
Regulatory Strategies & Programs for Credit Union Growth

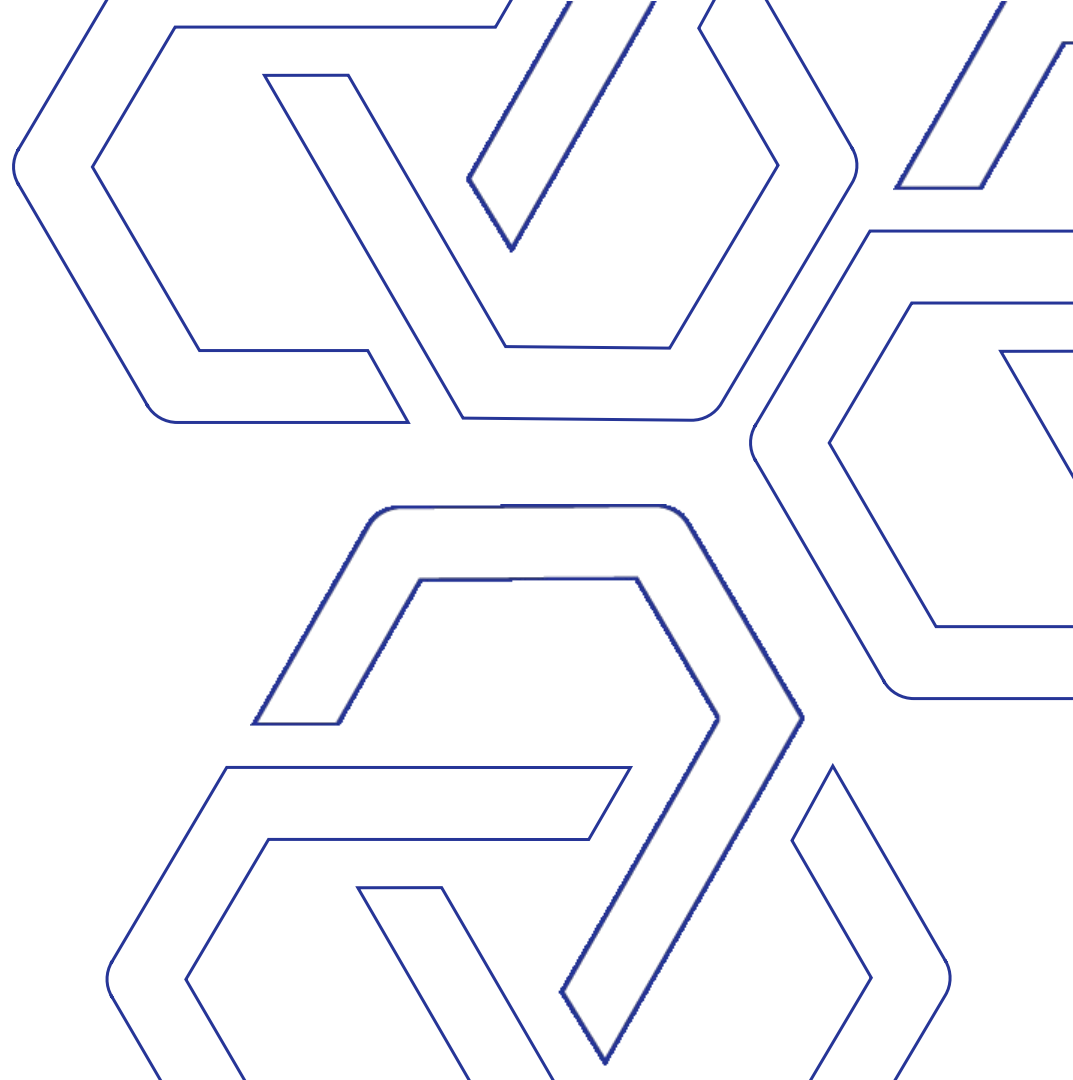
October 17, 2024



Who we are

A data and analytics CUSO that helps credit unions maximize growth and impact through our products and services.

We are here to help credit unions adapt and succeed long term—and we offer the innovation, insight, and know-how to help them do it.



Areas of Expertise

1 Growth Strategy

- Analytics that help credit unions measure and maximize mission and margin
- Member benefit & community impact
- Member demographics analysis
- Product development
- Benchmarking & predictive analytics

2 FOM & Charter

- Field of membership expansions
- Charter conversions
- De novo credit unions chartering

3 Low-Income Designation

- Low-income designation attainment & retention
- Subordinated debt applications
- CDRLF Grants
- Non-member deposit strategies

4 CDFI

- CDFI Certification
- Grant writing
- Compliance and Reporting
- ECIP, GGRF

5 Branching

- Service network optimization
- Next best market / site selection
- Branch performance predictive model

6 Mergers

- Merger Network
- Merger strategy development
- Regulatory approval

7 Marketing & Branding

- Marketing strategy development
- Marketing execution

8 Digital Acquisition

- Natural person new member acquisition
- Select group new member acquisition

A black and white portrait of Sam Brownell, a man with short dark hair and a beard, smiling. He is wearing a dark sweater over a light-colored collared shirt. The portrait is positioned on the left side of the slide, partially overlapping a dark blue geometric shape.

Sam Brownell

CEO

Sam Brownell is the Founder and CEO of CUCollaborate, a company dedicated to empowering credit unions to maximize their impact on members and communities. With over a decade of experience in the credit union industry, Sam is an expert in fields of membership, technology solutions, and growth strategies. His mission is to democratize finance by making credit unions more accessible to all consumers, thereby driving membership growth. In addition to his role at CUCollaborate, Sam serves as an advisor and investor at Credit Mountain. Sam holds a BA in Political Science, Philosophy, and Economics from Denison University and is passionate about solving complex problems to create meaningful change in the financial services industry.

A Few Key Team Members



Emily Hughes

Advisory Director – Field of Membership

With a master's degree from the O'Neill School of Public & Environmental Affairs, Emily has experience working in local governments, with non-profit and community partners, and large federal agencies. Prior to joining CUCollaborate, Emily built managerial cost accounting models and oversaw increasing adoption of data modeling to improve transparency and business processes in federal budgeting. Emily strives to make her clients feel heard and aims to foster collaborative adoption and application of data and technology that enable credit unions to better serve local communities and achieve their missions.



Jason Rusten

Advisory Director – LID, CDFI, ECIP

Jason has over 12 years of experience in consulting, with a focus on financial and performance management, data analytics, business process improvement, and organizational change management. Before joining CUCollaborate, Jason helped clients develop analytical tools and strengthen program management practices to improve operations and better manage resources at Booz Allen Hamilton and Grant Thornton. He is excited to bring his varied consulting experience to CUCollaborate to help credit unions grow and better serve their communities.



Jeff Bailey

CDFI Advisory Services Manager

Jeff brings a decade of CDFI experience to his role at CUCollaborate. Previously, he was a Senior Consultant guiding all aspects of CDFI programming for a boutique consulting firm, providing certification, compliance, award application, and strategic planning services to CDFI clients across the country. In this role he raised over \$20 million in award funds for clients from the CDFI Fund. Prior to serving as a consultant, Jeff worked as a lender for CDFIs that focused on small business and affordable housing lending in the Pacific Northwest. Jeff served as Peace Corps Volunteer in Azerbaijan and has a master's degree in Nonprofit Management. He lives with his family in Vancouver, Washington.

Agenda

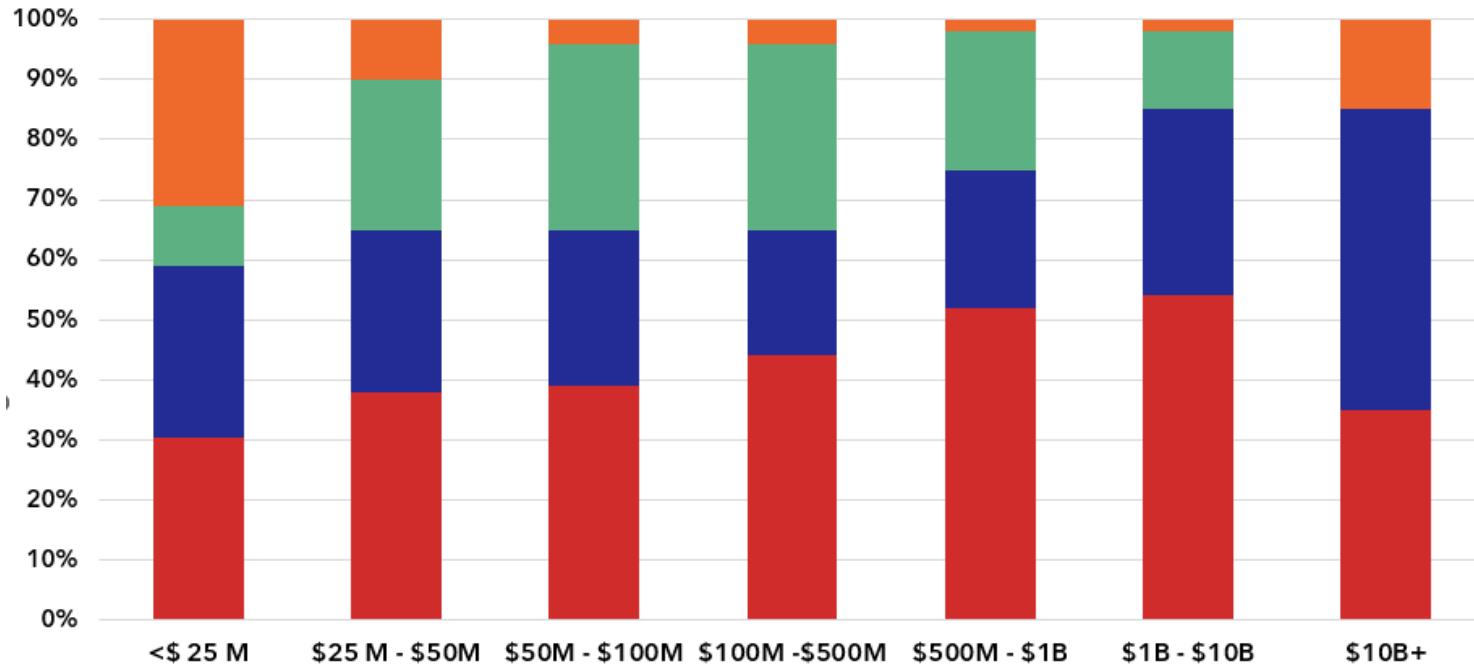
- 1) Field of Membership (FOM) Expansion
- 2) NCUA Low Income Designation (LID)
- 3) Community Development Financial Institutions (CDFI) Certification



Field of Membership (FOM) Expansion

Charter Type by Asset Size

Percentage of Credit Union Charter Type by Asset Size



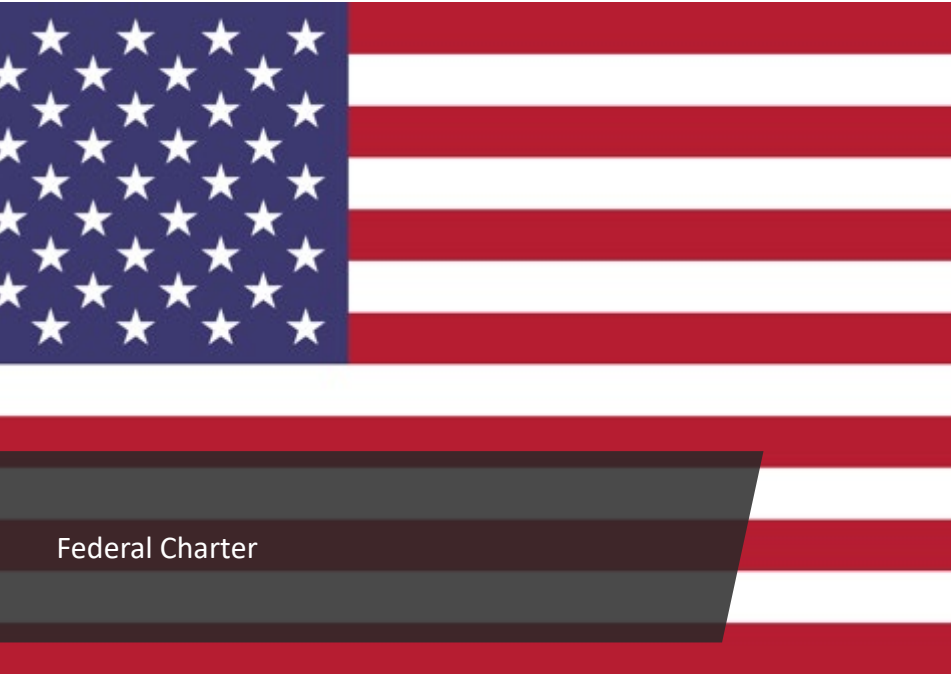
■ Federal Single Common Bond - Employer / Association

■ Federal Community Charter

■ Federal Multiple Common Bond

■ State Charter

The Dual Chartering System



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Three Types of Federal Charters



Single Common Bond

Occupational

Trade, Industry, or Profession

Associational



Community

Single Political Jurisdiction

Statistical Area

Rural District

Narrative

Open Hearing



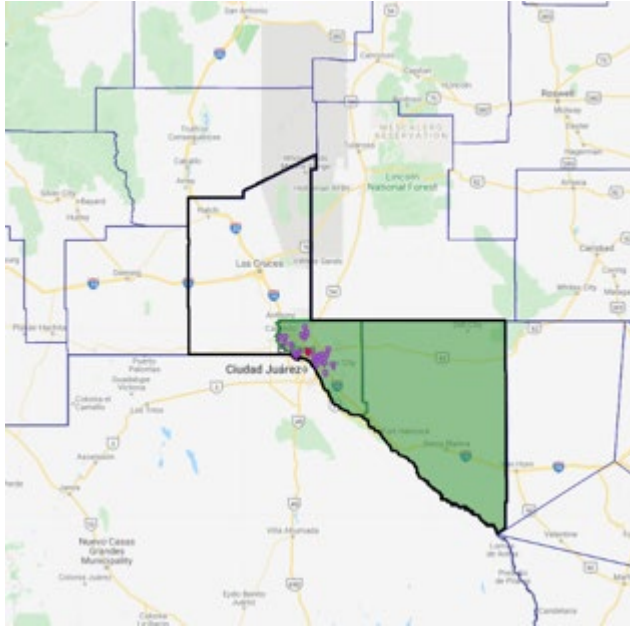
Multiple Common Bond

Occupational

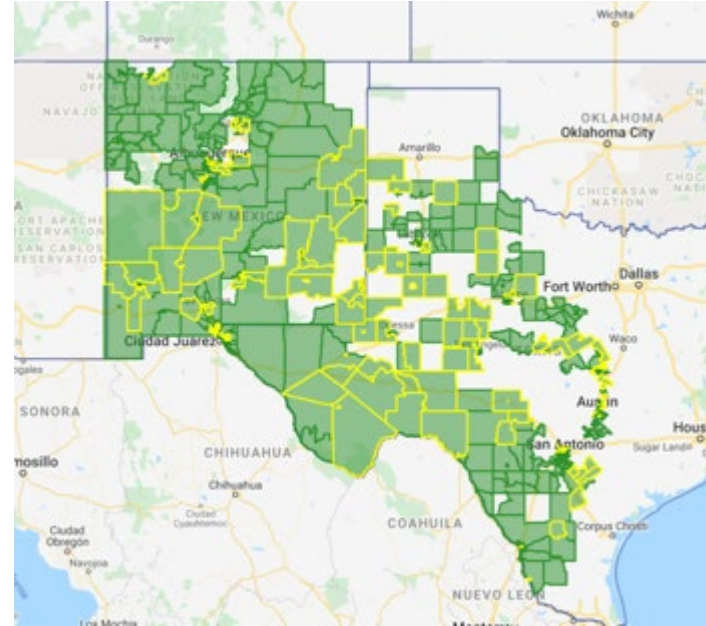
Associational

Underserved Areas (Community Affinity)

GECU Underserved Area Case Study 1/2

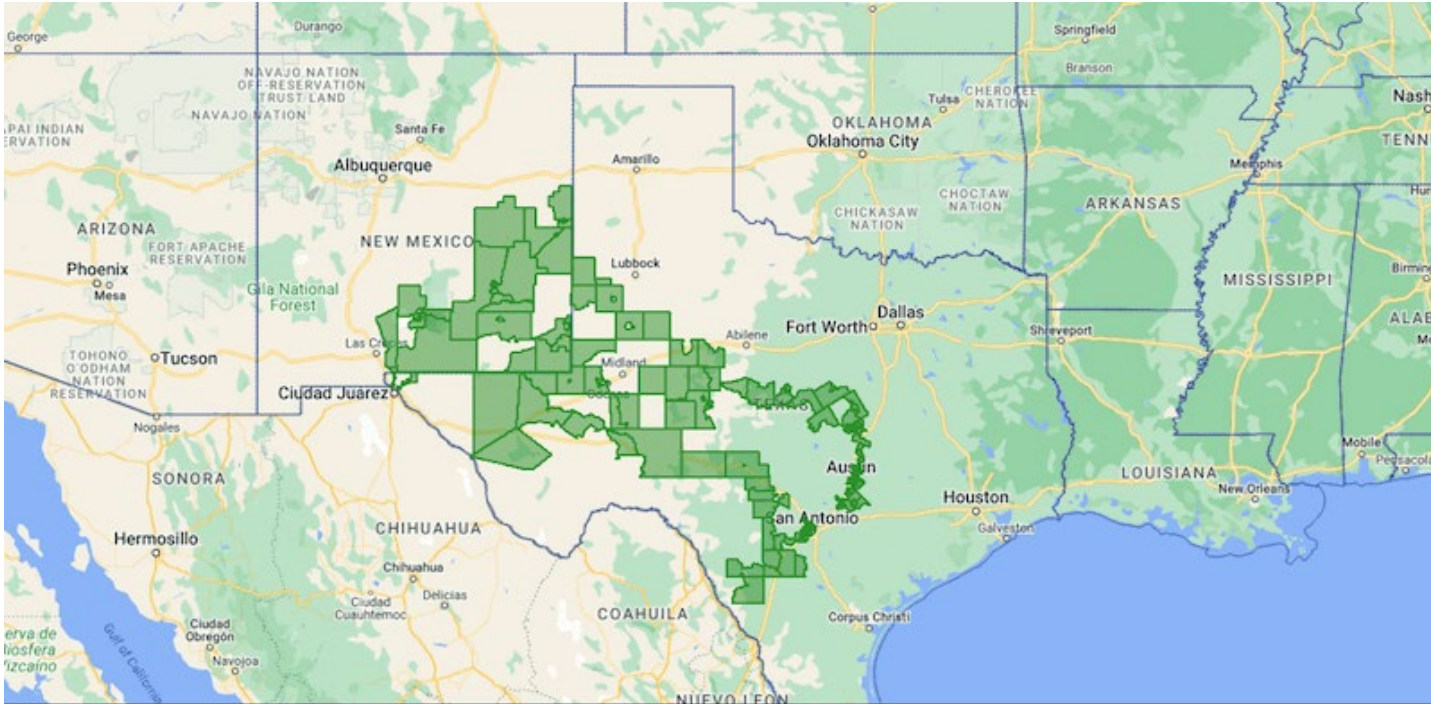


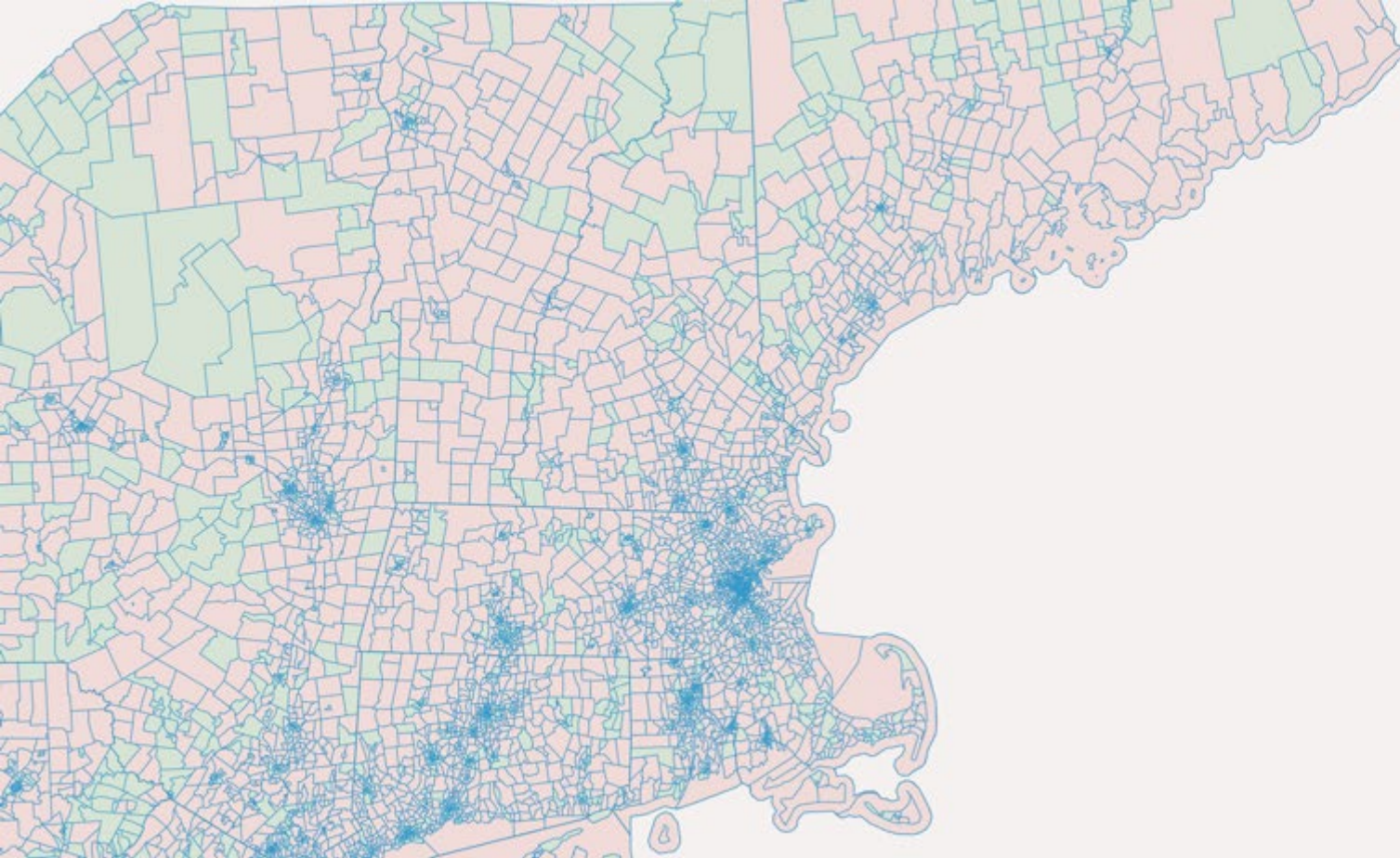
974K Potential Members



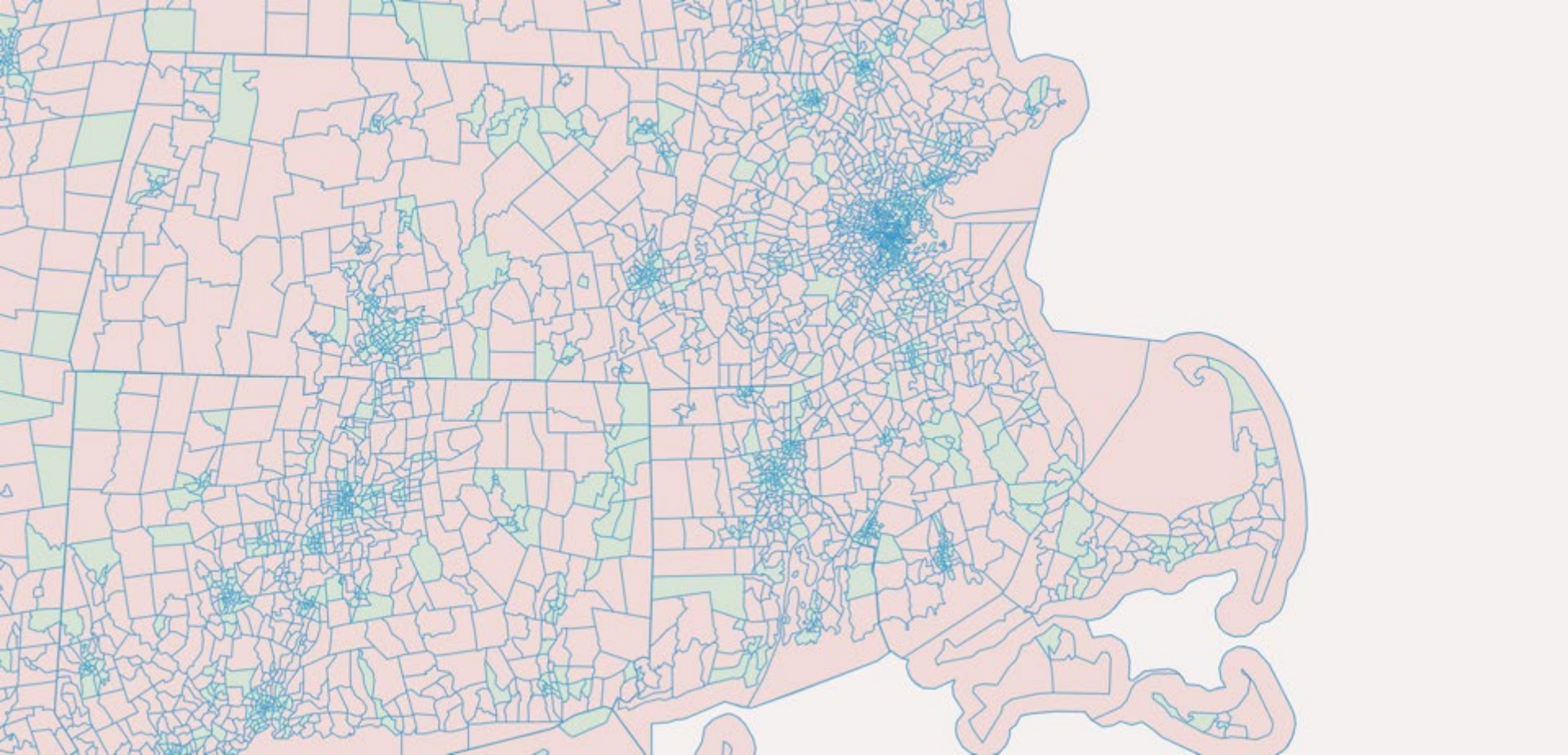
5.2M Potential Members

GECU Underserved Area Case Study 2/2

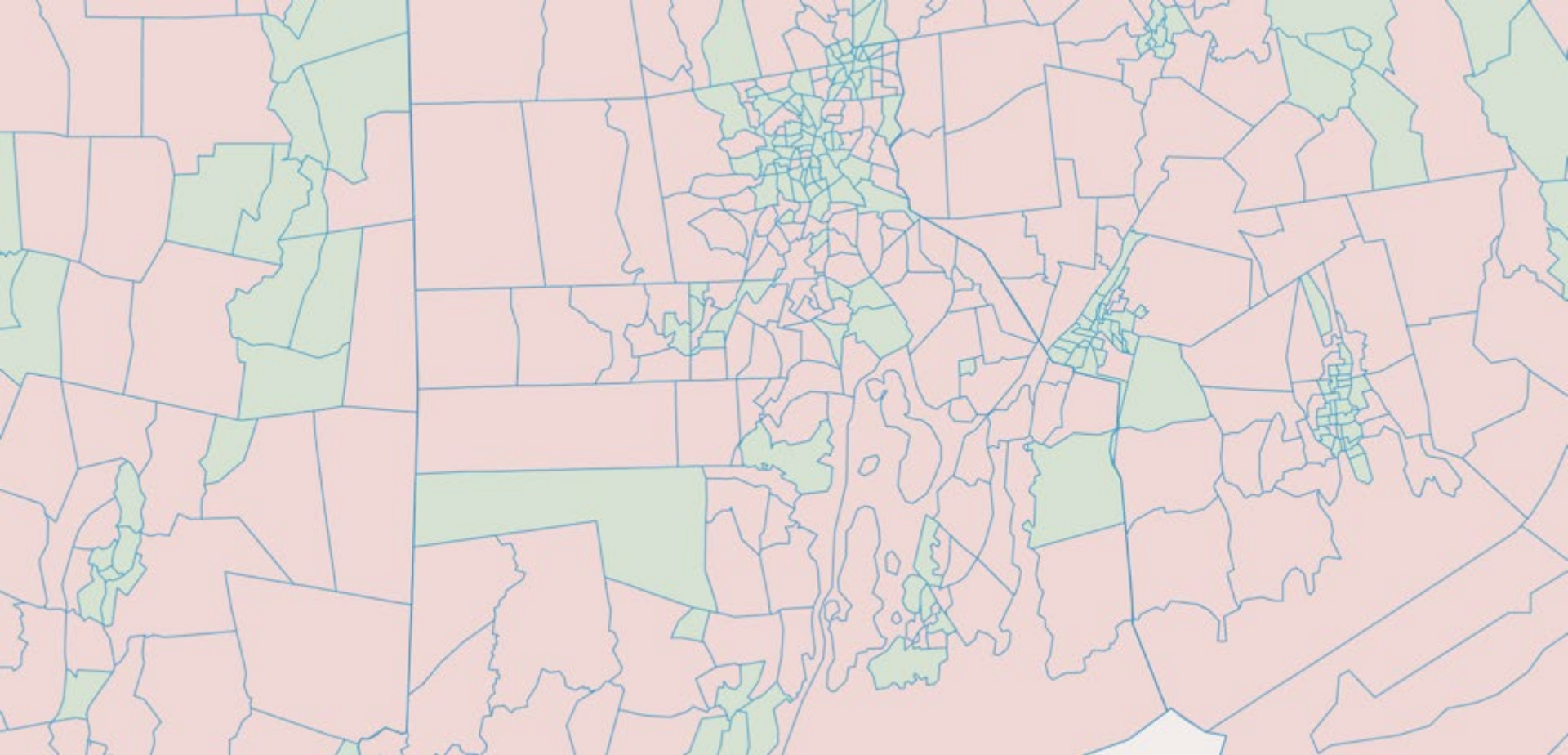




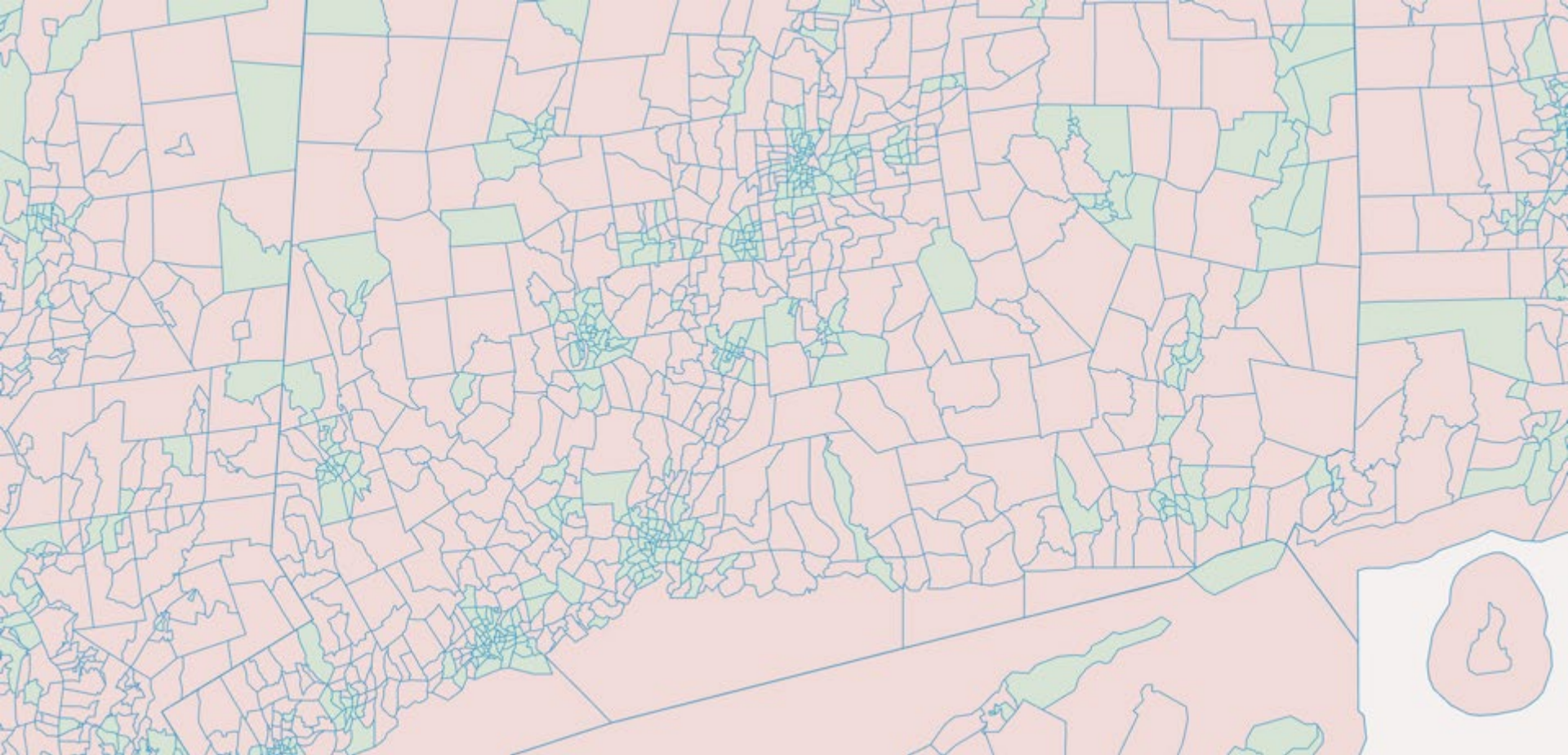
CDFI Investment Areas (green) in New England



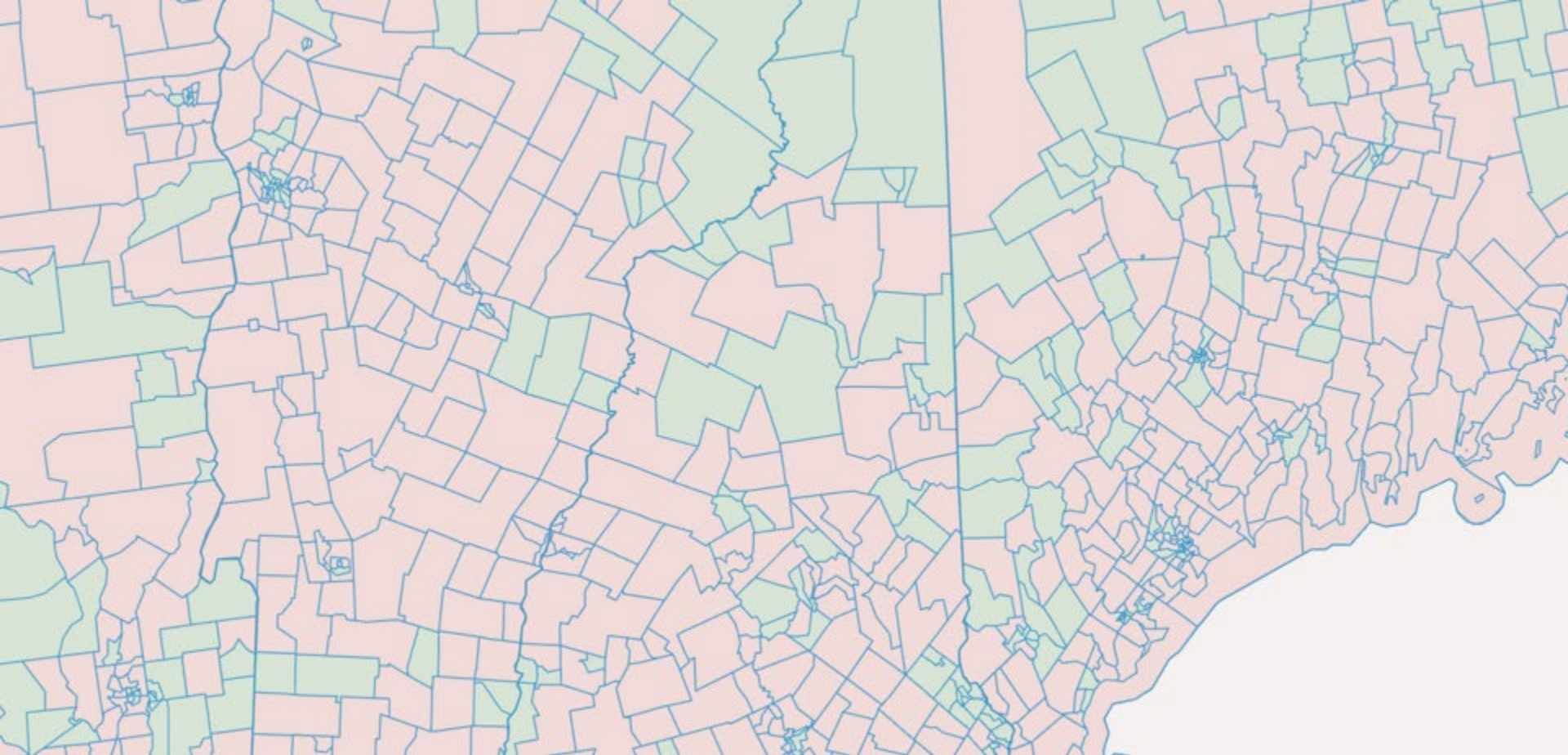
CDFI Investment Areas (green) in Massachusetts



CDFI Investment Areas (green) in Rhode Island



CDFI Investment Areas (green) in Connecticut



CDFI Investment Areas (green) in New Hampshire

FOM Q&A

NCUA Low-Income Designation (LID)

Benefits of LID



Ability to accept nonmember deposits from any source up to the greater of \$3M or 50% of total shares



Ability to apply for technical assistance grants and low-cost loans from the NCUA's Community Development Revolving Loan Fund



Exemption from compliance with the aggregate member business loan limit



Ability to include Subordinated Debt in the net worth ratio calculation



Expand membership to others affiliated with the community, such as people who perform volunteer services and participate in associations located in the community*

LID Overview

To achieve LID, a majority of members or potential members must qualify as low-income



Who the NCUA counts as low-income:

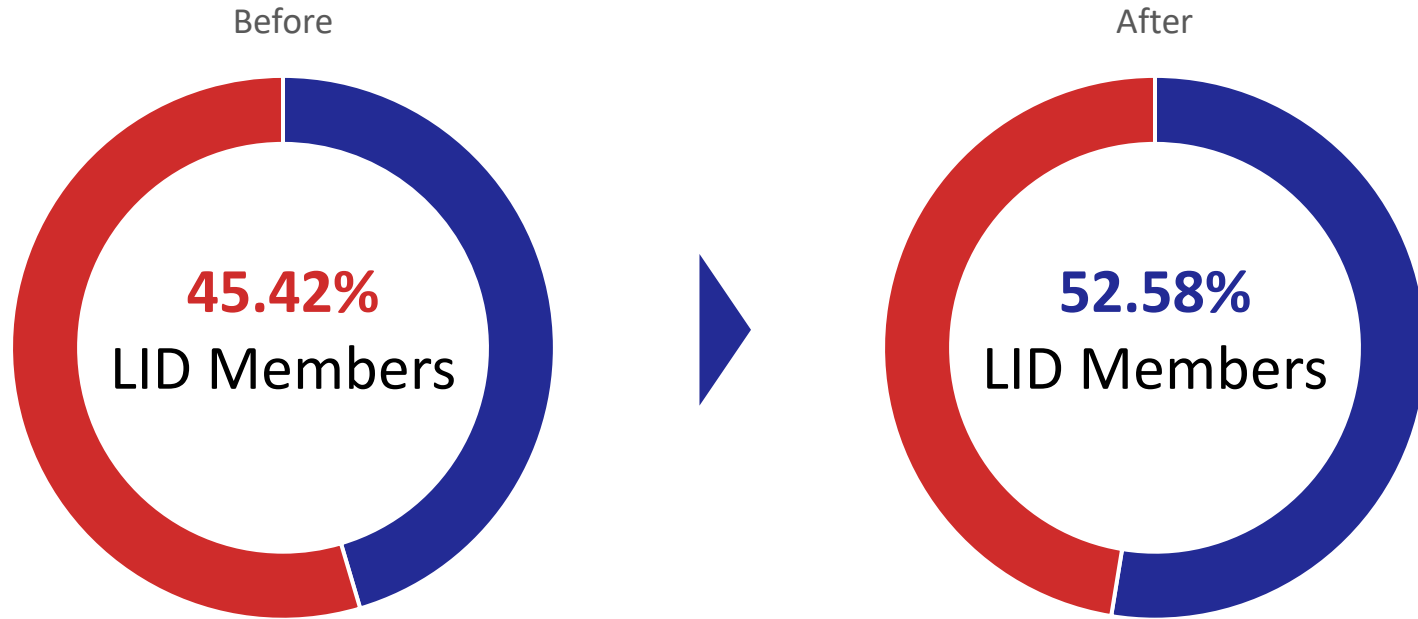
- Residents of low-income areas
- High school age members (14-19 years-old)
- College, university, or vocational school students
- Active-duty military members



Who the NCUA doesn't count:

- Residents of non-low-income areas
- Members with PO Box addresses
- Members with business addresses

Altra FCU LID Attainment Case Study 1/2



Altra FCU LID Attainment Case Study 2/2

3,175
Total Member Growth

Vs.

11,548
LID Member Growth

Data Cleaning & Enrichment Strategies

- Modeling of High School Students with Birthdates
- PO Box Clean-up
- College Student Identification
- Active-duty Military Member Identification

LID Q & A

Community Development Financial Institution (CDFI) Certification



CDFI Certification Benefits



- Ability to apply annually for grants to expand lending or capacity
 - Financial Assistance (FA)
 - Technical Assistance (TA)
 - Small Dollar Loan Program (SDLP)
- Exemption from compliance with the aggregate member business loan limit in the FCU Act.
- An innovative service model that can enable partnerships with like-minded community-based organizations.
- The potential for your credit union to stand out in its field of membership.

CDFI Certification Requirements



Is a legal entity at the time of Certification application;



Is a financing entity;



Is a non-government entity;



Has a primary mission of promoting community development;



Primarily serves one or more Target Markets;



Provides development services in conjunction with its financing activities;



Maintains accountability to its defined Target Markets.

Target Market (TM) Financing

Requirement: A CDFI must show it has directed 60% of lending in both dollar amount and volume to its approved Target Market in its most recent complete fiscal year.

Types of Target Markets

Investment Area (IA)

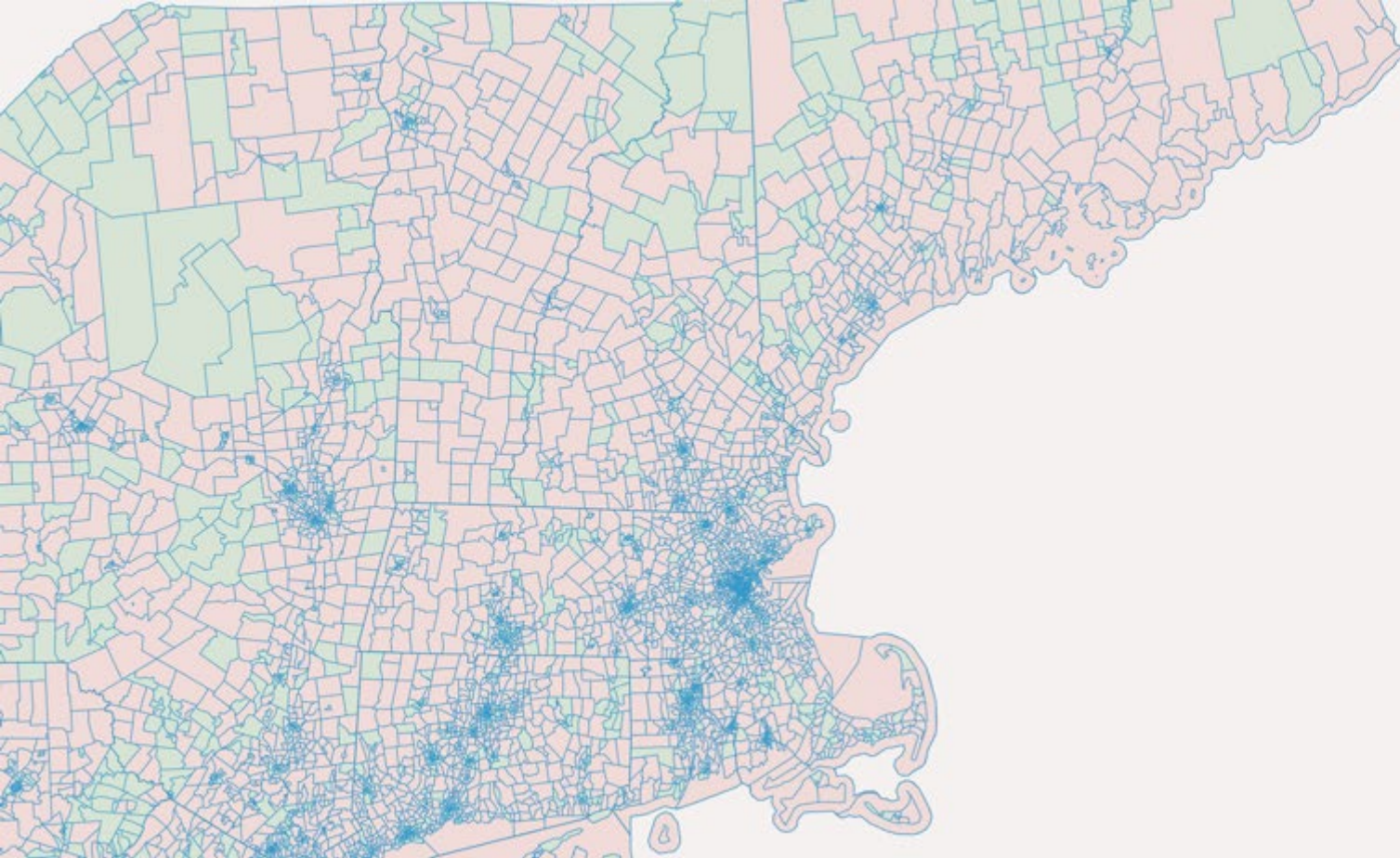
Borrower is in a qualified census tract

Low-Income Targeted Population (LITP)

Family income adjusted for family size 80% or less than area benchmark

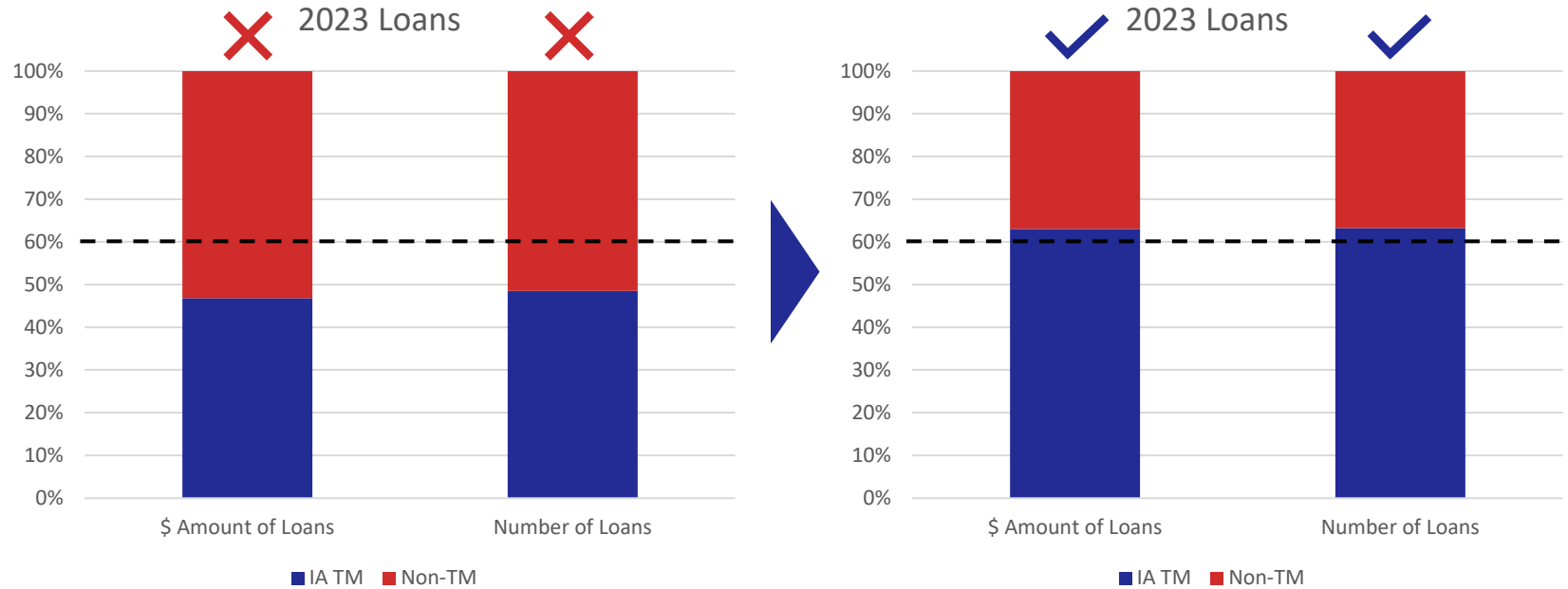
Other Targeted Population (OTP)

Self-reported



CDFI Investment Areas (green) in New England

Coast Central CDFI™ Case Study 1/2



Coast Central CDFI TM

Case Study 2/2

Data Cleaning & Enrichment Strategies

- PO Box Clean-up
- Unpacking bundled loan purchases to analyze addresses for individual loans

Results Achieved

- 974 additional TM loans totaling \$35 identified



Alu v y

CDFI Certification and Loan Participations

- The purchase of Target Market loans can be used to maintain an existing CDFI Certification.
- NEW: The purchase of Target Market loans can be used as part of obtaining a new CDFI Certification.
- CUC to fill this slide(s) in with other information relevant to this process.

CDFI AnalyzerSM

- One-click identification of Target Market Investment Area loans (IA Loans)
- Automatic creation of pools
- Simple Marketplace listing

The screenshot displays the 'CREATE LOAN POOL' page on the Aluvy PARTICIPATIONS website. The navigation bar at the top includes links for HOME, MARKETPLACE, DASHBOARD, and MANAGE LISTINGS. The main heading is 'CREATE LOAN POOL' with a sub-label 'Loan Id: BP51E0MM8T'. Below this is a 'Loan Type' section with a dropdown menu currently showing 'Select a pool type'. The dropdown menu is open, revealing options: 'Auto', 'Mortgage', and 'Commercial'. To the right of the dropdown, there is a checkbox labeled 'Check to run CDFI Analyzer', which is highlighted with a red circle.

CDFI AnalyzerSM

[HOME](#)[MARKETPLACE ▾](#)[DASHBOARD ▾](#)[MANAGE LISTINGS ▾](#)[LOAN SERVICING](#)[PAYMENTS](#)

PARTICIPATIONS MARKETPLACE

CATEGORIES +		Pool Type	Loan Sub Type	Exp Date ↑	# of Loans	Servicing Fees	Balance	Price	Min Purchase
BALANCE +	Details	Auto	CDFI	May 19, 2024	177	0.2500 %	\$3.6m	1.000	20.00 %
LOAN COUNT +	More Info	Auto	CDFI	Sep 27, 2024	38	0.2500 %	\$561.0k	1.010	10.00 %
Apply Clear	More Info	Mortgage		Sep 30, 2024	1	0.1800 %	\$301.5k	1.015	100.00 %



Loan Participation Strategies

For Sellers

- Support CDFI credit unions regardless of CDFI status
- Manage Liquidity
- Support Target Markets in your FOM

For Buyers

- Maintain CDFI certification
- Obtain CDFI certification
- Broader impact on Target Markets nationwide

CDFI Q&A



THANK YOU!

