerging market—it makes good business sense and it fits our people-helping-people philosophy.”

“With both organizations committed to helping credit unions serve the Hispanic market, it is a better use of resources to work more closely together,” said Haynes. “We are looking forward to working together to help credit unions serve this important and underserved market.”

Today, there are more than 42 million Hispanics living in the U.S. About 11 million Latinos are classified as “undocumented” and many of those individuals are unbanked. CUNA’s 2006-2007 Environmental Scan estimates that the number of Hispanic/Latino-owned businesses in the U.S. will increase about 45% by 2010—from 2.2 million to nearly 3.2 million.

Danielle Chatfield, chair of CUNA’s Hispanic Resource Center Advisory Group, encouraged credit unions to use the Resource center (http://www.cuna.org/initiatives/hispanic/index.html). She noted CUNA recently has added a 400-page Hispanic Quick-Start Kit available for download by chapter. The resource is free to credit unions and has had 13,000 downloads over the first 2 ½ months it has been posted.

Valdov said credit unions are committed to helping people who need it most—immigrants. He noted his credit union is reaching out to eligible immigrants from a community of more than 160,000 immigrants from El Salvador in the Washington, D.C., area.

Texas CU League President Dick Ensweiler announced his support for the Federation’s next Latino Credit Union Conference which will be held in Dallas in 2008. He called the timing of the resolution of cooperation between CUNA and the Federation the right thing to do. “The next step is to grow this conference,” he said.
You need to have a calling to be a credit union person. To provide accessible and affordable financial services to people who need it most.

“Like a family we need to fight for what we believe in,” John Herrera of Self-Help CU said in closing remarks. “But in the end we unite. We fight for what is right for all of our members. We’re not just about saving money but about saving lives.”

Credit unions save lives by providing financial services in a global financial system. Credit unions need to think locally but act globally, Herrera said.

“I believe the credit union movement is the best financial system on the face of the earth,” he said. “But we still think too regionally. We have seen a wonderful network of credit unions disappear.”

As futurist Peter Drucker said, the best way to predict our future is to build it ourselves. Credit unions need to build strategic alliances with each other, with government entities, community groups, and even banks.

Noting that the credit union movement was started here in 1908 to serve immigrants, Herrera said: “We all come from the same umbilical cord that started credit unions 98 years ago… We cannot forget where we started… We must make sure all the products of our credit unions are accessible to all members of our credit unions.”

The National Federation of Community Development Credit Unions represents 220 credit unions serving urban and rural low-income communities across the United States, as well as some of the nation’s largest credit unions with a special commitment to serving low-income communities.

Founded in 1974, the Federation is headquartered in Lower Manhattan and offers a wide range of advocacy, educational, training, capital, marketing, and outreach programs to support and assist credit unions. For more information about the Federation and its programs, visit: www.dcu.coop.