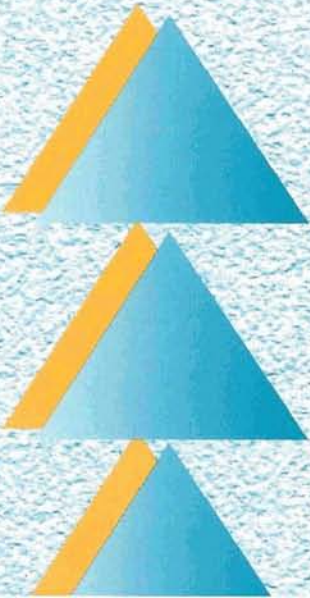
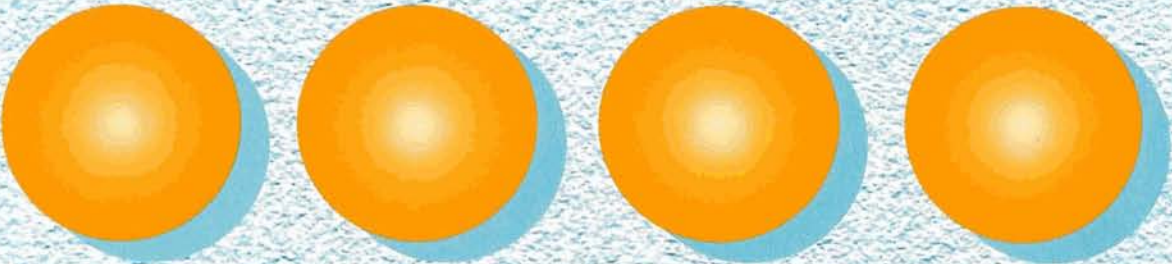




On the Move:

An Analysis of Low-Income Credit Unions 1990 - 1996



**On The Move:
An Analysis of Low-Income Credit Unions
1990 - 1996**

by

**Marva E. Williams
and
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September, 1998

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Acknowledgments

This report was funded by the Ford Foundation.

The authors would like to thank the National Credit Union Administration (NCUA), which provided the data for this report. Clifford Rosenthal and John Lewis of the National Federation of Community Development Credit Unions, and Joyce Jackson of NCUA, provided invaluable assistance and guidance.

Thanks also to Woodstock staff, including Malcolm Bush, Beverly Berryhill, Sharyl Hudson, and Patricia Woods for their support and advice.

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Marva holds a Masters in Urban and Regional Planning from the University of Pittsburgh and a doctorate in Urban Planning and Public Policy from Rutgers University.

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Preface

The community development credit union (CDCU) industry experienced tremendous growth between 1990 and 1996. The number of credit unions formally chartered to serve low-income persons, low-income credit unions (LICUs), increased from 244 to 356. At the same time, their membership increased from approximately 343,000 to 850,000, a 146 percent increase. The number of members per credit union increased from an average of 1,407 to 2,381. This expansion was accompanied by an improvement in the credit unions' financial status. The average net capital to assets ratio of low-income credit unions increased from 6 percent to 10 percent in the period while the loans to shares ratio increased from 71 percent to 80 percent. Delinquent loans fell from 4 percent of all loans to 2 percent.

Some of these improvements are the result of existing credit unions converting to LICU status during the study period. Since these credit unions changed their status at different times, it is difficult to aggregate their experiences before and after that change. But an analysis of 'survivor' credit unions, LICUs established by 1990 and operating in 1996, demonstrates similarly positive gains, though of somewhat lesser magnitude. These survivor LICUs are smaller on average than all LICUs. Small credit unions are important because tomorrow's larger credit unions will come out of their ranks. For this reason, we include an analysis of the status of LICUs with a \$1,000,000 or less in assets in 1996. The longitudinal study of LICUs and survivor LICUs demonstrates that low-income credit unions have grown. The point-in-time analysis describes a universe of small low-income credit unions which, with assistance, may enjoy similar growth in the future.

Table of Contents

	Page
Introduction	1
The Study	3
Trends in The Low-Income Credit Union Industry	5
Membership, Deposits and Assets	5
Lending Activity	7
Financial Stability	11
Leveraging Credit Union Deposits	12
Employment	14
Conclusions	15
Appendix A: Glossary of Terms	17
Appendix B: Resources for CDCUs	19
Appendix C: LICU Financial Data	21

Figures

	Page
Figure 1: Number of LICUs Between 1990-1996	5
Figure 2: Asset Distribution of LICUs 1990 and 1996	6
Figure 3: Total Membership of LICUs 1990-1996	6
Figure 4: Distribution of the Number of Members Per LICU 1990 and 1996	7
Figure 5: Average Deposits per LICU Member 1990-1996	8
Figure 6: Total Number of Loans Made by LICUs 1990-1996	8
Figure 7: Loan to Share Ratios of LICUs 1990-1996	9
Figure 8: Composition of LICUs' Loan Portfolio 1996	10
Figure 9: LICU Net Capital to Asset Ratios 1990-1996	10
Figure 10: LICU Delinquency Rates 1990-1996	11
Figure 11: Total Dollar Value of Non-Member Deposits per LICU 1990-1996	12
Figure 12: Total Non-Member Deposits for All LICUs by LICU Assets 1996	13
Figure 13: Percent of All Deposits Made by Non-Members by Size of LICU 1996	13
Figure 14: Average Number of Employees in Different LICUs 1996	14
Figure 15: Summary Indicators of Different Types of LICUs 1996	15

Introduction

There are several terms for credit unions whose primary purpose is to serve lower-income people. The National Federation of Community Development Credit Union's (NFCDCU) members are known as community development credit unions (CDCU). Low-income credit union (LICU) is a designation made by the National Credit Union Administration (NCUA), a federal agency that regulates and insures credit unions. To qualify for this designation, at least half of a low-income credit union's members must earn less than 80 percent of the median household income of the community they serve. LICUs have several advantages over "mainstream" credit unions. They have greater flexibility in determining their membership base and they can expand their capital by accepting deposits from non-members or by establishing secondary capital accounts.

CDCUs, their members and other interested groups occasionally take the pulse of the industry to assess its health. This report analyzes key elements of the recent growth of (CDCUs). The analysis is both a record of recent changes and serves as a basis for future analyses in an industry critical to the financial future of low-income people.

CDCUs have the formal purpose of providing basic financial services to lower-income people¹. For many reasons, financial institutions, banks, savings and loans, and larger credit unions do not reach many people with modest incomes. As a consequence, 20 percent of American families do not have a relationship with a financial institution². People without bank relationships often resort to check-cashing outlets that charge higher fees and do not provide critical retail banking services such as checking and savings accounts. Furthermore, being unbanked means that individuals lack access to personal management tools and programs that improve financial literacy and lead to asset development.

CDCUs can help address the challenges of meeting the financial service needs of the unbanked. They are an alternative to predatory lenders³ by providing their members with loans at affordable rates to purchase used cars to get to work, rehab their homes, provide for family emergencies, purchase computers and other household appliances, and consolidate debts. In addition, CDCUs provide financial counseling and training, vital to household asset development.

However, questions remain regarding the capacity of CDCUs to meet the financial service needs of lower-income communities. A frequent concern is the industry's rate of growth in membership and deposits, and financial stability. Several programs have emerged in the last several years that provide access to capital for CDCUs. NCUA administers the Community Development Revolving Loan Program (CDRLP). CDRLP provides loans or deposits to LICUs of up to \$300,000. The Community Development Financial Institutions (CDFI) Fund in the U.S. Department of the Treasury makes direct awards to CDCUs and other CDFIs (see appendix) for grants, loans, equity investments and technical assistance. It also grants funds to intermediaries,

¹ For more information, see *Credit to the Community: The Role of CDCUs in Community Development* (1997); *Credit Unions and Communities: Breaking New Ground in Affordable Mortgage Lending* (1996); and *Banking Services for the Poor: Community Development Credit Unions* (1991).

² Stegman, Michael A. 1998. Electronic Benefit Transfer's Potential to Help the Poor. March. The Brookings Institute.

³ Predatory lenders charge usurious rates for loans or goods, often to people who can least afford them. They include 'payday' lenders, rent-to-own stores and financial service companies.

which in turn, fund small CDFIs. NFCDCU was recently awarded an intermediary grant from the Fund for \$3.25 million for CDCUs. NFCDCU, an association of CDCUs founded in 1974, has also raised over \$12 million for its Capitalization Program from several foundations, especially the Ford Foundation, as well as banks and religious institutions.

We begin this report with a description of the study and then present major trends in the LICU industry from 1990 to 1996. The report concludes with an assessment of the diversity of LICUs and the need to target resources within the industry. The appendices contain a glossary of terms used in the report, a list of additional resources, and summaries of LICU data.

The Study

This study is an analysis of key data on low-income credit unions from 1990 to 1996. The data were provided by the National Credit Union Administration (NCUA) which collects biennial information from the credit unions it regulates and insures. The study tracks the record of all credit unions that had LICU status each year from 1990 to 1996. This analysis reflects the changing universe of all LICUs, some of which are new credit unions and some of which are existing credit unions of all sizes that obtained the low-income designation during the study period. In addition, this analysis describes survivor credit unions, LICUs established by 1990 that remained active through 1996, and small LICUs with assets under \$1 million.

Trends In The Low-Income Credit Union Industry

Membership, Deposits and Assets

The number of LICUs grew from 244 in 1990 to 356 in 1996. That growth was not uniform. Most of it occurred from 1994-96 when 44, 40, and 54 credit unions respectively, received LICU designations from NCUA (Figure 1.) Of the 244 LICUs in 1990, 203 or 83 percent were still operating as LICUs in 1996.

During this time, the number of extremely small LICUs decreased and the number of large LICUs increased dramatically (Figure 2). In 1990, there were 75 LICUs with assets of \$100,000 or less. By 1996, this number fell to 27. There was also an increase in the number of large LICUs; the number of LICUs with assets over \$20 million increased from 5 in 1990 to 52 in 1996.

LICU membership has also increased (Figure 3). LICUs had approximately 343,000 members in 1990 and 850,000 in 1996, a 147 percent increase. The survival of LICUs appears to be partly a result of the ability to attract new members. While 40 percent of 1990 LICUs were no longer in operation in 1996, the membership of survivor LICUs grew by almost 20 percent.

Figure 1
Number of LICUs
Between 1990-1996

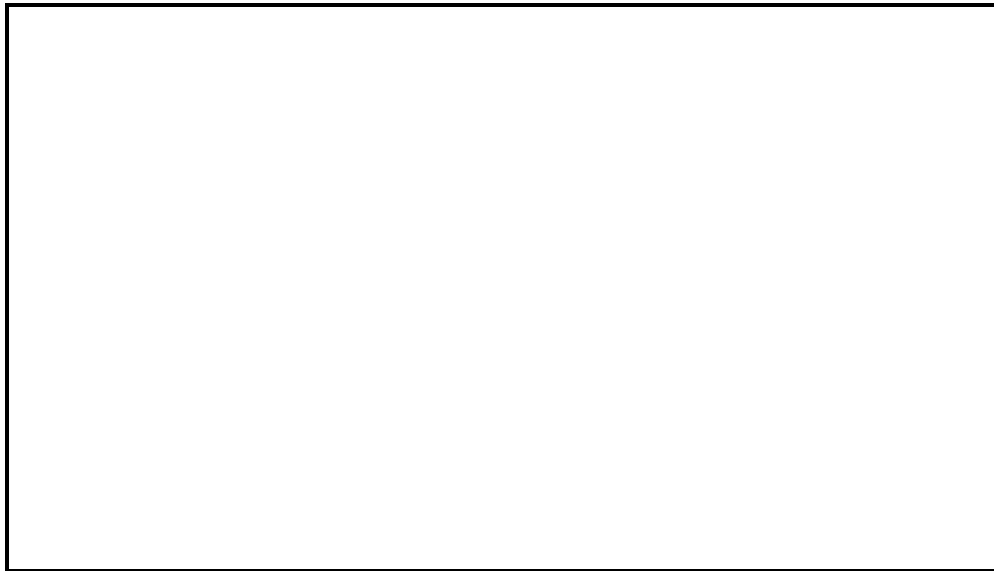


Figure 2
Asset Distribution of LICUs
1990 and 1996



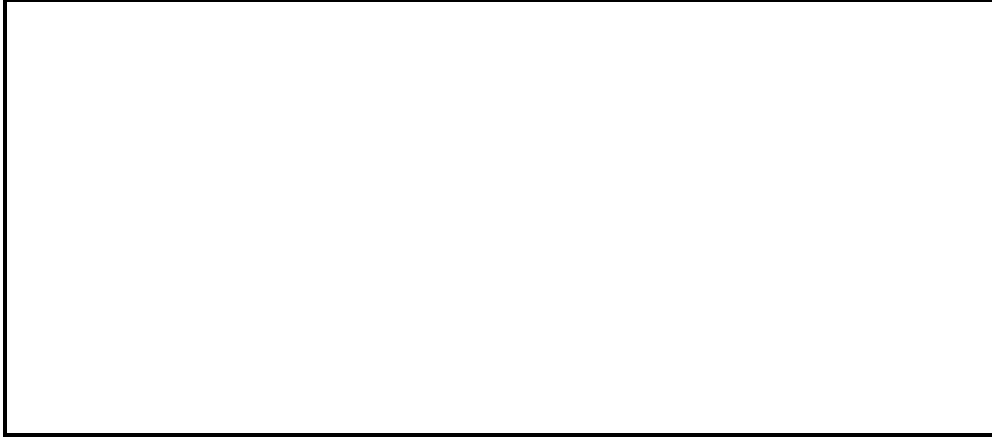
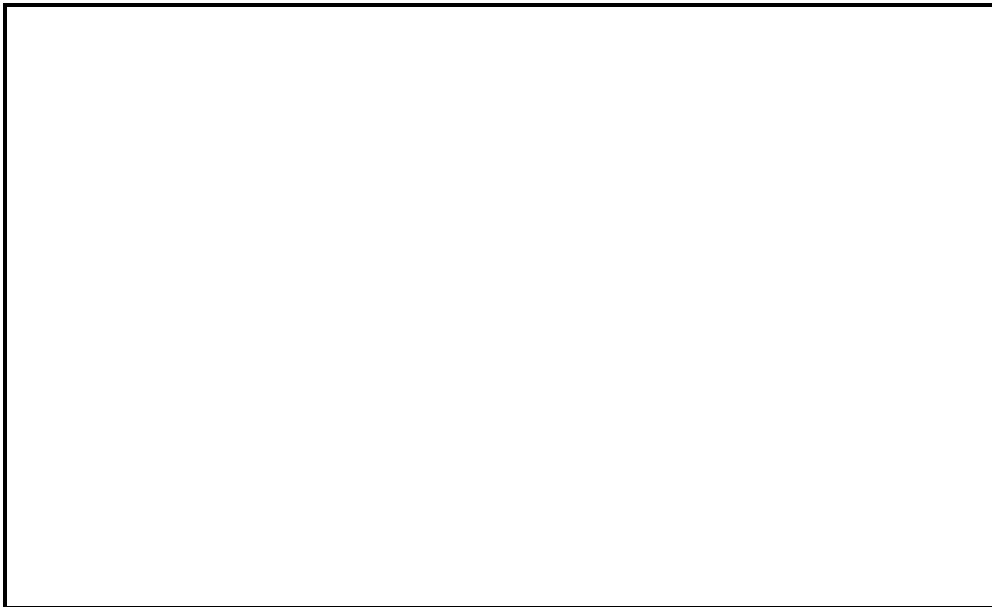


Figure 3
Total Membership of LICUs
1990-1996



The average number of members per LICU increased from 1,407 in 1990 to 2,381 in 1996, a 69 percent increase. Average membership hides, however, significant variation in membership size. There was a sharp increase in the number of LICUs with over 5,000 members, from just 10 in 1990 to 67 in 1996. Figure 4 shows the distribution of members for LICUs in 1990 and 1996.

Figure 4
Distribution of the Number of Members Per LICU
1990 and 1996



The increase in membership was paralleled by an increase in deposits. Figure 5 shows 1996 (constant dollar value) deposits per member for LICUs, survivor and small LICUs. The total value of members' deposits increased from \$556 million in 1990 to \$2 billion in 1996. Deposits per member increased from \$1,567 to \$2,269 for all LICUs and from \$1,567 to \$1,810 for survivors. Member deposits are, on average, much more modest for small LICUs. They average about one-fourth of that of all LICUs, at \$661.

Lending Activity

The growth in membership and deposits is an indication that LICUs have learned how to attract and retain members. Credit unions are also judged by the volume of their loan activity and the safety and soundness of that lending.

Figure 5
Average Deposits per LICU Member
1990-1996
(in 1996 constant dollars)

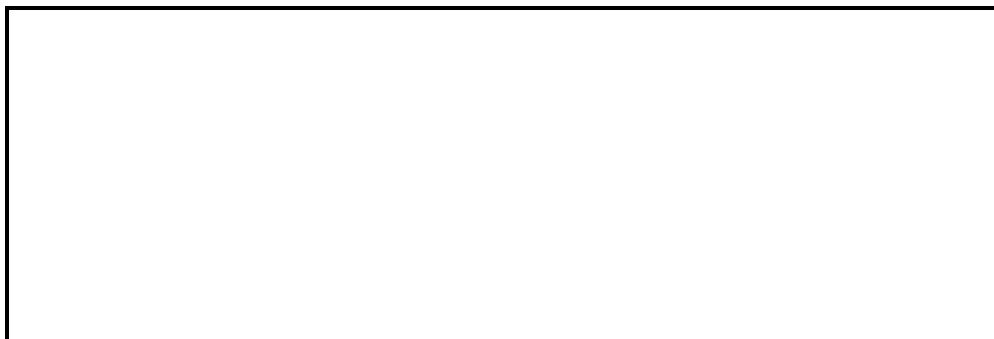
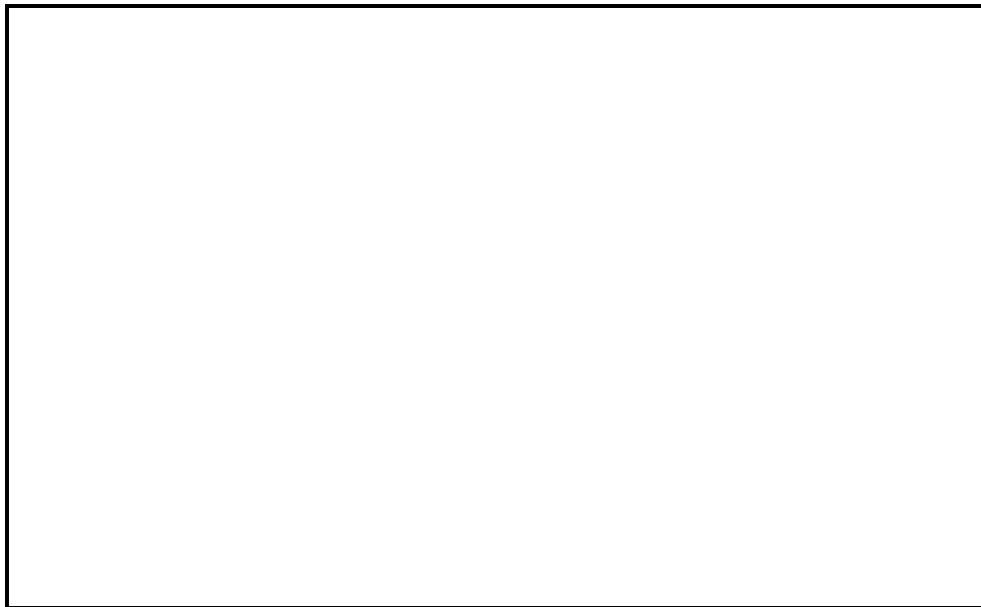




Figure 6
Total Number of Loans Made by LICUs
1990-1996



The lending capacity of LICUs has grown significantly since 1990. By 1996, the number of loans made by LICUs tripled, and the total dollar value of loans quadrupled. Figure 6 depicts the increase in the total number of loans for LICUs and the total number of loans for survivor and small LICUs in 1996. The capacity of LICUs to make large loans also improved. In 1990, only 15 LICUs made 2,000 or more loans; by 1996, 52 LICUs met or exceeded this loan volume.

The credit unions have achieved these increases partly by increasing their loan to share ratios. Figure 7 shows changes in loan to share ratios for all LICUs from 1990-96 and for survivor and small LICUs in 1996. Survivor LICUs have similar loan to share ratios as all LICUs (80 percent and 77 percent). However, small credit unions lend less relative to shares, with a ratio of 66 percent.

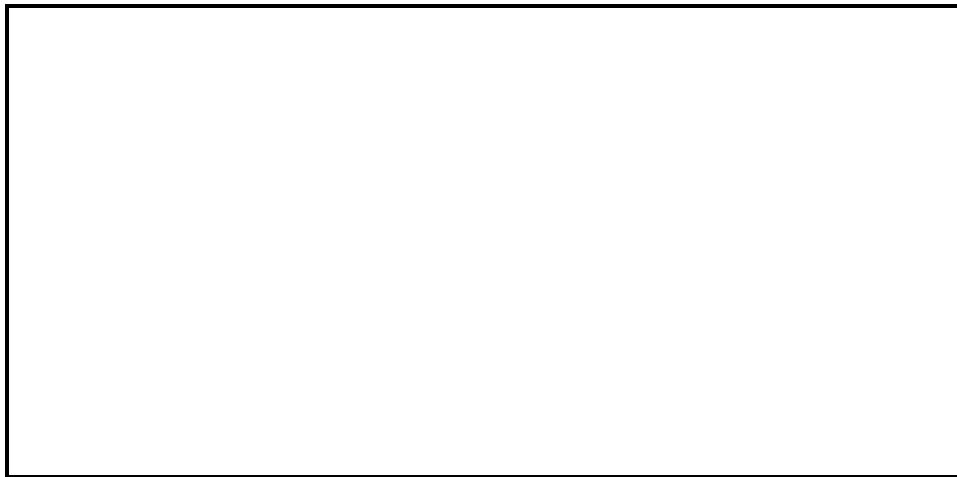
Figure 7
Loan to Share Ratios of LICUs
1990-1996



Car (used and new) loans, which make up the largest single category of LICU loans, increased seven-fold from \$98 million in 1990 to \$700 million in 1996. Figure 8 shows the composition of the loan portfolios of LICUs and survivor LICUs in 1996. The second biggest category, “other loans”, are primarily unsecured, personal loans.

Two categories of LICU lending that are often strategic components of community development are home purchase and improvement loans and business lending. LICUs increased their total residential mortgage volume from \$82 million loans in 1990 to \$278 million loans in 1996. Business loans, prohibited by the NCUA until 1992, grew from \$21 million in 1992 to \$60 million in 1996⁴.

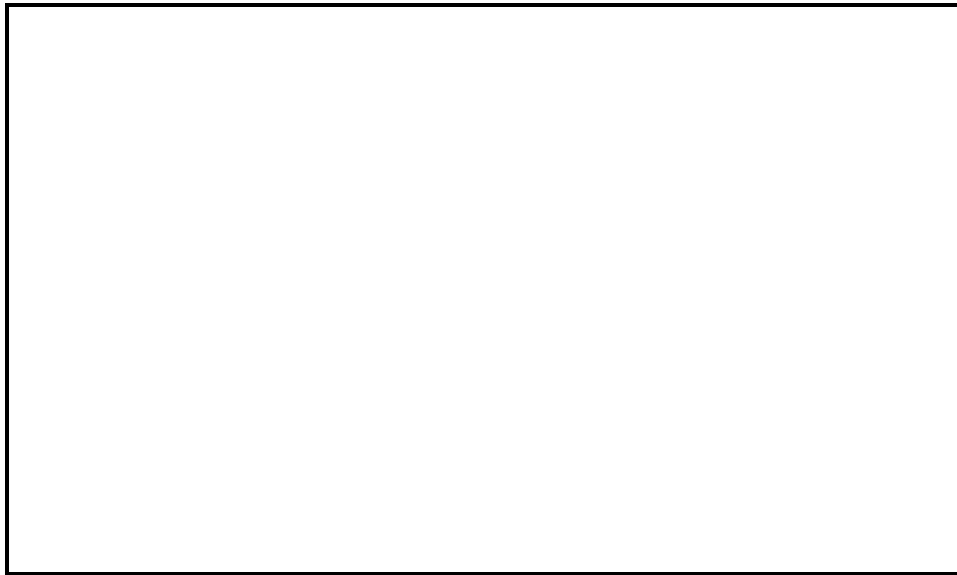
Figure 8
Composition of LICUs' Loan Portfolio
1996



⁴ Credit unions are allowed to make business loans to members and to member-owned businesses. The amount of credit union business loans is often under counted. Due to restrictions imposed by the National Credit Union Administration, business loans are often structured as personal or other loans. Loans to one borrower totaling less than \$50,000 are not defined as business loans.



Figure 9
Net Capital to Asset Ratios
1990-1996



Financial Stability

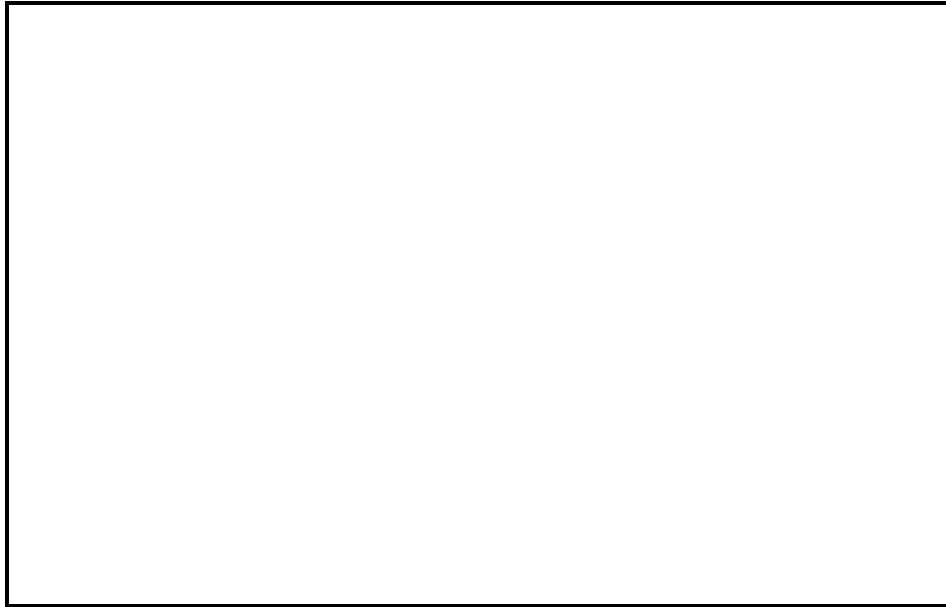
As LICUs increased their lending, they also improved their financial stability. The average and median net capital of LICUs increased by 257 percent and 126 percent respectively, from 1990 to 1996. In addition, their net capital to assets ratio improved from 8 percent to 12 percent, as seen in Figure 9. Note that the net capital to assets ratio of survivors decreased from 1990 to 1996, and is actually lower than that of small credit unions in 1996, indicating that survivors may have significant need for additional capital.

One important aspect of financial stability is the ability to manage expenses. While LICU operating expenses increased slightly faster than gross income (210 percent to 249 percent respectively), their expense to assets ratio remained at about 5 percent throughout the period. Survivor LICUs experienced an increase in operating expenses that was more than double the increase in gross income (24 percent to 51 percent) and experienced a small increase in expense to assets ratio. Small LICUs have a slightly higher expenses relative to assets, at about 6 percent.

An important bottom line measure of financial management and ability is loan delinquencies. LICU loan delinquencies gradually fell from 4 percent in 1990 to 2 percent in 1996 (See Figure 10). Further, over 40 percent of all LICUs had total delinquencies totaling \$25,000 or less. Survivor LICUs experienced a 1 percent

decrease in delinquencies from 1990 to 1996. Small LICUs appear to have the most difficulty underwriting loans; their delinquency rate is over 9 percent.

Figure 10
LICU Delinquency Rates
1990-1996

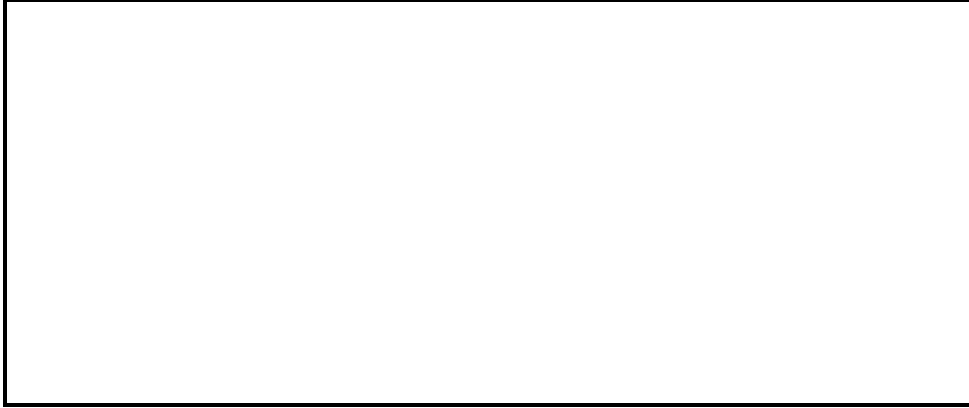


Leveraging Credit Union Deposits

One of the factors that may account for the increase in the financial stability of LICUs is their ability to leverage membership deposits from outside sources. Non-member deposits quadrupled, from \$19 million in 1990 to over \$81 million in 1996. The average non-member deposit per LICU grew from \$77,794 to \$228,957, an increase of almost 200 percent (Figure 11). The rate of growth of non-member deposits of survivor LICUs was about half that of all LICUs. However, survivor LICUs received a higher percentage of deposits from non-members (6 percent as opposed to 4 percent). In addition, survivor LICUs raised a slightly higher average non-member deposits (\$237,972).

Figure 11
Total Dollar Value of Non-Member Deposits per LICU
1990-1996





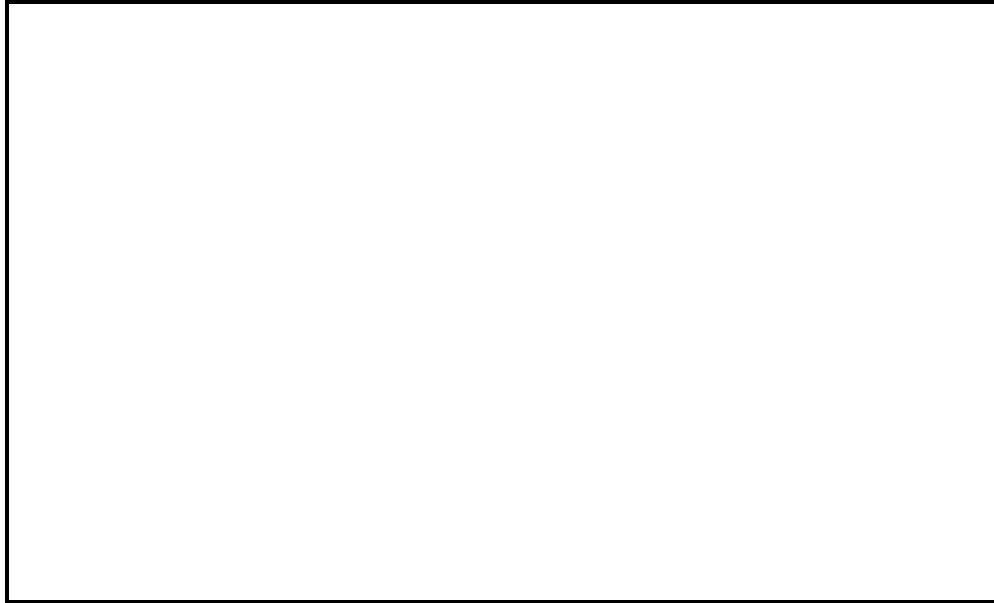
It appears that larger LICUs receive the bulk of all non-member deposits (Figure 12). In 1996, LICUs with assets of over \$50,000,000 received over 40 percent of all non-member deposits. Only 13 percent of all non-member deposits went to small LICUs.

However small LICUs received a larger percentage of their deposits from non-members (Figure 13). For instance, LICUs with assets under \$50,000 received 13 percent of their deposits from non-members, compared to 5 percent for LICUs with assets over \$50,000,000.

Figure 12
Total Non-Member Deposits for All LICUs by LICU Assets
1996



Figure 13
Percent of All Deposits Made by Non-Members by Size of LICU
1996

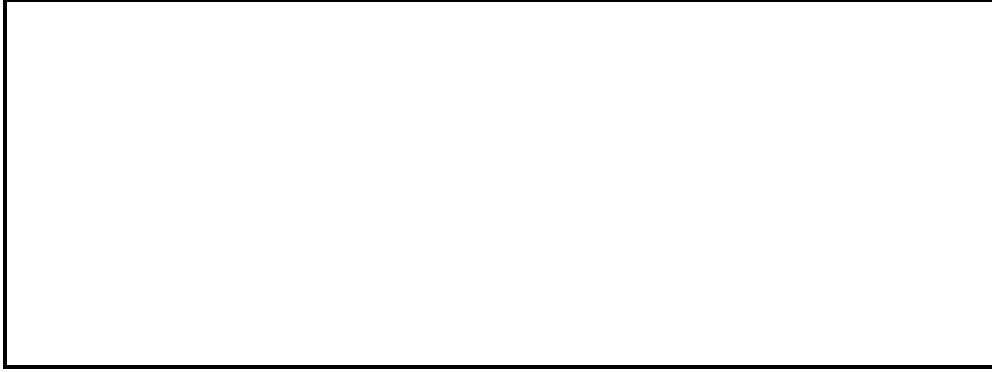


Employment

The credit union movement has a long history of utilizing volunteer management and staff. Many small credit unions are entirely run by volunteers. Small credit unions, in particular, appear to rely heavily on volunteer and part-time staff persons (Figure 14). Although volunteerism has its merits, the lack of a permanent, paid staff, can however, inhibit a credit union's ability to expand. The period 1990 to 1996 saw an increase in average number of low-income credit union's full-time staff persons, from 2 to 5; part-time staff increased from 1 to 2. Survivor LICUs had an average of 4 full-time employees, and 2 part-time employees. These changes are both the cause and the result of the expansion of lower-income credit unions since 1990 and should put them in good shape for further expansion.

Figure 14
Average Number of Employees in Different LICUs
1996





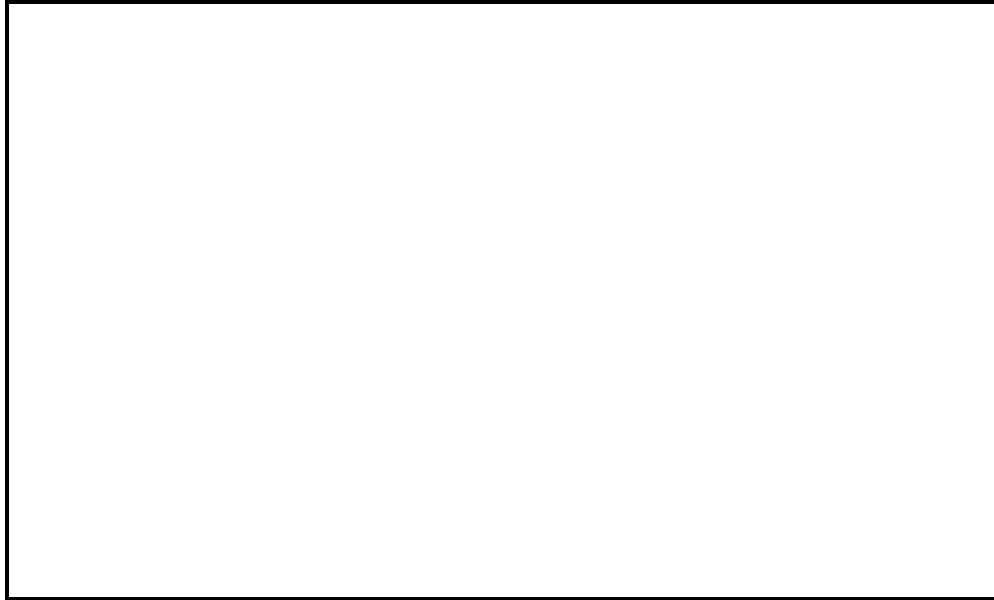
Conclusions

The LICU industry, which has provided access to financial services, counseling and lending to generations of lower-income people, grew tremendously from 1990 to 1996. Concurrent with growth in the industry, has been an improvement in their financial status and lending capacity.

This analysis also shows that the financial and staff capacity of the credit unions varies among the different types of LICU (Figure 15). Small LICUs and to some extent, survivor LICUs, face pressures due to lack of scale, insufficient capital, reliance on volunteer staff, and higher expense to asset ratios and loan delinquencies. Further, relative to all LICUs, small and survivor LICUs make fewer loans (as a percentage of shares) to members.

The general growth in the size and capacity of LICUs is good news for lower-income families. As banks continue to short change lower-income and minority communities, LICUs are called on to provide increased levels of financial services and lending. The financial and technical assistance support LICUs receive from intermediaries and others is vital to their ability to meet growing demands.

Figure 15
Summary Indicators of Different Types of LICUs
1996



Much of the support for LICUs appears to be targeted to the most vulnerable LICUs—those that need it most. This analysis establishes, among other things, that although large credit unions received a higher proportion of total non-member deposits, small credit unions generate a larger proportion of their total deposits from this source. In the future, it may become even more important to target resources to small and survivor LICUs to enhance their financial and management capacity, and improve their capacity to serve their communities.

Appendix A: Glossary of Terms

<p>Assets: Anything of commercial value owned by a credit union. Typically includes cash, outstanding loans (minus allowance for loan losses), real estate, furniture and fixtures, and equipment.</p>	<p>Non-Member Deposits: Unlike other credit unions, LICUs are able to accept deposits from non-members. These deposits are insured like members' deposits.</p>
<p>Delinquent Loans: Loans that are over two months overdue. The comparative measure of this statistic is the loan delinquency rate or percentage of delinquent loans, which is the value of delinquent loans divided by the total value of loans.</p>	<p>Secondary Capital Accounts: LICUs are allowed to increase their capital base and cover potential operating losses by accepting deposits from 'non-natural' persons. These accounts are required by NCUA to be uninsured, have a maturity of at least five years, and be subordinated to all other claims on the credit union.</p>
<p>Loan to Share Ratio: The gross value of loans divided by the value of shares in a credit union, this ratio measures the extent to which a credit union has 'turned around' deposits into loans to members. A common indicator of profit potential, the higher the loan to share ratio, the more profitable the credit union, although a rate over 100 percent indicates that a credit union is too liquid and has insufficient reserves.</p>	<p>Shares: All members of credit unions are in effect, owners of the credit union. Their deposits therefore represent shares. Credit unions offer regular share accounts (savings accounts); share draft (checking) accounts; and share certificate (certificates of deposit) accounts.</p>
<p>Market Share Penetration: A measure of the degree to which a credit union has been able to recruit members. It is the number of members divided by potential membership as defined by the credit union's field of membership (FOM).</p>	<p>Small LICU: LICUs with assets of \$1 million or less.</p>
<p>Net Capital: A measure of total investment (minus member deposits) in a credit union. Includes regular reserves, secondary net capital, non-member deposits, accumulated unrealized gains or losses, other reserves, undivided earnings and net income. The Net Capital to Assets Ratio divides net capital by total assets. The average ratio for the industry is about 11 percent.</p>	<p>Survivor LICU: LICUs established by 1990 and still active in 1996.</p>

Appendix B: Resources for CDCUs

Several national organizations provide technical and financial assistance to CDCUs:

National Federation of Community Development Credit Unions (NFCDCU)

Clifford Rosenthal, Executive Director
120 Wall Street, 10th Floor
New York, NY 10005-3902
(212)809-1850

A coalition of 150 CDCUs, NFCDCU was formed to provide technical and financial assistance and to advocate on the behalf of CDCUs. It provides training and management, channels investments from banks and foundations. It also has a regulatory and policy advocacy program to assure access to credit for low-income communities and helps to organize new CDCUs.

NCUA Office of Community Development

Joyce Jackson, Director
1775 Duke Street
Alexandria, VA 22314
(703)518-6610

Provides assistance to new and existing LICUs. Low-interest loans and technical assistance grants are provided through the Community Development Revolving Loan Program. The purpose of the program is to help LICUs increase their ability to meet loan demand, improve their ability to provide services and pay salaries and to build the LICU's capital base. The Office also helps charter new LICUs.

Community Development Finance Institutions Fund (CDFI Fund)

Ellen Lazar, Director
1500 Pennsylvania Avenue, NW, Room 5116
Washington DC 20220
(202)622-8662

Administered by the US Treasury Department, the CDFI Fund provides seed and expansion capital to community-based banks, credit unions, loan funds and micro-lenders. The Fund can make investments in the form of equity, loans, grants, deposits and shares. In addition, technical assistance and training are also provided by the Fund.

The Coalition of Community Development Financial Institutions

Christine Gaffney, Director
924 Cherry St., Second Floor
Philadelphia, PA 19107
(215)923-4754

The Coalition's mission is to increase public and financial support for CDFIs through advocacy, outreach, public education and training. It prepares information on individual CDFIs, publishes a newsletter, sponsors public educational briefings and conferences, and works with community based advocates at the national, state local levels.

Credit Union National Association (CUNA)

5710 Mineral Point Road
Madison, WI 53701
(608)231-4000

A trade association, CUNA provides management, supervisory and technical training, research and new product development and legal assistance. It also lobbies on behalf of credit unions with Congress and others. CUNA also sponsors a national training conference and publishes several magazines.

Credit Union National Association Foundation, Inc.

Patricia A. Brownell
POB 431
Madison, WI 53701
(608)231-5766

Provides grants to credit unions for special projects, operations or lending programs. Funds can not be used for organizing efforts.

Woodstock Institute

Provides information to CDCUs about the industry, documents best practice, and provides some technical assistance particularly in measuring CDCUs impact.

Appendix C: LICU Financial Data 1990 - 1996

	1990	1991	1992	1993	1994	1995	1996
Number	244	234	224	232	270	311	356
# of members	343,297	352,452	359,428	404,484	548,503	655,683	847,592
Average # of members	1,407	1,506	1,605	1,743	2,031	2,108	2,381
Median # of members	552	653	736	738	804	772	802
Potential members	2,727,948	2,755,972	3,056,500	4,140,809	5,104,407	4,882,072	5,668,996
Market share penetration	12.58%	12.79%	11.76%	9.77%	10.75%	13.43%	14.95%
<hr/>							
Average capital	\$210,219	\$241,479	\$282,662	\$328,701	\$471,597	\$508,777	\$751,453
Median capital	\$61,512	\$63,013	\$72,847	\$85,508	\$96,389	\$109,099	\$139,153
Capital/Assets	8.41%	8.58%	8.95%	9.66%	11.12%	10.97%	11.73%
Average assets	\$2,499,137	\$2,813,031	\$3,156,603	\$3,403,581	\$4,241,475	\$4,636,682	\$6,407,611
Median assets	\$517,627	\$608,568	\$688,752	\$753,620	\$999,508	\$1,023,484	\$1,267,065
Average shares	\$2,282,605	\$2,570,109	\$2,764,030	\$3,084,594	\$3,727,319	\$4,115,394	\$5,630,309
Median shares	\$452,261	\$547,855	\$574,156	\$663,313	\$864,628	\$1,023,484	\$1,120,288
# of share/deposit accounts	418,556	440,861	\$452,001	515,414	712,722	1,331,200	1,193,042
<hr/>							
Total deposits	\$556,955,641	\$601,405,574	\$623,338,940	\$715,625,922	\$1,006,376,237	\$1,279,887,407	\$2,004,578,243
Member deposits	\$537,973,948	\$585,994,762	\$603,762,582	\$692,109,408	\$977,464,076	\$1,243,909,652	\$1,923,069,695
Non member deposits	\$18,981,693	\$15,410,812	\$19,576,358	\$23,516,514	\$28,912,161	\$35,977,755	\$81,508,548
Average member deposit	\$1,567	\$1,663	\$1,680	\$1,711	\$1,782	\$1,897	\$2,269
Average non member deposit	\$77,794	\$65,858	\$87,394	\$101,364	\$107,082	\$115,684	\$228,957
Percent non-member deposits	3.41%	2.56%	3.14%	3.29%	2.87%	2.81%	4.07%
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Total # of loans	109,082	105,645	104,943	118,685	189,816	240,051	338,536
Total loans	\$397,038,027	\$403,493,666	\$418,405,188	\$471,368,441	\$733,167,798	\$987,128,301	\$1,621,280,110
Average amt. of loans per CU	\$1,627,205	\$1,724,332	\$1,867,880	\$2,031,761	\$2,715,436	\$3,174,046	\$4,554,158
Median amt. of loans per CU	\$273,843	\$288,803	\$318,650	\$382,867	\$541,085	\$715,925	\$785,728
Loans to shares	71.29%	67.09%	67.58%	65.87%	72.85%	77.13%	80.89%

LICU Financial Data 1990 – 1996 (Cont'd)

	1990	1991	1992	1993	1994	1995	1996
Amt. of car loans	\$98,458,884	\$99,799,795	\$110,580,192	\$133,298,648	\$282,018,901	\$133,298,648	\$699,271,658
Amt. member business loans	\$0	\$0	\$21,283,411	\$20,672,110	\$20,096,914	\$20,672,110	\$60,280,257
Amt. first mortgages	\$82,576,532	\$84,537,627	\$97,124,367	\$109,446,838	\$124,312,626	\$109,446,838	\$278,142,972
Amt. other real estate loans	\$25,038,031	\$32,168,378	\$28,430,492	\$27,130,902	\$36,590,718	\$27,130,902	\$99,164,475
Amt. unsecured credit card loans	\$0	\$0	\$10,978,093	\$14,226,062	\$29,036,501	\$14,226,062	\$74,697,694
All other loans	\$190,964,580	\$186,987,866	\$150,008,633	\$166,593,881	\$241,112,138	\$682,353,741	\$409,723,054
Average amt. of LICU loans	\$3,640	\$3,819	\$3,987	\$3,972	\$3,863	\$4,112	\$4,789
Percent \$ delinquent loans	4.45%	4.11%	3.57%	3.61%	2.21%	1.72%	2.17%
Gross income	\$66,080,159	\$67,569,891	\$65,883,914	\$68,657,310	\$98,196,267	\$68,657,310	\$204,902,402
Operating expenses	\$31,737,320	\$33,160,855	\$35,691,231	\$43,398,440	\$55,942,915	\$43,398,440	\$110,844,272
Net income	\$34,342,839	\$34,409,036	\$30,192,683	\$25,258,870	\$42,253,352	\$25,258,870	\$94,058,130
Expenses to assets	5.20%	5.04%	5.05%	5.50%	4.88%	3.01%	4.86%
Average # of ft employees	2	4	2	3	4	3	5
Average # of pt employees	1	1	2	2	2	2	2

All LICUs and Survivor LICUs 1990 – 1996

1990	1996	%Change 1990-1996	Survivors 1996	%Change 1990-1996
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Number	244	356	45.90%	203	-16.80%
# of members	343,297	847,592	146.90%	409,837	19.38%
Average # of members	1,407	2,381	69.23%	2,019	43.50%
Median # of members	552	802	45.29%	766	38.77%
Potential members	2,727,948	5,668,996	107.81%	3,770,118	38.20%
Market share penetration	12.58%	14.95%	2.37%	10.87%	-1.71%
<hr/>					
Average capital	\$210,219	\$751,453	257.46%	\$368,119	75.11%
Median capital	\$61,512	\$139,153	126.22%	\$70,242	14.19%
Capital/Assets	8.41%	11.73%	3.32%	8.40%	-0.02%
Average assets	\$2,499,137	\$6,407,611	156.39%	\$4,384,477	75.44%
Median assets	\$517,627	\$1,267,065	144.78%	\$940,726	81.74%
Average shares	\$2,282,605	\$5,630,309	146.66%	\$3,892,237	70.52%
Median shares	\$452,261	\$1,120,288	147.71%	\$836,355	84.93%
# of share/deposit accounts	418,556	1,193,042	185.04%	530,879	26.84%
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Total deposits	\$556,955,641	\$2,004,578,243	259.92%	\$790,124,083	41.86%
Member deposits	\$537,973,948	\$1,923,069,695	257.47%	\$741,815,860	37.89%
Non member deposits	\$18,981,693	\$81,508,548	329.41%	\$48,308,223	154.50%
Average member deposit	\$1,567	\$2,269	44.78%	\$1,810	15.50%
Average non member deposit	\$77,794	\$228,957	194.31%	\$237,972	205.90%
Percent non-member deposits	3.41%	4.07%	0.66%	6.11%	2.71%
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Total # of loans	109,082	338,536	210.35%	126,859	16.30%
Total loans	\$397,038,027	\$1,621,280,110	308.34%	\$611,052,158	53.90%
Average amt. of loans per CU	\$1,627,205	\$4,554,158	179.88%	\$3,010,109	84.99%
Median amt. of loans per CU	\$273,843	\$785,728	186.93%	\$547,077	99.78%
Loans to shares	71.29%	80.89%	9.60%	77.34%	6.05%
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Car loans	\$98,458,884	\$699,271,658	610.22%	\$225,188,540	128.71%
Member business loans	\$0	\$60,280,257	\$0	\$13,091,382	\$0

All LICUs and Survivor LICUs 1990 – 1996 (Cont'd)

	1990	1996	%Change 1990-1996	Survivors 1996	%Change 1990-1996
First mortgages	\$82,576,532	\$278,142,972	236.83%	\$126,980,446	53.77%
Other real estate loans	\$25,038,031	\$99,164,475	296.06%	\$39,279,738	56.88%
Unsecured credit card loans		\$74,697,694	\$0	\$22,399,535	\$0
All other loans	\$190,964,580	\$409,723,054	114.55%	\$184,112,517	-3.59%
Average amt. of LICU loans	\$3,640	\$4,789	31.58%	\$4,817	32.34%
Amt. of delinquent loans	\$17,656,583	\$35,209,089	99.41%	\$17,912,514	1.45%
# of delinquent loans	7,438	11,377	52.96%	6,576	-11.59%
Average amt. of del. loans per CU	\$72,363	\$98,902	36.67%	\$88,239	21.94%
Median amt. of del. loans per CU	\$17,055	\$31,443	84.36%	\$31,426	84.26%
Percent \$ delinquent loans	4.45%	2.17%	-2.28%	2.93%	-1.52%
Percent # delinquent loans	6.82%	3.36%	-3.46%	5.18%	-1.64%
Average amt. of del. loans	\$2,374	\$3,095	30.37%	\$2,724	14.75%
Gross income	\$66,080,159	\$204,902,402	210.08%	\$82,158,230	24.33%
Operating expenses	\$31,737,320	\$110,844,272	249.26%	\$48,116,088	51.61%
Net income	\$34,342,839	\$94,058,130	173.88%	\$34,042,142	-0.88%
Expenses to assets	5.20%	4.86%	-0.35%	5.41%	3.87%
Average # of ft employees	2	5	150.00%	4	100.00%
Average # of pt employees	1	2	100.00%	2	100.00%

Summary Comparisons of LICUs 1996

	All LICUs	Survivor LICUs	Small
% LICU	100.00%	100.00%	100%
Number	356	203	157
# of members	847,592	409,837	63,632
Average # of members	2,381	2,019	408
Median # of members	802	766	322
Potential members	5,668,996	3,770,118	880,825
Market share penetration	14.95%	10.87%	7.22%
Average capital	\$751,453	\$368,119	\$55,718
Median capital	\$139,153	\$70,242	\$42,857
Capital/Assets	11.73%	8.40%	14.41%
Average assets	\$6,407,611	\$4,384,477	\$386,626
Median assets	\$1,267,065	\$940,726	\$338,914
Average shares	\$5,630,309	\$3,892,237	\$332,782
Median shares	\$1,120,288	\$836,355	\$282,299
# of share/deposit accounts	1,193,042	530,879	\$65,202
Total deposits	\$2,004,578,243	\$790,124,083	\$51,914,032
Member deposits	\$1,923,069,695	\$741,815,860	\$42,084,475
Non member deposits	\$81,508,548	\$48,308,223	\$9,829,557
Average non member deposit	\$228,957	\$237,972	\$63,010
Percent non-member deposits	4.07%	6.11%	18.93%
Total # of loans	338,536	126,859	14,086
Total loans	\$1,621,280,110	\$611,052,158	\$34,056,485
Average amt. of loans per CU	\$4,554,158	\$3,010,109	\$218,311
Median amt. of loans per CU	\$785,728	\$547,077	\$143,340
Loans to shares	80.89%	77.34%	65.60%

Summary Comparisons of LICUs 1996 (Cont'd)

	All LICUs	Survivor LICUs	Small
Amt. of car loans	\$699,271,658	\$225,188,540	\$13,578,016
Amt. member business loans	\$60,280,257	\$13,091,382	\$96,550
Amt. first mortgages	\$278,142,972	\$126,980,446	\$1,306,671
Amt. other real estate loans	\$99,164,475	\$39,279,738	\$395,905
Amt. unsecured credit card loans	\$74,697,694	\$22,399,535	\$356,339
All other loans	\$409,723,054	\$184,112,517	\$18,323,004
Average amt. of LICU loans	\$4,789	\$4,817	\$2,418
Amt. of delinquent loans	\$35,209,089	\$17,912,514	\$3,183,017
# of delinquent loans	11,377	6,576	1,880
Average amt. of delinquent loans	\$98,902	\$88,239	\$20,404
Median amt. of delinquent loans	\$31,443	\$31,426	\$7,814
Percent \$ delinquent loans	2.17%	2.93%	9.35%
Gross income	\$204,902,402	\$82,158,230	\$5,103,959
Operating expenses	\$110,844,272	\$48,116,088	\$3,763,138
Net income	\$94,058,130	\$34,042,142	\$1,340,821
Expenses to assets	4.86%	5.41%	6.24%
Full time employees	1,749	762	58
Average # of ft employees	5	4	0
Part time employees	796	493	179
Average # of pt employees	2	2	1

Related Woodstock Institute Publications

Credit to The Community: The Role of CDCUs in Community Development. Williams, Marva. October, 1997. 35pp. Analyzes the diverse impacts and contributions of eight community development credit unions (CDCUs) in different economic, institutional, geographic and demographic settings. It is designed to help CDCUs develop and implement new community development programs and form collaborations with community organizations, intermediaries, trade associations, and banks.

Partners In Community Building: Mainstream and Community Development Financial Institutions. McLenighan, Valjean and Tholin, Kathryn. May, 1997. 51pp. Describes the benefits of collaboration between CDFIs and mainstream financial institutions; regulatory and legislative opportunities for building and strengthening such partnerships and an analysis of the types of relations that have evolved in recent years. Detailed case studies describe how creative partnerships have developed between a variety of CDFIs and conventional lenders.

Credit Unions and Communities: Breaking New Ground in Affordable Mortgage Lending. (A Project by the Credit Union Foundation, Inc.) Tholin, Kathryn. May, 1996. 29pp. Documentation of the Vermont Development Credit Union's Affordable Mortgage Lending Program, a unique program which combines home purchase counseling with non-mortgage loan products to assist potential homebuyers become ready for a mortgage. The program can serve as a model for other lenders interested in affordable home-ownership for lower-income families.

Recent Woodstock Institute Publications

Getting Down To Business: Assessing Chicago Banks' Small Business Lending in Lower-Income Neighborhoods. Immergluck, Daniel. June, 1998. Uses new CRA data to analyze lending by 50 largest small business lenders in the Chicago area. Ranks lenders by their tendency to lend to lower-income areas and smaller firms in such areas.

Economic Development Where It's Needed: Directing SBA 504 Lending to Lower-Income Communities. Immergluck, Daniel and Mullen, Erin. June, 1997. 22pp. Analyzes lending patterns for the U.S. SBA's 504 loan program. Examines how many loans go to minority-owned businesses and to lower-income areas for 1992-1996. The study finds that the program favors higher-income over lower-income zipcodes and makes policy recommendation to remedy the problem.

The Cleveland Residential Housing and Mortgage Credit Project: One City's Response to the Problem of Racial Discrimination in the Home-Buying Process. Bush, Malcolm and Corrigan-Halpern, Paula. January, 1997. 29pp. Describes how the professionals involved in the home-buying process convened to decide where disparate treatment existed in that process in Cleveland, and to strategize how the various industries (including financial institutions and their regulators, real estate agents, appraisers, insurance companies, credit bureaus, and secondary market corporations) could reduce that disparate treatment. The report analyzes the difficulties the participants encountered and the successes they achieved in their four year project.

Woodstock Institute

Woodstock Institute a Chicago nonprofit incorporated in 1973, works locally and nationally to promote community reinvestment and economic development in lower-income and minority communities. It works with community organizations, financial institutions, foundations, government agencies, and others to promote its goals.

The Institute engages in applied research, policy analysis, technical assistance, public education, and program design and evaluation. Its areas of expertise include: CRA and Fair Lending policies, financial and insurance services, small business lending, community development financial institutions, and economic development strategies including local employment programs.

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