

2020 ANNUAL REPORT



THRIVE

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OUR PURPOSE

TOGETHER, WE THRIVE.

OUR CORE BELIEFS

*We make managing money easy
so **together, we thrive.***

*We put people before profits
so **together, we thrive.***

*We invest in new ideas and new
technologies so **together, we thrive.***

*We invest in our communities
so **together, we thrive.***



\$2.7B
TOTAL ASSETS
 #2 Largest in East TN
 #4 Largest in State



181K+
MEMBERSHIP
 #2 Largest in East TN
 #4 Largest in State



457
EMPLOYEES



19 COUNTY
CHARTER
 in East Tennessee



\$4.0M
SPECIAL DIVIDEND
PAYOUT in 2020
 \$11 Million Over Three Years



\$400K+
 Community Investment

OUR ORGANIZATION



28 BRANCH
LOCATIONS
 in 12 Counties of
 East Tennessee



200+
 LOCAL NETWORK
 of Fee-Free ATMs



46
 INTERACTIVE TELLER
 MACHINES (ITM)



30K+
 Nationwide Network
 of Fee-Free ATMs



100
 AUTO DEALER
 PARTNERS



\$25.7k
 AVERAGE AUTO
 LOAN AMOUNT



COVID-19

PANDEMIC INFO

HERO LOAN PROGRAM

118
MORTGAGES
FUNDED

\$22.7M
TOTAL FUNDS

104
CONSUMER
LOANS

\$3.3M
TOTAL FUNDS

PAYCHECK PROTECTION

147
APPROVED

\$3.0M
TOTAL FUNDS

LOAN PAYMENT EXTENSION

5,000+
EXTENSIONS
GRANTED

\$179.0M
TOTAL FUNDS

PANDEMIC LOAN PROGRAM

299
LOANS FUNDED

\$2.0M
TOTAL FUNDS



EMPLOYEE IMPACT

The Credit Union fully covered the cost of COVID-19 tests and medical treatment for all employees and their immediate family members who participated in an ORNL FCU health plan. We are encouraging employees to get vaccinated as soon as they are able per the TN Department of Health guidelines.

\$1.1M
PANDEMIC RELATED
COSTS
195
EMPLOYEES WORKED
FROM HOME



ORNL FCU & MET CCU MERGER



+

3

COUNTIES TO
COMMUNITY
CHARTER

MCMINN • MEIGS • RHEA



+

2

BRANCHES
IN ATHENS
& DECATUR

WELCOME

MET CCU members;
we are happy to
serve you!



BOARD CHAIR'S REPORT

Who could have predicted a year like we experienced in 2020? Our world has changed due to the COVID-19 pandemic and along with our members, the community, and the rest of the world, ORNL Federal Credit Union adapted to a new normal.

The financial services industry was deemed an essential business by the Centers for Disease Control and Prevention (CDC) in the early stages of the pandemic. As an essential business, we continuously adjusted our services to not only meet the guidelines recommended by the World Health Organization, the CDC, and the State of Tennessee, but to meet the financial needs of our

members. We closed and reopened branches, initiated several new loan programs to help members in need, supported community partners, and adjusted to how we define an office setting.

When the stay-at-home order was issued in March, the Credit Union closed all branch lobbies and required appointments for service. While this temporary closure limited face-to-face interactions, we had the technology in place to support 24/7 access to our call center and experienced record growth in digital banking and increased utilization of drive-thru and Interactive Teller Machine (ITM) services.

The Credit Union recognized the challenges members were facing because of the pandemic and launched the following programs to support those who were impacted:

PANDEMIC LOAN EXTENSION

PROGRAM To address unemployment and reductions in household income, this program permitted impacted members to extend due dates in an effort to help avoid late payment fees and adverse credit reporting.

PANDEMIC LOAN PROGRAM

This nationally-recognized program provided small loans with low rates and favorable terms to existing members suffering temporary income loss due to the pandemic.

HERO LOAN DISCOUNTS

Exclusive home and auto loan refinancing discounts were made available to healthcare professionals, EMTs, active military personnel, fire and rescue workers, and law enforcement officers. We continue to be grateful for everyone battling COVID-19 on the frontlines and the many efforts being taken to keep our communities safe.

PAYCHECK PROTECTION PROGRAM

Designed by the Small Business Administration, this program became available through ORNL FCU in April of 2020. Qualifying members were able to apply via the ORNL FCU website to take advantage of monies made available as part of the federal government's economic stimulus package.

In spite of the many challenges presented by the pandemic, the Credit Union remained forward focused and enjoyed growth and financial stability in 2020. Highlights from the year included:

CHARTER EXPANSION

ORNL FCU acquired Mid East Tennessee Community Credit Union (MET CCU) in July of 2020. This acquisition added three counties to the existing charter—McMinn, Meigs, and Rhea—increasing our service area to 19 counties in East Tennessee. This included the addition of two branch locations, one in Athens and

one in Decatur. Welcome MET CCU members; we are happy to serve you!

HALLS BRANCH REMODEL

Located at 4510 East Emory Road in Knoxville, this location underwent an extensive remodel. Members using this location now enjoy a modern branch experience, complemented by extended hours through the ITMs.

RECORD MORTGAGE GROWTH

Mortgage production remained strong throughout the year, resulting in record loan growth. Attractive rates fueled both purchases and refinances. To further our commitment to mortgage lending, a new loan origination system was implemented mid-year to improve the digital and direct borrowing experience.

SPECIAL DIVIDEND

The Credit Union paid a \$4 million Special Dividend to the membership in October, which amounted to a cumulative total of \$11.0 Million that has been paid out over the past three

years. We appreciate your business!

In the midst of the pandemic, and in view of events that have taken place throughout the country, we are reminded of the resolve required to further inclusion, respect, equality, and diversity. We honor the credit union philosophy of “people helping people” and remain devoted to these values as we serve our communities.

On behalf of ORNL FCU and the Board of Directors, we would like to thank you for choosing ORNL FCU as your trusted financial partner and we look forward to serving you in the future.

Thank you for being a member of the ORNL FCU family. Together, we will continue to thrive.



W.R. Gorman

Randy Gorman
Board Chair

TREASURER'S REPORT

ORNL Federal Credit Union is pleased to report an outstanding year of growth and historic earnings in 2020. The Credit Union continued investing in technology and facilities throughout the year, while overcoming challenges created by the COVID-19 pandemic. We stayed the course and remained committed to our members, employees, and community.

In 2020, the Credit Union recorded net income of \$25.65 million, surpassing prior year earnings by \$397,000. Members received more than \$11.15 million in regular dividends and a special dividend of \$4.00 million. Strong earnings performance resulted in regulatory net worth of \$282.63 million and a ratio of net

worth to total assets of 10.31% (which is considered “well-capitalized” according to the National Credit Union Administration). Additional strength can be observed within the Credit Union’s allowance for loan losses as reserves totaled \$23.57 million at year-end. Loan loss reserves as a percentage of gross loans ended 2020 at 1.14%; an increase of 0.23% year-over-year.

The Credit Union grew by \$397.50 million, or 16.95%, in 2020 to reach \$2.742 billion in assets. Loan growth was exceptionally strong as gross loans grew by \$139.12 million, or 7.25%, to \$2.059 billion as members’ financial needs were met with favorable loan products including several pandemic loan programs designed to serve members who were suffering a temporary loss of income due to COVID-19. The record setting loan growth was driven by increases across all loan portfolios with mortgage loans increasing by \$101.46

million, or 9.52%, to \$1.167 billion; total consumer loans increasing by \$24.55 million, or 3.33%, to \$760.96 million; and total commercial loans increasing by \$13.11 million, or 11.14%, to reach \$130.79 million. In 2020, asset quality remained strong with a low net loan loss ratio of 0.18%.

Total member deposit balances increased \$360.15 million to end the year at \$2.279 billion. ORNL Federal Credit Union members received more than \$200 million in stimulus funds which contributed to increases in total share draft and savings accounts of \$339.45 million and money market accounts of \$73.31 million. This growth was offset by a decrease in share certificate balances of \$52.61 million. Also contributing to the growth in 2020 were highly-competitive rates and product offerings along with the expansion of our service area into the counties of McMinn, Meigs, and Rhea.

ORNL Federal Credit Union's total membership reached 181,497 at year end, increasing by 7,826, or 4.50%, in 2020.

The Credit Union remains steadfast in its commitment to offering attractive products and pricing while providing unsurpassed member service because: Together, We Thrive.

CONSOLIDATED INCOME STATEMENT

	2020	2019
Total Interest Income	\$ 85,561,993	\$ 86,793,808
Total Interest Expense	18,102,606	19,729,385
Net Interest Income	67,459,387	67,064,423
Provision for Loan Loss	9,550,000	7,025,000
Net Interest Income After Provision	57,909,387	60,039,423
Total Non-Interest Income	41,940,981	41,273,125
Total Operating Expense	74,376,231	75,056,942
Income/(Loss) from Operations	25,474,137	26,255,607
Non-Operating Gain/(Loss)	174,606	(1,004,038)
Net Income	\$ 25,648,743	\$ 25,251,570

CONSOLIDATED STATEMENT OF CONDITION

ASSETS	2020	2019
Cash & Cash Equivalents	\$ 401,627,066	\$ 169,879,082
Total Investments	168,026,393	150,323,279
Gross Loans	2,058,807,498	1,919,686,836
Allowance for Loan Losses	(23,567,216)	(17,466,383)
Net Loans	2,035,240,282	1,902,220,453
Accrued Interest Receivable	5,158,816	5,020,734
Total Fixed Assets	56,646,599	55,811,782
Total Other Assets	75,688,869	61,629,030
Total Assets	\$ 2,742,388,025	\$ 2,344,884,360
LIABILITIES & MEMBERS' EQUITY		
LIABILITIES		
Total Deposits	\$ 2,278,785,835	\$ 1,918,632,387
Borrowed Funds	120,528,982	127,180,455
Total Other Liabilities	67,810,071	48,821,102
Total Liabilities	2,467,124,888	2,094,633,944
MEMBERS' EQUITY		
Total Members' Equity	275,263,137	250,250,416
Total Liabilities & Equity	\$ 2,742,388,025	\$ 2,344,884,360

OUR PHILOSOPHY

As an organization, we strive to uphold the seven principles of the cooperative movement.

We are committed to supporting the credit union philosophy of “people helping people” and aligning our *Purpose* and *Core Beliefs* with the cooperative movement.



PRINCIPLES OF THE COOPERATIVE MOVEMENT



OUR COOPERATIVE SPIRIT

Rooted in the seven principles of the credit union movement, 7 is a wholly owned credit union service organization (CUSO) of ORNL FCU. The CUSO is dedicated to making credit unions stronger through collaboration; offering top tier products and services; and providing unparalleled support to its clients and partners. 7's engaged and experienced credit union professionals have the passion, insight, and innovation to help credit unions and their members thrive.

7 Mortgage, *7 Title*, and *7 Insurance* are included under the CUSO's umbrella.

7 MORTGAGE

The mortgage company is licensed in six states and specializes in offering tailored mortgage solutions to credit unions throughout the Southeast.

- **23 credit union partners**
- **Closed 2,847 mortgages in 2020**

7 TITLE

Jointly owned by ORNL FCU and Y-12 FCU. In addition to assisting members of each credit union, the title company also acts as a full-service title company specializing in the settlement of residential and commercial transactions.

- **Closed 2,062 loans in 2020**
- **Provided 3,699 title searches**

7 INSURANCE

Jointly owned by ORNL FCU and Y-12 FCU. It also serves the members of Alabama Credit Union and Altra Federal Credit Union in Wisconsin.

- **Over 2,780 active clients**
- **4,600 total policies**
- **Average new client saves \$520 annually***

*Average savings figure based on new direct auto and home policyholders countrywide who reported savings to us in 2020. Individual savings may vary. Savings not guaranteed.



OUR DIFFERENCE

CREDIT UNIONS

BANKS

ORGANIZATION	Not-for-profit	For-profit
OWNERSHIP	Members	Stockholders
BOARD OF DIRECTORS	Volunteers (unpaid)	Elected (paid)
GOVERNANCE	Members, each with an equal share & vote	Stockholders
PROFITS	Profits returned to members in the form of higher savings rates, lower loan rates, lower fees & special dividends	Profits paid to stockholders
SERVICE	Service-driven; serving the best interests of the membership	Profit-driven; focused on products & services that generate income
COLLABORATION	Cooperation among credit unions, sharing resources	Competition between banks prohibits sharing of resources
INSURANCE	NCUA	FDIC

COMMUNITY IMPACT

CORE COMMUNITY VALUES

We know being a good corporate citizen means being involved and making a positive difference. We are as passionate about issues, ideas, and helping organizations in our community thrive as we are about helping our own members. We understand that the only way we truly thrive, as individuals, as neighborhoods, and as communities, is together..

“...BECAUSE TOGETHER, WE *THRIVE.*”

THE UNIVERSITY of
TENNESSEE **UT**
4 SCHOLARSHIPS AWARDED



\$100,000

Donated to the United Way
by ORNL FCU Employees



CU AWARENESS & ADVOCACY

CREDIT UNION ADVOCACY AND AWARENESS

We are committed to raising awareness and advocating for change on legislative and regulatory issues that affect ORNL FCU, our membership, communities we serve, and the financial services industry. Our goal is to keep the entire credit union community strong at federal, state, and local levels.

CREDIT UNION COMMUNITY

ORNL FCU is a proud member of the Knoxville Area Chapter of Credit Unions, Tennessee Credit Union League (TCUL), and Credit Union National Association (CUNA).

SENATE AND HOUSE OF REPRESENTATIVES

Members of the House of Representatives represent nine districts in Tennessee. ORNL FCU has members located in each of the districts.

Each senator represents 139 credit unions and over 2.5 million credit union members, including the over 170,000 ORNL FCU members who live in Tennessee.



OFFICIALS

BOARD OF DIRECTORS

Randy Gorman – Board Chair
James Payne – Vice Chair
Pam Ladd – Treasurer
Joel Pearman – Secretary
Jama Hill
Sam McKenzie
Debbie Stairs
Harriet Walker
Leigha Witt
David Mandl – Assoc. Director

EXECUTIVE COMMITTEE

Randy Gorman – Board Chair
James Payne – Vice Chair
Pam Ladd – Treasurer
Joel Pearman – Secretary

LEGISLATIVE & GOVERNMENTAL AFFAIRS COMMITTEE

Sam McKenzie – Chair
Randy Gorman
James Payne
Harriet Walker
Leigha Witt

SERP INVESTMENT COMMITTEE

Randy Gorman
Pam Ladd
Debbie Stairs

NOMINATING & ELECTION COMMITTEE

Harriet Walker – Chair
Jessica Emert
Sam McKenzie

VOLUNTEER POLICY & GOVERNANCE COMMITTEE

Harriet Walker – Chair
Randy Gorman
Jama Hill
Joel Pearman
Debbie Stairs
Leigha Witt

SUPERVISORY COMMITTEE

Mary Beth Blair, Chair
Vickie Caughron, Vice Chair
Mary Kiser, Secretary
Gerald Smith

7, LLC BOARD OF GOVERNORS

Randy Gorman – Chair
Colin Anderson
Chris Boler

EXECUTIVE MANAGEMENT

Colin Anderson

President & CEO

Chris Boler

President & CEO 7, LLC

Dawn Brummett

Executive Vice President & Chief Operating Officer

Janita Clausell

Senior Vice President & Chief Retail Officer

Becky Curry

Senior Vice President-Data Intelligence

Steve McAtee

Senior Vice President & Chief Technology Officer

Kristin Robertucci

Senior Vice President & Chief Financial Officer

Derek Saidak

Senior Vice President & Chief Lending Officer

Joy Wilson

Senior Vice President & Chief Administrative Officer

Tom Wright

Senior Vice President & Chief Marketing Officer



ornlfcu.com   

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PROUD MEMBER:



Equal
Opportunity
Employer



Federally insured by NCUA
Equal Housing Lender



2020 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee, appointed by the ORNL Federal Credit Union Board of Directors, is responsible for ensuring that our Credit Union's financial records are in order and the necessary internal controls are in place to protect our members' assets. The Supervisory Committee performs these functions by reviewing the data from internal and external financial audits and by testing and monitoring internal controls and business practices. To assist in the execution of these responsibilities, the Committee engages with independent external audit firms. Nearman, Maynard, Vallez CPAs was retained to complete our financial audit as of June 30, 2020. The goal was to validate the reliability and integrity of our financial operating information, as well as ensure our Credit Union is in compliance with federal regulations and generally accepted accounting principles (GAAP).

The clean opinion audit report was submitted to the Board of Directors and management.

The Internal Audit Program, under the direction of the Supervisory Committee, provides a risk-based, ongoing review of compliance with Credit Union policies and procedures. This program includes an annual inspection of internal controls, cash, member loans, and other assets of your Credit Union. During this unprecedented year some of the key 2020 accomplishments included a review of the commercial lending area, bank secrecy audit, and assuming the responsibility of the Fannie Mae quality control program. The Supervisory Committee, as directed by the NCUA, is also responsible for the review and response to member complaints. The Supervisory Committee is pleased to report your Credit Union continues a tradition of excellent financial management and compliance.

2020 NOMINATING COMMITTEE REPORT

The ORNL Federal Credit Union Nominating Committee reviewed the qualifications of members who submitted their names for consideration as candidates for the Board of Directors. We hereby nominate the following three individuals for the positions to be filled by board appointment at our Credit Union's 73rd Annual Meeting on March 25, 2021:

Randy Gorman, Jama Hill, and Leigha Witt.

There were no candidate petitions filed with the Credit Union this year.

Respectfully submitted,
Harriet Walker,
Nominating & Elections Committee Chair

MINUTES OF THE 72ND ANNUAL MEETING

1. CALL TO ORDER

a. Welcome: The 72nd Annual Meeting of ORNL Federal Credit Union (operating under NCUA Charter No. 5797, issued August 6, 1948) was called to order at 6:00 PM by Board Chair Randy Gorman.

Mr. Gorman thanked the ORNL Federal Credit Union members for their patience and cooperation during the current COVID-19 pandemic. Mr. Gorman stated that during this uncertain time the Credit Union's top priority is the health and safety of all members and employees. Mr. Gorman stated that as we work together to keep one another healthy and safe, together we thrive. Mr. Gorman stated that, in accordance with Credit Union Bylaws, the meeting would be conducted in adherence with Robert's Rules of Order, with Joy Wilson, Senior Vice President and Chief Administrative Officer, serving as Parliamentarian.

b. Quorum Determination: Mr. Gorman announced that a sufficient number of members were present virtually to constitute a quorum.

c. Purpose: Mr. Gorman stated that the purpose of the meeting is to provide the annual financial and audit reports to the membership, and to introduce the Board of Directors.

2. MINUTES OF THE 71ST ANNUAL MEETING

A motion was made, seconded, and passed to approve the Minutes of the 71st Annual Meeting held on March 7, 2019. The Meeting Minutes can be found in the Annual Report supplement that was emailed with the virtual meeting instructions and also available on the virtual platform.

3. ANNOUNCEMENT OF BOARD MEMBERS

a. Current Board Member Recognition: Mr. Gorman introduced the current Board of Directors, Supervisory Committee Members, and members of the Nominating Committee as listed in the Annual Report and thanked them for their service.

b. Report of the Supervisory Committee: Ms. Mary Beth Blair presented the Supervisory Committee

MINUTES OF THE 72ND ANNUAL MEETING (CONT.)

Report. Ms. Blair stated that the purpose of the Supervisory Committee is to ensure that the Credit Union's financial records are in order and to protect the members' assets by ensuring the proper controls are in place. Ms. Blair noted that key 2019 accomplishments include a satisfactory Digital Banking Audit as well as a successful Financial Statement Audit. Ms. Blair thanked Andrea Griffiths, VP Auditing, and the Auditing staff for their exemplary work throughout the year.

c. Recognition of Mr. David Watkins: Mr. Gorman recognized Supervisory Committee Member David Watkins for his service as a Credit Union volunteer for over 50 years. Over the years, Mr. Watkins became a Certified Credit Union Executive through the Credit Union National Association and also served on the board of the Tennessee Credit Union League. On behalf of the Board of Directors and the Supervisory Committee, Mr. Watkins was presented with gifts in appreciation of his 50 years of service to ORNL Federal Credit Union. Mr. Watkins thanked Mr. Gorman and ORNL Federal Credit Union for their recognition and the opportunity to serve the Credit Union.

d. Report of the Nomination & Election Committee:

Mr. Sam McKenzie presented the Nomination & Election Committee Report. Mr. McKenzie stated that the Nominating Committee submitted the names of four members as candidates for the four available positions on the Board of Directors, three of which are for a three-year term and one of which is for a two-year term. The nominees selected to fill the three three-year terms are Joel Pearman, Debbie Stairs, and Harriet Walker, and the nominee selected to fill the two-year term is Pam Ladd. A motion was made, seconded, and passed to reinstate Mr. Pearman, Ms. Stairs, and Ms. Walker for a term of three years and Ms. Ladd for a term of two years.

4. REPORTS

a. Chairman: Mr. Gorman referred to the Chairman's Report in the written 2019 Annual Report and noted that the Credit Union continues to demonstrate strong financial performance, has increased the special dividend to membership, and has continued investing in our branch network and technology.

b. Treasurer's Report and President & Chief

Executive Officer's Report: The Chair introduced President & CEO, Colin Anderson. Mr. Anderson thanked the Board of Directors and recognized their volunteer services to the Credit Union. Mr. Anderson introduced the Executive Management Team as listed in the 2019 Annual Report noting their lengths of service with the Credit Union.

Mr. Anderson noted that the 2019 Annual Meeting Report and Impact Statement were consolidated resulting in a more streamlined and cost efficient report.

Mr. Anderson reported that the Credit Union and the credit union industry performed well in 2019. Total assets grew by \$190 million in 2019, to end the year at \$2.35 billion in total assets. Members took advantage of the strong local economy to purchase automobiles and homes while improving their personal balance sheet. At the end of 2019 there were nearly 174,000 members. Mr. Anderson reported that the Credit Union is the second largest mortgage lender in virtually all markets and closed 2,064 first and second mortgage loans accounting for \$314 million in origination volume (this is an average of \$152,000 per loan). Mr. Anderson reported that Consumer Lending closed 19,000 personal loans totaling \$339 million (an average of 80 loans per business day). Mr. Anderson reported that the Credit Union remains well-capitalized and ended the year with a Net Worth Ratio of 10.96%. Mr. Anderson stated that the Credit Union realized record earnings of \$25.2 million. Mr. Anderson reported that the net charge-off ratio was historically low at 0.27% and the allowance for loan loss increased to 0.91% of gross loans which is more than three and a half times the net charge-offs for the year. Mr. Anderson stated that the Credit Union is preparing for the future while returning value to the membership.

Mr. Anderson noted the following accomplishments of the Credit Union in 2019:

- Three of the largest and busiest branches; Lenoir City, Karns, and Farragut were remodeled and now have the modern branding, appearance, conveniences, and technology for members to enjoy. Mr. Anderson noted that 11 of the 28 branches have been modernized as investment in the retail area remains important in the efforts to gain new membership. The Maryville Walmart branch was relocated to provide the Maryville branch the opportunity to grow their balance sheet and serve more members.
- The Call Center hours were extended to be open 24 hours a day and seven days a week (with the exception of Thanksgiving and Christmas). This extension has allowed the Call Center overflow to service more than 10,000 calls per month.
- The Credit Union upgraded its core processing system to a service bureau model that provides better preparedness for business continuity and disaster recovery. This functionality has been tested, documented, and acknowledged by Credit Union regulators. For the first time in history, the Credit Union has the ability to mitigate disaster recovery for the core processing systems.
- A statement conversion was completed that allows paper and digital statements to have the same look while being more easily readable. This conversion also allows for quicker delivery while being more cost effective.
- ATM functionality has been added to

Interactive Teller Machines, increasing ATM volume.

- Mobile banking has been upgraded to provide a consistent member experience. Mr. Anderson noted that 84,000 members are enrolled in the digital banking platform and 41,000 use this platform to perform virtually all of their banking needs.
- The debit card platform has been upgraded to provide new technology at a much lower cost to the membership. The upgrade also provides the opportunity to reissue credit and debit cards that contain first-to-market features.
- A Special Dividend of \$4 million was paid to Credit Union members. Mr. Anderson reported that another Special Dividend is planned to be paid this October pending Board approval.

Mr. Anderson introduced Ms. Dawn Brummett to answer questions received regarding the digital banking platform. Ms. Brummett stated that the digital banking platform performs 1.8 million sessions each month so it is not unexpected that the majority of questions are related to this area. Ms. Brummett stated that each question received was discussed personally with the individual to ensure their question was addressed specifically. Ms. Brummett reported that the Digital Banking upgrade performed earlier this year allows iPad and mobile users to utilize their mobile browser to access their accounts. Ms. Brummett encouraged members to enroll in alerts and noted that 1.9 million alerts are sent from the mobile platform each month. Ms. Brummett stated that information security is a high priority for the Credit Union and the digital channel is protected by multi-layers of security that are evaluated against industry standards and then tested by third party experts to ensure all digital banking transactions are safe and secure. Ms. Brummett responded to the questions regarding the timeline for small business banking services such as remote deposit capture and reported that there are plans to launch digital banking services unique to small business members in 2021.


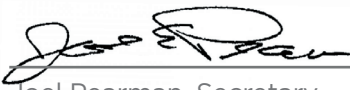
Ms. Brummett introduced Mr. Derek Saidak to discuss loan production, credit quality during the pandemic, and to address the four programs being offered to assist members during these unprecedented times. Mr. Saidak reported that while loan production is breaking records due to low interest rates, credit quality has remained strong. Mr. Saidak reported that when the pandemic began, the Credit Union offered “no questions asked” 90-day loan extensions to all members; extension requests exceeding 90 days are reviewed on a case-by-case basis. Mr. Saidak reported that 4,324 loan extensions totaling \$165 million have been processed. There are

currently 1,107 extensions still in place, the total dollar amount of this portfolio is \$92 million. The second product created to assist members during the pandemic is the Pandemic Loan. This loan product has 0% interest for six months and is then amortized over a 48-month period at 3%. There were 278 Pandemic Loans issued, totaling \$1.7 million with the average loan being \$6,260. The third assistance product is the Hero Loan; this loan focuses on essential workers and offers a 25 basis point reduction on any of the Credit Union’s current loan rates. This reduction was applied to 153 loans with average balances of \$89,000. Mr. Saidak reported that the last pandemic assistance product is directed toward commercial members; the Credit Union has partnered with Lendio to assist commercial members with Paycheck Protection Program loans.

5. OLD BUSINESS - None.

6. NEW BUSINESS - None.

7. ADJOURNMENT - There being no further business, the meeting was adjourned at 6:38 PM.

	03/05/2021
Randy Gorman, Board Chair	Date
	03/05/2021
Joel Pearman, Secretary	Date



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