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Twenty-Eight Credit Unions on Board to Test Programs to Serve Underbanked Minorities
Filene Research Institute Progresses Five-Program Incubator: Sign-up deadline is Sept. 15, 2016

Madison, Wis. – Twenty-eight U.S. and Canadian credit unions have recently committed to participate in an eighteen-month incubator to test five programs designed to meet the needs of underbanked minority households. The incubator initiative, [Reaching Minority Households](#), created by Filene Research Institute in collaboration with Visa and the Ford Foundation, will test solutions designed to improve the financial lives of minority families. Each participating credit union will test at least one financial product; spots are still available with a sign-up deadline of Sept. 15, 2016.

Credit unions have a long history of commitment to the underserved and minority households are a logical target for their efforts. While minorities comprise 30% of all U.S. households, they hold only 13.4% of deposits, 7.5% of retirement investments and 10% of total wealth in the country.

“Our research has shown that efforts to serve minorities aren’t simply altruistic—they benefit both members and the credit union overall,” said Andrew Downin, managing director, innovation for Filene. “Consumers now have access to affordable financial services and can take critical steps to create a more stable financial future for themselves and their families, and the credit union taps into a new population with an increasing ability to access financial services.”

“At Michigan State University Federal Credit Union, our mission is to help make our members’ dreams come true”, said Jeff Jackson, chief lending officer for Michigan State University Federal Credit Union. “We decided to join the Reaching Minority Households Incubator and test the Community Microfinance Small Business Lending Program because we want to make sure that any segment of our membership, including those with lower means, can realize their dream of owning or starting a business.”

The credit unions participating in the incubator will test at least one financial product chosen based on potential scalability and impact, among other factors. The products include:

Community Microfinance Small Business Lending – Developed by Alterna Savings Credit Union, this initiative helps entrepreneurs from primarily underserved and underrepresented groups start or expand their own businesses.

Data Mined Auto Loans – Established by the National Credit Union Foundation, this program employs sophisticated data mining techniques to identify households that may benefit from an affordable auto loan.

Non-Citizen Lending Program – Developed by Point West Credit Union, this program offers credit cards, personal loans, and vehicle loans to non-citizens at the same rates as traditional consumer lending products.

Payday Payoff Installment Loans - Using a risk model from LexisNexis® Risk Solutions, Kinecta Federal Credit Union’s program uses alternative data that allows borrowers to consolidate up to \$2,500 of high-cost payday loan debt into an affordable installment loan.

QCash - Built by Washington State Employees Credit Union and offered by QCash Financial, this omni-channel lending solution offers relationship based underwriting without a credit check to members in search of small, short-term unsecured loans with funding in less than 60 seconds.

The credit union testers include:

- Alive Credit Union – Jacksonville, FL
- Alterna Savings Credit Union – Toronto, ON
- AP Federal Credit Union – Toledo, OH
- California Highway Patrol Credit Union – Sacramento, CA
- Cherokee County Federal Credit Union – Rusk, TX
- Deseret First Credit Union – Salt Lake City, UT
- El Paso Area Teachers Federal Credit Union – El Paso, TX
- Embark Credit Union – Great Falls, MT
- First Commerce Credit Union – Tallahassee, FL
- Freedom First Credit Union – Roanoke, VA
- GECU – El Paso, TX
- Illiana Financial Credit Union – Calumet City, IL
- Lower East Side People's Federal Credit Union – New York, NY
- Members Credit Union – Cos Cob, CT
- Michigan State University Federal Credit Union – East Lansing, MI
- North Side Community Federal Credit Union – Chicago, IL
- NorthCountry Federal Credit Union – Burlington, VT
- NRS Community Development Credit Union – Birmingham, AL
- Peninsula Community Federal Credit Union – Shelton, WA
- People's Trust Federal Credit Union – Houston, TX
- Point West Credit Union – Portland, OR
- Pyramid Federal Credit Union – Tucson, AZ
- Seattle Metropolitan Credit Union – Seattle, WA
- Seven Seventeen Credit Union – Warren, OH
- Telco Plus Credit Union – Longview, TX
- Turbine Credit Union – Greenville, SC
- Wakota Federal Credit Union – South St. Paul, MN
- Weststar Credit Union – Las Vegas, NV

Filene will work closely with each credit union to provide implementation expertise and resources throughout the pilot. Past projects in the Incubator have had tremendously positive results for credit unions and their members.

Those interested in participating in the pilot can [complete the request form](#) on [filene.org](#) [https://fileneresearchinstitute.formstack.com/forms/rmh_fi_testers] or contact Adam Lee at adaml@filene.org. **Final sign-up deadline is Sept. 15, 2016.**

About Filene: *Filene Research Institute is U.S.-based independent, [consumer finance think and do tank](#) dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking and cooperative finance. Founded more than 25 years ago, Filene is a 501(c)(3) nonprofit organization. More than 2,000 members make the nonprofit's research, innovation and impact programs possible. For more information, visit [filene.org](#) and [@fileneresearch](#)*

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