

# **Promise Credit Union**

## **2015 Annual Report**

*Reviewing our successes*

*Learning from our experiences*

*Helping our Communities*

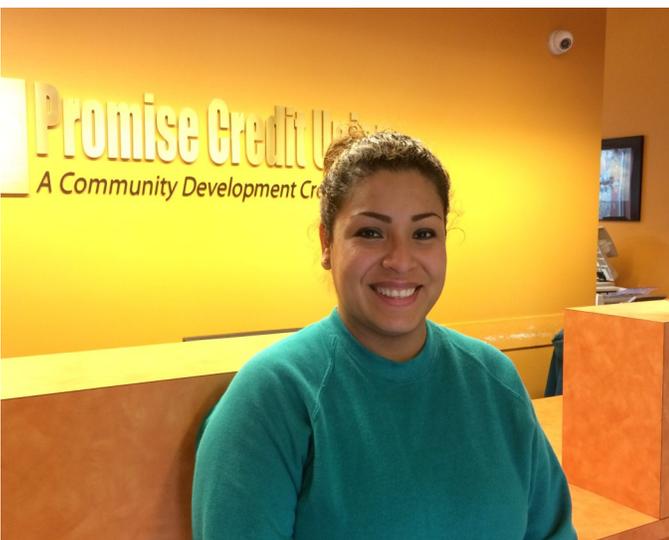
*Building Financial Stability for our Neighbors*

Promise Credit Union was created to provide our families with financial services in order to help build a financial foundation for those we serve. Our mission has always been and remains to be:

***“Promise Credit Union brings financial resources to underserved neighborhoods to earn members’ trust and help them achieve their dreams.”***

*Promise Credit Union is a non-profit financial cooperative chartered in October 2008. The credit union is owned by our members. Promise Credit Union was formed to provide affordable financial services to underserved families within our communities. Our families are hard working people who deserve better than the high cost of traditional banking and predatory lending. Promise Credit Union also works with other programs of our sponsor*

*Neighborhood Centers to connect our families with other important services such as free Tax Preparation. The Board of Directors and Management encourage you to join our family at Promise Credit Union and enjoy the benefits of being part of a growing credit union that has one important goal.....to make you feel at home.*



## 2015 Annual Minutes

A meeting of the membership was held on May 20, 2015 at Neighborhood Centers' Baker Ripley Community Centers located at 6500 Rookin St. The meeting began at 6:00pm. President/CEO Randy Martinez welcomed all those in attendance and introduced board members and committee members who were present.

Randy then proceeded to present the annual meeting presentation for the members. Some of the highlights of the meeting were that the Credit Development Loan continues to help our families improve their credit scores. The Tax Savings Match program continues to be successful by helping over 280 participants receive a 25% match from the United Way. Over \$210k has been saved by our members. Randy also mentioned that a submission of a grant request to the US Treasury's CDFI fund was submitted successfully and the credit union is awaiting the results of the application. The credit union's loan portfolio continues to be strengthened by tighter underwriting of its loans.

Some of the challenges faced were slower loan growth due to the changes in underwriting. The credit union also had a larger amount of loan charge offs for 2015. Another negative factor was working with small dealerships. Specifically one dealership resulted in a large number of loans that became delinquent and many of these loans were eventually charged off.

Randy also discussed changes to the operations of the credit union such as reducing the staff by one person and taking additional legal action against those who owe the credit union for defaulted loans. The credit union also reduced interest rates on its Certificate of Deposits to also help with reducing expenses.

The financial condition of the credit union was also discussed as Randy highlighted that the credit unions asset size ended at \$4.9 million for 2015. The credit union funded just over 450 loans and the credit union had a deposit to loan ratio of 92.3. The credit unions delinquency ratio stayed slightly above peer at 3.1% by year end and the average yield on its yield was 8.61%. Randy then asked if any members present had any questions regarding the presentation. No one had any questions regarding the report.

Randy then moved on to the election of the board positions. The credit union had three positions for re-election and one position that needed to be filled. The terms of the following directors were up for re-election:

1. Paul Van Tho
2. Ferol Beer
3. Cruz R. Hinojosa Jr.

The other position to be filled had two other applicants apply to serve as board members:

1. Jean Kegler
2. Jim Lerdal

Upon reviewing the qualifications of each applicant, a motion was made and seconded to re-elect Ferol Beer and Cruz Hinojosa to the board. A discussion took place regarding the position for Paul Van Tho. Kirk Rummel recommended that due to recent examiners concern of Paul being the CFO and a board member, that Paul Van Tho step down as a board member and that Jim Lerdal would replace Paul Van Tho's position as board member. The members approved the motion. Jean Kegler, a former board member was also approved by the membership to serve as a board member filling the additional vacant board position.

Randy then proceeded to begin the drawing for the door prizes.

Door prizes included : Gift Cards for \$25, \$50, \$100

Randy asked for a motion to close the meeting. A motion was made and seconded by the members and the motion passed. The meeting ended at 7:25pm. Members and board then enjoyed refreshments and great conversations! Thank you to all for coming to the Annual Meeting!.

#### **Board Members**

Cruz R. Hinojosa Jr	Chairman
Brian Cweren	Vice Chair
Ferol Beer	Secretary/Treasurer
Scott Ophdal	Board Member/Audit Committee
Paul Van Tho	Board Member/CFO
Lydia Farias	Board Member/Credit Committee
Dan Minner	Board Member/Credit Committee
Kirk Rummel	Board Member/ALM Committee

#### **Staff at Promise Credit Union**

Randy Martinez	President/CEO
Joe Dominguez	Credit Analyst
Maria Flores	Loan Asset and Accounting Manager
Paulina Rocha	Member Service Representative
Bertha Soto	Member Service Rep

#### **Updates**

No recent changes in Senior Management

No recent changes to the Articles of Incorporation

No changes to the By Laws of PCU

#### ***Chairman's and President's Report***



As a Community Development Credit Union, Promise Credit Union (PCU) is set on providing affordable services to the families we serve. Our neighbors work hard day to day and our board and staff recognize the need to treat our members with respect and dignity.

As board members and management we are excited about what the new year will bring us. Here are just some of what we are excited about:

- 3,000 members shows we are growing and we will continue to reach out to new members in our communities
- With a strong net worth of over 9% we will continue to look for ways to become a stronger financial institution
- With over \$200k in savings with our Tax Savings Match program we will continue to work with other programs and partners to bring important services to our families.
- As a CDCU and CDFI institution, we will continue to look for other grant opportunities and ways to reduce costs and expenses.

We appreciate the service and commitment of our board and committee members as well as the hard work of our staff. We would also like to thank all of our members for their loyalty and support of our credit union and recognizing the important role we all play in helping to build stronger communities for our families.

Cruz R. Hinojosa Jr., Chairman of the Board

Randy Martinez, President/CEO