



*Financial Proficiency Course*  
*-FinPro-*  
**CONCEPT DOCUMENT**

**Team Feeling Light**

Mentor: Myranda Reasoner/MEMBERS1<sup>st</sup> Community Credit Union

Alicia Schroeder/1<sup>st</sup> Gateway Credit Union  
Cydney Porter/Dupaco Community Credit Union  
Tara Wareham/North Star Community Credit Union  
Brittney Dixon/MEMBERS1<sup>st</sup> Community Credit Union

## TARGET MARKET

*It's no secret that the more teens are prepared for adulthood, the more successful they will be in the future. We aim to give these young people the tools to follow all of their dreams in a financially responsible way...*

*High school students need a solid foundation of coaching and guidance in the area of finances so they can rest assured that they are starting adult life on the right foot. They need consistency in these teachings, extensive exploration of these subjects, and they need it presented to them in a way that considers who they are as individuals.*

## PROBLEM DEFINITION

*As branch employees, we see young people struggling with their finances on a day-to-day basis. We see the proof right in front of us that further, consistent, and inclusive education regarding finances and adult life is something that needs to happen. FinPro provides a promise that attending students will extensively learn, earn incentives, stay engaged, and in turn make smart financial choices.*

*We've all been there, right? A maxed-out credit card at 18, or an overdraft charge before we even knew what it was...personal experience is why FinPro needs to exist. Students need accounts, partnerships with credit unions, and most of all - the inside knowledge to be successful.*

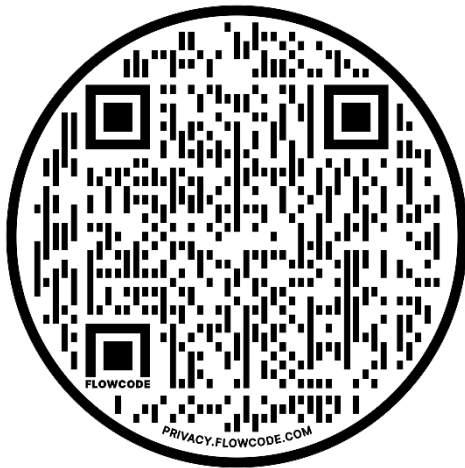
*How might we engage unbanked teenagers in Iowa with Financial Fundamentals?*

## INNOVATIVE SOLUTION

*We would like to introduce to you FinPro, our vision of a universal statewide Financial Proficiency course that partners unbanked teens and credit unions through one easy to use website. It is set up with a multi-unit curriculum over an 18-week span to help prepare teens for the real world. Not only will it help them construct a better understanding of the financial world, but it will also help partner them with credit unions to create lasting relationships. While taking courses with FinPro we will teach students about saving(s), credit, debit, loan(s), buying, selling, and many other financial responsibilities.*

## PROTOTYPE

*The FinPro site is specifically created for students to easily access their progress and worksheets, keep track of incentives, and see current/future course subjects. In addition, parents can use the site to educate themselves on what their child will be learning, and credit union executives can get a solid idea of what they would be participating in.*



## TESTING AND RESULTS

*In the beginning of our process, we wanted to gauge interest in a program such as this from students, high school faculty, and credit union employees. Even though we found that 57% of credit unions surveyed currently participate in a financial program with the schools, FinPro has many unique differences. We have also discovered that 55% of students surveyed said they know very little about personal finances, while just 7% say they have a good understanding of these concepts, and 38% answered that they were somewhat knowledgeable. In addition, we found that 90% of teachers surveyed believe a course like this would benefit students, and 60% believe an incentive program would be a good motivator to keep teens engaged.*

## BUSINESS MODEL AND PROFORMA

*The credit union movement is all about making a difference, right? FinPro, when put into action, would lean heavily on credit union employees not only for implementation, but the cost factor as well. But the beauty is that credit union employees like yourselves are passionate, caring, helpful individuals. We believe staff will easily be able to see the benefit of putting a small amount of money towards preparing young people for their monetary futures. It won't be difficult to find excellent financial coaches within each credit union that are enthusiastic about presenting their specialty in order to benefit students. The goal would be for local credit unions to partner with local high schools, so branch staff will see the magic happening right before*

*their eyes. Your organization would have the opportunity to bring in lifelong members that will keep coming back for the amazing knowledge they received while in school.*

*FinPro is not a money maker – not directly anyway. It’s a long-term investment in which the benefits will continue to develop in the coming years. In theory, employees could optionally donate per paycheck to a specialty fund for FinPro’s incentive costs – and that money could be tax deductible. The fact that our program can come to fruition with existing credit union employees means no specific salary or position needs to be created.*

## OPERATIONAL AND OTHER CONSIDERATIONS

*As we continue with this course and develop more relationships within the community, we may shift our focus to the even younger generation. FinPro could be adjusted and be implemented in middle schools as well. In the future, as these classes/courses continue to develop, we could potentially have opportunities to create intern positions for students or in the long term even open small branches inside of the schools. This would give students an even bigger opportunity to see all the greatness in credit unions and continue to inspire them to invest in their future well-being.*

## CALL TO ACTION AND NEXT STEPS

*One thing that we have learned from working in the credit union industry is “People Helping People.” With that statement, the earlier we start forming relationships and bonds with young people, the better opportunity we have to invest in their success for their future endeavors. A positive relationship will improve developmental connections not only in personal life choices but also professional.*

*To keep our idea moving forward and truly be able to make an impact, we need all credit unions to jump on board and be the next step in helping students succeed. Every credit union is full of knowledgeable employees with experience. If your employee can spare an hour a day for 2-3 days a week to in order to pass knowledge to young members, we know that their futures will be in good hands. Please help us continue to grow and positively impact the communities we serve in an inclusive and diverse setting. We as credit unions will continue to be “People Helping People.”*

## APPENDIX

- *The National Credit Union Foundation*
  - [\*The Twelve Development Issues\*](#)
  
- *Iowa Credit Union Foundation*
  - [\*Economic Realities of Communities of Color in Iowa: A Statewide Report\*](#)
  - *Graph – page 40*
  
- *East Marshall Middle and High Schools*
  - *7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup> grade student survey*
  - *School faculty survey*
  
- *Iowa Credit Union Employee Survey and Iowa Credit Union CEO Survey*
  - *MEMBERS1<sup>st</sup> Community Credit Union*
  - *Dupaco Community Credit Union*
  - *1<sup>st</sup> Gateway Credit Union*
  - *North Star Community Credit Union*

## ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at [filene.org](http://filene.org).

## ABOUT IOWA CREDIT UNION LEAGUE

The Iowa Credit Union League is the non-profit trade association representing the interests of Iowa’s state and federally chartered credit unions and their more than 1.6 million members. ICUL provides the following services to Iowa’s credit union industry:

- **Advocacy**—ICUL lobbyists hike the hill each year to speak with legislators in Iowa and Washington D.C. about the importance of credit unions and to discuss different issues affecting the industry. The legislative department also coordinates fundraisers for the Credit Union Political Action Committee (CUPAC) and manages and organizes grassroots involvement programs.
- **Regulatory Compliance**—Iowa credit unions are heavily regulated by the National Credit Union Administration and the Iowa Division of Credit Unions. In partnership with ViClarity, ICUL offers support and expertise to credit unions to help them understand and comply with these regulations. In addition, the regulatory department offers fee-based professional audit products that include 24/7 Compliance Support, Lending Audit Services, BSA Independent Tests, Regulatory Training and Website Compliance Audits.
- **Professional Development**—ICUL holds numerous professional development seminars for Iowa credit unions each year. This includes the Iowa Credit Union Convention, ICUL’s largest event of the year.
- **Management Consultation**—Experienced management consultants work with individual credit unions to help identify goals, challenges, and prepare for the future. The consultants have a strong credit union background, provide educated advice and personalized service.
- **Communications & Marketing**—The communications team works to increase awareness about credit unions through media outreach efforts, social media and the member engagement plan.

Learn more at [iowacreditunions.com](http://iowacreditunions.com).



# Team C4 (Collaboration 4)

## *The Trust Initiative*

### **CONCEPT DOCUMENT**

#### **TEAM MEMBERS AND MENTOR**

Aaron Van Gelder / Greater Iowa Credit Union

Bleys Simmonds / Affinity Credit Union

Dan Haack / Premier Credit Union

Nicole Fields / Linn Area Credit Union

Mentor: Nicole Huber/ DuTrac Community Credit Union

## TARGET MARKET

We would like to bring your attention to a most dire problem facing Hispanics in our state. At the start of our Innovation Group journey, we were presented with a new 2023 Iowa Credit Union Foundation (ICUF) report called Economic Realities of Communities of Color in Iowa: A Statewide Report.

Based on the eight indicators of financial health, Hispanics could use our help.

The unemployment rate is more than double those of whites, with an unemployment ratio of 2.9% for whites and 6.4% for Hispanics. When we look at housing, 73% of white Iowans own homes compared to 53% for Hispanic Iowans. Moving on to business ownership, 91.67% of businesses in Iowa are owned by whites compared to 6.53% of Hispanics. Looking at education, 42% of Hispanics have no high school diploma.

Credit unions can do more to help close the inequality gap between whites and Hispanics in our state.

America is a real 25-year-old non-English speaking Guatemalan native and a stay-at-home mother of two, currently residing in northeast Iowa. She and her husband would like to buy a house one day. He works for a cleaning service. They cash his checks 40 miles away and pay \$10 each time they use this service. They keep their money in a cardboard box at home.

## PROBLEM DEFINITION

When it comes to financial wellness, there are many contributing factors that need to be addressed to be considered financially healthy.

It's no secret there's a direct correlation between how much money one is likely to earn based on education level. A lack of education can be a substantial barrier to Hispanics in Iowa from the opportunities available in our state. If we could build stronger relationships with the Hispanic community in Iowa, it would give us the chance to educate them on the products and services we offer as well as have a dialogue about what their financial needs and goals are and do our best to meet them.

This led us to ask the question:

How might we build stronger relationships between under/unserved Hispanics in Iowa and Credit Unions?



## INNOVATIVE SOLUTION

Hispanic Iowans are the largest minority in the state. Minorities are more underbanked than white Iowans according to a 2019 study on poverty compiled by Prosperity Now. That means minorities either don't have access to a nearby credit union or don't see the necessity to find one. This is one reason that it is essential to meet them in locations they live in and frequently visit. We want to provide the opportunity to demonstrate how it will benefit them to use credit union products and services such as opening a checking account or having a credit card. This is a simple way to enrich our communities, by creating more financial education opportunities and beginning to develop more trust with the growing Hispanic population in Iowa.

Innovation doesn't always look like a brand-new idea never before seen. Adaptive innovation often means to not reinvent the wheel, but to use that wheel on a new type of vehicle. Lunchables didn't invent cheese and crackers, Spotify didn't invent media streaming, and Apple didn't invent the smartphone. What we are trying to do is take something that already exists, community outreach by credit unions, and repackage it into a way that can have a more meaningful impact in Hispanic communities.

## PROTOTYPE

C4's vision is to have credit union volunteers set up a table and chairs at local Hispanic gathering spots. These could be places such as church events, grocery stores or possibly restaurants. Of course, we would need to reach out to the event leader or store owner for permission first. Once set up, we will encourage folks to come and talk about credit unions, asking about their goals for the future and how they plan to achieve those goals. Once talking, we can then provide ways that credit unions could help them reach those goals. It is recommended that at these events there be at least one employee who can speak Spanish to help bridge any language barriers.

This idea doesn't have to be limited to any major city and can be used to reach communities where you don't have branches but are within your field of membership.

## TESTING AND RESULTS

Our team (C4) sent out surveys to Iowa Credit Union CEOs and interviewed numerous professionals who have a connection to the Hispanic population in Iowa.

The CEO survey was used to determine what is perceived as the highest priority action credit unions in Iowa need to take in order to effectively serve the Hispanic population across the state. The survey was completed by 12 Iowa Credit Union CEOs.

## BUSINESS MODEL AND PROFORMA

We chose the “Trust Initiative” concept as the ICUF report and our various interviews of professionals noted that people of the Hispanic population in Iowa often have low trust or lack of trust in financial institutions due to previous negative experiences. This concept allows credit unions to develop organic and authentic relationships that would promote trust. The “Trust Initiative” concept also encourages credit unions to embrace the cooperative principle of “Cooperation Among Cooperatives” by banding together with resources of time, talent, and finances.

Similar outreach initiatives are already underway by credit unions in the state of Iowa but they are primarily marketing focused. These initiatives have proven somewhat viable in creating trust through their ability to be adaptive and meet Hispanic people where they are (i.e. community events, festivals). The “Trust Initiative” would expand this effort by being present in neighborhoods, at places of worship, at places of work, grocery stores, etc.

Relationships were noted as a high consideration (and necessary success factor) to the “Trust Initiative” concept. By being able to adapt as needed and spend time in places familiar to the Hispanic population the relationships and trust would be established more organically and expediently. This would hopefully reduce possible levels of skepticism related to any ill perceived agendas/purposes/motives of the “Trust Initiative”.

Finally, the start-up cost is flexible as the concept can be run as a pilot program with something as simple as a tent and some tables/chairs. The concept can then be expanded over time to a full-fledged equipped mobile vehicle (providing education, services, products) as the concept is proven in specific areas. Time, talent, and financial considerations related to this expansion could be coordinated amongst cooperatives through the Iowa Credit Union League. Also, financial literacy materials are available for free and in Spanish through various programs (i.e. NCUA, 360degrees of Financial Literacy through the American Institute of CPAs).

## OPERATIONAL AND OTHER CONSIDERATIONS

This concept can easily be adapted to the needs of different credit unions in their unique markets. By starting out with a simple tent, this portable option can be applied similarly to Boost Mobile and like pop-ups in any desired location for success. Local markets, city parks, sports complexes, locally owned restaurants and shops, and special events would all be ideal places to set up a kiosk as well as more remote workplaces like meat-packing plants. One thing to consider if a mobile vehicle is obtained in the future is that it may limit the location options to only locations with available parking. Eventually having both a tent and a vehicle available would provide flexibility to suit a wide range of desired locations.

While our main focus with this project has been Iowan Hispanics, we see our concept as being very flexible and easily tailored to fit any desired demographic. With unlimited custom options,

this is a concept that we see being highly successful. This is something many credit unions are already doing; however, it may not have been targeted toward a particular demographic that could most use our resources. It is extremely feasible for those that already post stands at community events to shift the focus and locations to suit a specific market, such as Hispanic community members. For those who do not already post stands at community events, this is a low cost and low risk way to branch out into the community.

## CALL TO ACTION AND NEXT STEPS

By the year 2050, minority and mixed-race populations will become the majority population in the United States. If no action is taken by our credit unions now, a huge portion of the market will be left unclaimed when that time comes. By inserting credit unions staff and caring financial services directly into these minority communities, trust and relationships will be built that will last for decades to come. Trust is earned when actions meet words. Together, let's take our Lunchables and build them into beautiful charcuterie boards! Thank you!

## APPENDIX

Our CEO survey contained four questions with the following results:

Question #1: From your perspective as a Credit Union CEO, please rank the following in order of priority, importance, and urgency related to credit unions and serving the Hispanic population in Iowa (1=Highest Priority...4= Lowest Priority).

Outcomes:

- 1=Financial education (personal finance, how the US financial industry operates, etc.)
- 2=Offering credit union services/products in Spanish
- 3=Establishing personal/business relationships with people from the Hispanic community
- 4=Offering or expanding ITIN lending

Question #2: Please further explain your answer to question #1 and your rationale behind the ranking order you chose?

Outcomes:

- \*CEOs viewed financial education as foundational to all other outcomes due to establishing the knowledge and behaviors needed to financially thrive
- \*CEOs communicated that overcoming language barriers allows relationships and trust to be effectively developed through services
- \*CEOs felt that relationships could be established through financial education and overcoming the language barrier, but further intentional efforts would be beneficial
- \*CEOs shared they thought ITIN lending would naturally expand or start once the other foundational outcomes were in place

Question #3: From your perspective, what does your credit union do very well related to reaching and serving the Hispanic population in your field of membership?

Outcomes:

- \*Having bilingual staff
- \*Having a website and printed materials in Spanish
- \*Offering ITIN loans for auto, personal, home equity, and first-time mortgages
- \*Branch locations convenient to densely populated Hispanic areas of Iowa
- \*Having a presence at local events/festivals connected to the Hispanic population

Question #4: From your perspective, what does your credit union need to improve upon related to reaching and serving the Hispanic population in your field of membership?

Outcomes:

- \*Having more bilingual staff

- \*Paperwork, documents, and marketing materials translated into Spanish
- \*Better training on ITIN lending parameters/opportunities
- \*More active presence at Hispanic events, festivals

Question #5: On a scale of 1-10, how interested would you be in learning about (or expanding your knowledge related to) effectively reaching and serving the Hispanic population in Iowa through credit unions? (1=Not interested....10=Extremely interested)

Outcomes:

Avg. Score of 7

## ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at [filene.org](http://filene.org).

## ABOUT IOWA CREDIT UNION LEAGUE

The Iowa Credit Union League is the non-profit trade association representing the interests of Iowa’s state and federally chartered credit unions and their more than 1.6 million members. ICUL provides the following services to Iowa’s credit union industry:

- **Advocacy**—ICUL lobbyists hike the hill each year to speak with legislators in Iowa and Washington D.C. about the importance of credit unions and to discuss different issues affecting the industry. The legislative department also coordinates fundraisers for the Credit Union Political Action Committee (CUPAC) and manages and organizes grassroots involvement programs.
- **Regulatory Compliance**—Iowa credit unions are heavily regulated by the National Credit Union Administration and the Iowa Division of Credit Unions. In partnership with ViClarity, ICUL offers support and expertise to credit unions to help them understand and comply with these regulations. In addition, the regulatory department offers fee-based professional audit products that include 24/7 Compliance Support, Lending Audit Services, BSA Independent Tests, Regulatory Training and Website Compliance Audits.
- **Professional Development**—ICUL holds numerous professional development seminars for Iowa credit unions each year. This includes the Iowa Credit Union Convention, ICUL’s largest event of the year.
- **Management Consultation**—Experienced management consultants work with individual credit unions to help identify goals, challenges, and prepare for the future. The consultants have a strong credit union background, provide educated advice and personalized service.
- **Communications & Marketing**—The communications team works to increase awareness about credit unions through media outreach efforts, social media and the member engagement plan.

Learn more at [iowacreditunions.com](http://iowacreditunions.com).



# *Road to Caring Toolkit* **CONCEPT DOCUMENT**

## Team Keluja

Jeremy Smith, Mentor, Affinity Credit Union  
Luci DeBo, DuTrac Community Credit Union  
Jason Ockerman, Ascentra Credit Union  
Keaton O'Neill, North Iowa Community Credit Union

## TARGET MARKET

Beginning in February, we began researching financial disparities which were presented to us through the Iowa Credit Union Foundation and Filene Research Institute. Our primary resource was the Economic Realities of Communities of Color in Iowa report from the Iowa Credit Union Foundation. After assessing and reassessing the variety of financial hardships facing modern Iowans, our focus was drawn towards the institution of childcare. We believe that childcare has been massively underrepresented in terms of issues that deserve attention. Childcare affects Iowans regardless of social demographic, and it impacts the entire economy of the state as well.

## PROBLEM DEFINITION

The driving force behind the focus is the economic impact that the lack of childcare has on the state of Iowa. Nearly \$987 million dollars per year is lost in terms of economic impact because childcare is either unaffordable or inaccessible to the average Iowan. Iowa is the number one state in the nation in terms of both parents working outside the home. This means that 80 percent of Iowa mothers participate in the labor force. 35 percent of Iowans live in a childcare desert. In addition, our survey results compiled from credit union employees only solidified our commitment to raising awareness concerning accessible childcare in Iowa. This is due to the majority of respondents considering our issue to be one of a severe nature, but also an issue which credit unions are currently undervaluing.

## INNOVATIVE SOLUTION

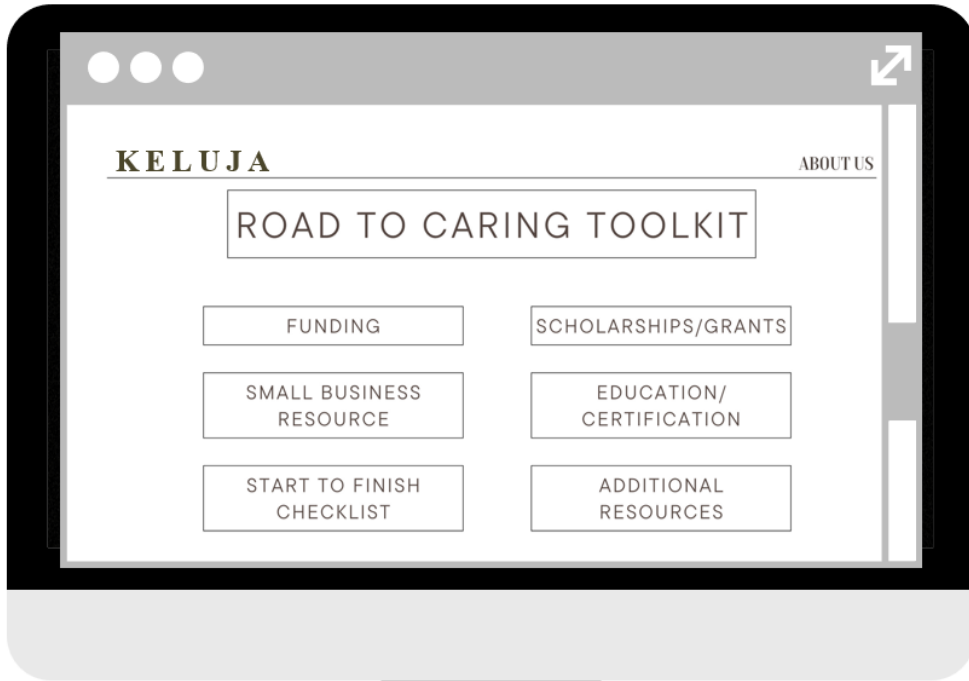
In terms of how credit unions can possibly begin to solve an issue as broad and impactful as childcare, many options were considered prior to our final concept. These concepts naturally came from a sort of 'Credit Union Mindset' which limited our scope to financial products. Initially, our group explored the idea of a grant or scholarship program which would focus on either students considering the field of childcare or existing child care centers. Afterwards, a loan product was considered as a possible avenue for assistance in the field. Our meetings established that these products do not necessarily fix what we believe to be a large part of the problem - the perception of childcare in Iowa. Our proposed website would not only offer resources, but additional information regarding the field of childcare in the hopes that the general public may be made aware of all of the existing products which credit unions offer that had perhaps not been considered viable to those impacted.



The website that we are constructing is being designed with both ease of understanding and usage kept in mind. The goal for the website is to construct a platform that is widely available to all Iowa credit unions to use at their discretion in order for their membership or staff to learn more about the challenges, resources, and details concerning the subject of childcare. While grants and scholarships seem to be the most popular solution in terms of combating the staffing issues that face childcare providers and therefore those who need childcare, the information and awareness regarding the industry seems to curtail any further action taken by those with the power to affect any tangible level of change.

### PROTOTYPE

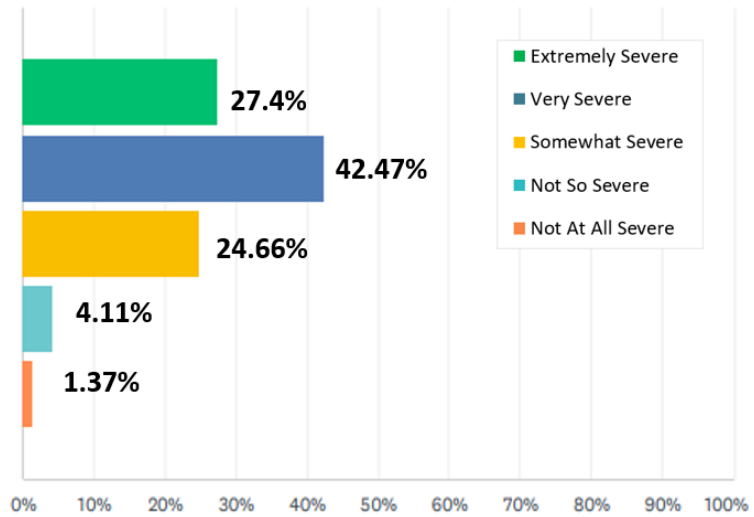




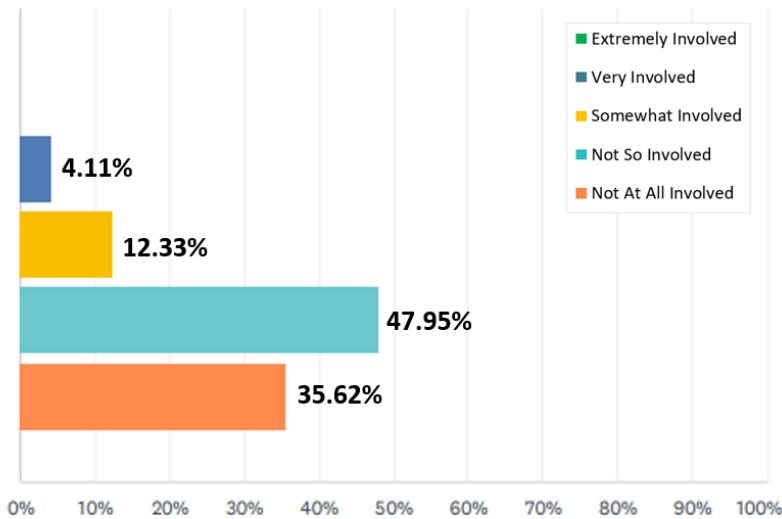
## TESTING AND RESULTS

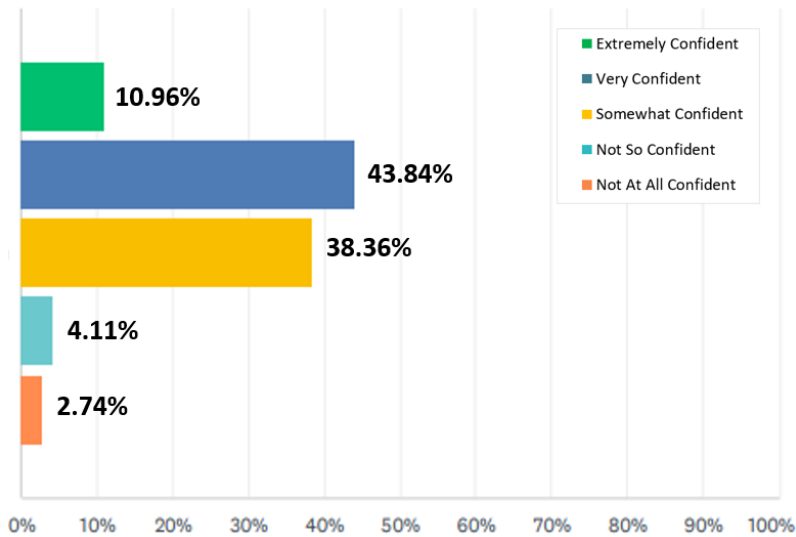


### HOW SEVERE OF AN ISSUE IS CHILDCARE IN IOWA?



### HOW INVOLVED ARE CREDIT UNIONS IN ADDRESSING THE ISSUE OF CHILDCARE IN IOWA?





**WOULD THE  
CHILDCARE TOOLKIT  
WEBSITE SHOWN BE  
BENEFICIAL IN  
PROMOTING AND  
ASSISTING MEMBERS  
IN BECOMING  
CHILDCARE  
PROVIDERS?**

## CALL TO ACTION AND NEXT STEPS

Childcare affects all demographics in Iowa equally, to such an extent that our state's economy is affected equally regardless of skin color and whether or not the focus is shifted to rural or urban communities. Throughout the past several months, the most impactful takeaway from our research would no doubt lie in the revelation that childcare in Iowa is not only inaccessible and unaffordable, but the lack of widespread awareness concerning the childcare industry creates a unique barrier that disincentives further investments or legislative representation that would no doubt benefit Iowan residents. Our website is designed with ease of understanding and universality as a priority for the general public, childcare providers, and parents and remains our preferred solution in an electronic age.

## ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at [filene.org](http://filene.org).

## ABOUT IOWA CREDIT UNION LEAGUE

The Iowa Credit Union League is the non-profit trade association representing the interests of Iowa’s state and federally chartered credit unions and their more than 1.6 million members. ICUL provides the following services to Iowa’s credit union industry:

- **Advocacy**—ICUL lobbyists hike the hill each year to speak with legislators in Iowa and Washington D.C. about the importance of credit unions and to discuss different issues affecting the industry. The legislative department also coordinates fundraisers for the Credit Union Political Action Committee (CUPAC) and manages and organizes grassroots involvement programs.
- **Regulatory Compliance**—Iowa credit unions are heavily regulated by the National Credit Union Administration and the Iowa Division of Credit Unions. In partnership with ViClarity, ICUL offers support and expertise to credit unions to help them understand and comply with these regulations. In addition, the regulatory department offers fee-based professional audit products that include 24/7 Compliance Support, Lending Audit Services, BSA Independent Tests, Regulatory Training and Website Compliance Audits.
- **Professional Development**—ICUL holds numerous professional development seminars for Iowa credit unions each year. This includes the Iowa Credit Union Convention, ICUL’s largest event of the year.
- **Management Consultation**—Experienced management consultants work with individual credit unions to help identify goals, challenges, and prepare for the future. The consultants have a strong credit union background, provide educated advice and personalized service.
- **Communications & Marketing**—The communications team works to increase awareness about credit unions through media outreach efforts, social media and the member engagement plan.

Learn more at [iowacreditunions.com](http://iowacreditunions.com).



# *C. U. @ Home*

## **CONCEPT DOCUMENT**

### **TEAM MEMBERS**

April Cutler/ Community 1<sup>st</sup> Credit Union  
Makayla Thompson/ Financial Plus Credit Union  
Monica Tellinghuisen/ Veridian Credit Union  
Taylor Morris/ Collins Community Credit Union

## TARGET MARKET

Homeownership has long been thought of as one the defining aspects of the American Dream. Owning a home has historically been one the best ways families and individuals can build wealth. As homeowners make their monthly payments, they accumulate wealth through the equity in their home. Homes values historically appreciate, thereby creating a great vehicle for building wealth.

However, homeownership has been less accessible for Black Americans historically and still today, especially in Iowa. According to research from the National Association of Realtors, 75% of White Iowans own their homes, while just 31% of Black Iowans do (Yun, Lautz, Evangelou, Snowden, & Dunn, 2023).

Many trace the roots of the current disparities in Black wealth and homeownership to a practice called redlining. *Mapping Inequality: Redlining in New Deal America* describes how the federal government's Home Owners' Loan Corporation (HOLC) began the practice:

HOLC created area descriptions to help to organize the data they used to assign the grades. Among that information was the neighborhood's quality of housing, the recent history of sale and rent values, and, crucially, the racial and ethnic identity and class of residents that served as the basis of the neighborhood's grade. These maps and their accompanying documentation helped set the rules for nearly a century of real estate practice. (Nelson, Winling, Richard, Connolly, & al., 2023)

The Federal Housing Administration (FHA) and HOLC were both created in the Great Depression with the purpose of helping stabilize the housing market and helping White Americans build homes or avoid foreclosure on their homes. Unfortunately, the impact of this prevented investment in Black and other minority neighborhoods and caused additional segregation by keeping Black families out of new and existing White neighborhoods. Although the Fair Housing Act of 1968 banned redlining, the resultant domino effect of the practice of redlining continues to prevent investment in Black and other minority neighborhoods today. Many White families have amassed wealth via homeownership and have passed that wealth down within their family, while many Black families were denied that opportunity.

Beyond these historical factors, Black Americans face several other challenges that make achieving homeownership more difficult. Only about 6% of real estate agents are Black and just 9% of mortgage loan officers are Black (Data USA, 2023), (Zippia, 2023). Research has found that White loan officers are less likely to complete mortgage loan applications for minority borrowers than White borrowers, and the gap shrinks significantly when the loan officer is a minority (Frame, Huang, & Sunderam, 2022). The authors theorize the minority loan officers

prioritize documenting additional income and other factors during the underwriting process that may help the application get approved during the underwriting process.

A high debt-to-income ratio (DTI) is a common reason mortgage applications for Black Americans are declined (Carr & Zonta, 2022). Unfortunately, Black Americans face challenges on both sides of the ratio. The median household income for a Black Iowan is \$37,530, while the median household income for a White, not Hispanic or Latino Iowan, is \$67,458 (Iowa State Data Center, 2023). This will create challenges when trying to qualify for a conventional mortgage. And when it comes to debt, Black Americans tend to struggle with debt more. Even when the debt is “good debt” like mortgages and student loans, it is often at less favorable terms than White Americans (Hasan, Lucas McKay, & Smith-Ramani, 2022). Mortgage debt for Black Americans tends to be higher cost and riskier and Black Americans tend to owe more on less valuable homes than White Americans (Carr & Zonta, 2022).

If a Black Iowan is unfamiliar with mortgages, the real estate market, and financial institutions, navigating through these issues could present a significant challenge. They would need to know or learn how to shop around for mortgage rates, find a home that meets the buyer's needs and is in budget, financially prepare for a homeownership while navigating overt and covert racism.

## PROBLEM DEFINITION

Mary is African American and works full time at a credit union. She has three kids who are 13, 8, and 3 years old. Her partner is self-employed doing part time landscaping, so he can work around their kids' schedules. She has decent credit with around \$20,000 in student loans and an auto loan. She is currently renting an apartment where the landlord is accusing them of smoking when in fact they do not, and her kids have to share rooms. She is ready to buy a house and is looking for something where each of her children would have their own room. Saving enough for a down payment feels out of reach right now, and with conventional mortgage lending options, she does not qualify for a mortgage amount high enough to pay for a house that meets her family's needs.

Mary is not alone in her struggles. Because many Black families have less wealth to start with, Black students take out more in student loans and take longer to pay them off (Sullivan, Meschede, Shapira, & Escobar, 2019). Mary's student loan payments were part of the equation that prevented her from qualifying for a conventional mortgage for a home that would meet her family's needs. Childcare is a high-cost burden on many families, so they must make decisions about if and how much they should work to limit childcare costs. And additionally in Polk County, the median home price is \$283,978, so a 10% down payment would be \$28,340, which can be a significant challenge (National Association of Realtors, 2023).

Our team has worked on the question of how might we support Mary and other Black and African American Iowans throughout the process of achieving homeownership.



## INNOVATIVE SOLUTION

To help address this issue, we have designed C.U. @ Home, a homebuyer advocacy group, to provide a comprehensive and personalized approach to guide homebuyers on their homeownership journey. Our mission is to empower Black and African American Iowans and ensure that all homebuyers receive the treatment and care they deserve.

Nurses, doulas, and other healthcare professionals inspired C.U. @ Home. While a medical event is quite different from getting a mortgage, we saw similarities in that the medical field and real estate are both filled with jargon, bureaucracy and most people do not easily become an expert in dealing with them. Our approach is founded on three pillars: personalized support, holistic guidance, and partner lending referrals.

### Personalized Support

Every homebuyer is unique, and we understand their diverse challenges. C.U. @ Home assigns dedicated advocates to each homebuyer to provide individualized attention and support. Our advocates will understand each homebuyer's cultural and socio-economic context, ensuring a sensitive and understanding approach. We understand the financial industry is opaque to people who do not work in it every day. It is filled with acronyms (DTI, LTV, etc.) and financial jargon (*e.g.*, escrow). Our C.U. @ Home advocates can meet clients where they are, so they feel comfortable and welcome through the entire process.

### Holistic Guidance

C.U. @ Home is designed to work with homebuyers at every stage of the home-buying process, providing guidance and support. The process starts with an assessment to understand each of the homebuyer's needs, financial situation, and preferences. C.U. @ Home then equips the clients with essential knowledge that includes budgeting, credit management, and mortgage options. When the clients are ready, C.U. @ Home will assist with the property search and negotiation to ensure fair and informed decisions. C.U. @ Home also connects home buyers with any financial assistance available. C.U. @ Home will help clients to take advantage of all various funding and grant options, so clients end up in the best situation possible. C.U. @ Home advocates remain involved through the closing process to assist through any hurdles that come up in the process. This allows a smoother transition to homeownership.

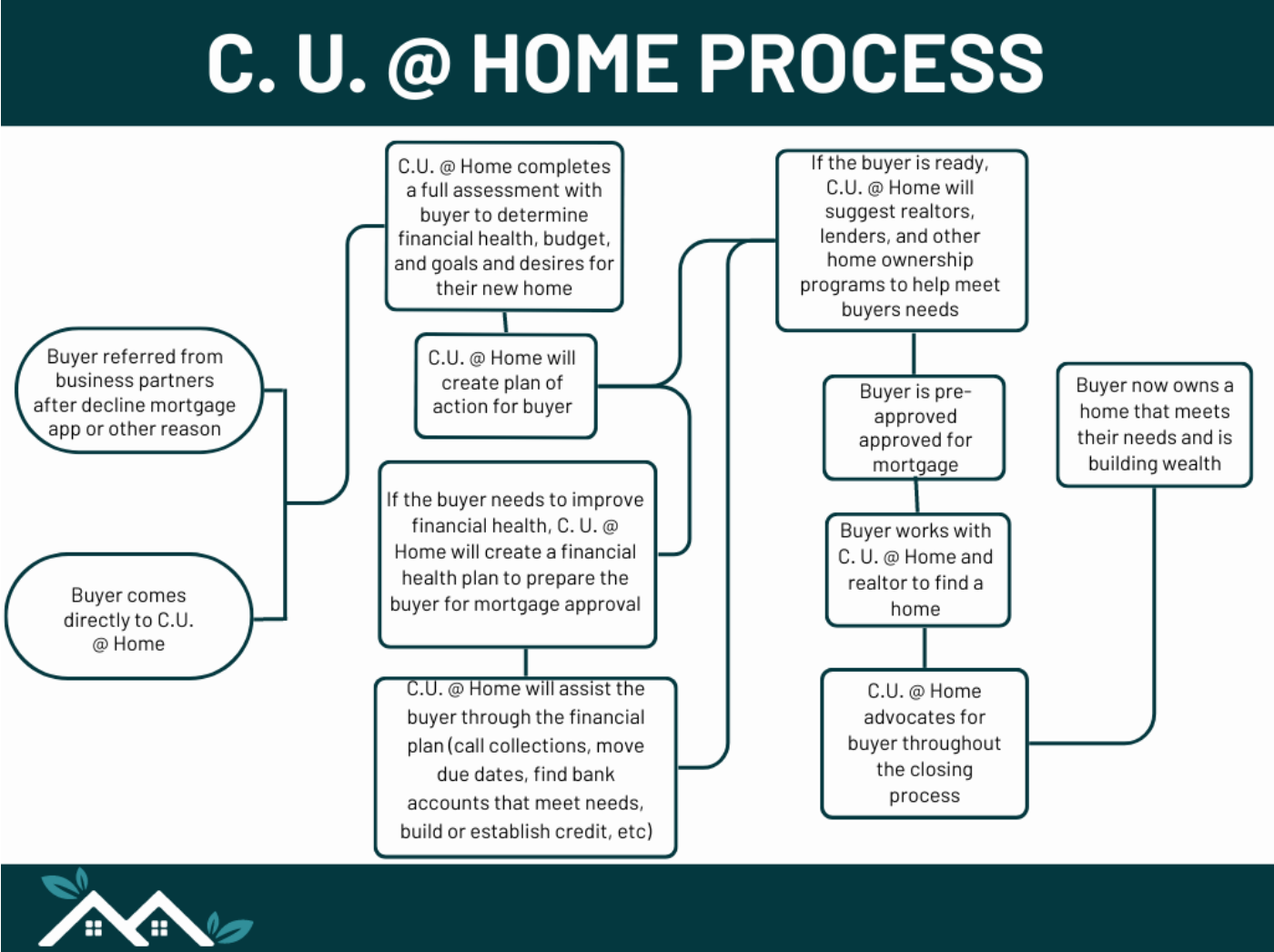
## Partner Lending Referrals

We believe that forging solid partnerships with mortgage lenders is crucial to expanding homeownership opportunities. C.U. @ Home collaborates with mortgage lenders who share our commitment to diversity and equity. These partner lenders can refer declined applicants and others they believe could benefit from working with our advocacy group. In turn, we refer homebuyers to our partner lenders, creating a mutually beneficial relationship that helps more individuals achieve their homeownership dreams.

Partnership with C.U. @ Home does more than just bringing in mortgage referrals. C.U. @ Home will create loyalty to the partnered credit unions from the clients it helps. Homeownership will help more members build wealth, and potentially use more products at their credit unions. Additionally, as a part of a client's financial plan, C.U. @ Home may recommend more products at participating credit unions when it helps meet the client's goals. C.U. @ Home will help facilitate a more diverse membership base. And finally, C.U. @ Home is an investment in living out the cooperative principles of Education, Training, and Information; Concern for Community; and Diversity, Equity, and Inclusion.

PROTOTYPE

In the flowchart below, we have outlined what the process of home buying would look like for a person working with C.U. @ Home.



One key feature of this process is that is responsive to the needs of whoever is working with C.U. @ Home. If someone does not need much financial support ahead of applying for a mortgage, they can move on to getting matched with realtors, programs, and lenders that meet their needs. However, if someone needs that support, C.U. @ Home is ready to help.

This leads to another one of the benefits to people working with C.U. @ Home. C.U. @ Home is designed to help home buyers through the entire process, from before there is a mortgage application, all the way through to closing. C.U. @ Home clients do not just receive a financial plan to get approved or matched with a first-time homebuyer grant and then left on their own

to wonder what happens next. C.U. @ Home supports its clients the whole way. If something happens during the inspection or appraisal, C.U. @ Home is there to help.

Beyond these benefits, C.U. @ Home advocates are not swayed by commission, so no one is pushing clients into a home or a decision just so they can get a check. C.U. @ Home advocates are on their client's side every step of the way.

C.U. @ Home will prioritize hiring home buying advocates that come from the communities they serve. Black and African American home buying advocates can best navigate the financial and real estate jargon, ensure that problems Black and African American lowans might encounter during the home buying process are adequately addressed, and more quickly build trust with their clients. This will also help prevent the group from replicating the dominant power structures in the state that have allowed the problem to exist and persist.

## TESTING AND RESULTS

We conducted two surveys of credit union leaders in Iowa to solicit their feedback on C.U. @ Home. Our first survey was of high-level credit union employees who were generally part of the senior team of credit unions across Iowa. Eighteen people responded. After reviewing our flow chart describing the C.U. @ Home process and asked, "how likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?" On a scale from 1-10, the average response was 8.37 with a standard deviation of 1.72. The rest of the questions were open-ended. The main concerns participants responded with were the cost of the program and how to ensure that members referred to C.U. @ Home would end up back at the referring credit union. Survey Respondent 12 asked, "What is the cost and who is paying for it? If the CU is paying for it, what guarantee is there that the buyer comes back to the CU for financing?". When asked how the program could benefit their credit unions, the respondents often noted that it would align well with their credit unions' missions and help more members become homeowners. When asked how their credit union could benefit from the program, Survey Respondent 3 said the program would help their credit union, "Grow a loyal membership base from a typically underserved part of the market. Develop a more diverse group in the credit union's field of membership. Improve communities by growing home ownership."

Our second survey targeted Iowa credit union CEOs. We received six responses. We also had technical difficulties with this survey. Specifically, the scale of how likely the CEOs would be to support the different variations of the idea independently changed while the survey was out, which made developing averages impossible. The CEOs cited similar reasons why C.U. @ Home could benefit their credit union. Survey Respondent 3 said, "This would help build further relationships with the community and help gain future membership". We also gained insights into the kind of training CEOs would expect for C.U. @ Home advocates with most CEOs expecting exceptional knowledge of financial coaching and the mortgage process.

Both surveys did not have a high response rate, which could make the findings less valid. We did appreciate the feedback we received, especially the qualitative open-ended feedback. This allowed us to consider items we had not considered and make the concept stronger. We did try to solicit feedback from Black and African American Iowans directly on our concept but struggled to get the survey out to respondents.

To make up for this, we used data collected by Angela Weekly for Veridian Credit Union's participation in the Racial Economic Equity Incubator to learn more about how Black and African American Iowans are feeling and experience regarding their finances. The survey focused on African Americans in the Black Hawk County area. When asked which community services would be most valuable to the respondents to help build wealth, almost 55% selected affordable homeownership in their top five choices, and 46% selected credit coaching within their top five. 49% chose credit coaching as a top three option of a financial service offered through a bank or credit union that would be most valuable for building wealth. 42.7% of the respondents were homeowners and 20.7% were struggling with housing in some way, whether it be renting or buying. When defining wealth, forty respondents answered the question. Seven referenced the idea of wealth being passed down generationally and seventeen referenced ideas about having money left over after paying for basic needs to either save or avoid debt and feeling comfortable.

## BUSINESS MODEL AND PROFORMA

We see C.U. @ Home being most successful if housed within the Iowa Credit Union League's (ICUL) family of companies operating as a nonprofit organization, so it can take advantage of various grant funding opportunities related to housing. We would like to keep the cost minimal for buyers but see opportunities for an income-based charge for using C.U. @ Home services, especially for those who self-refer to the group rather than getting a referral from a participating credit union.

In its first few years, just one or two people would staff C.U. @ Home and it would focus on just one area of Iowa. As it grows, C.U. @ Home could hire more people and expand to the whole state. The staff working at C.U. @ Home should have extensive knowledge of the mortgage process and what it takes to receive a mortgage approval, the real estate environment in the area, the various programs and grants available to help homeowners, and have deep connections to the Black and African American community. In terms of soft skills, they should be adept at translating real estate and financial jargon into understandable language, good at putting people at ease, and fierce advocates for their clients.

We are aware that finding the perfect candidate that checks all the experience and skills boxes will present a significant challenge. Connection to Black and African American communities and

soft skills should therefore be prioritized. The training regimen for a C.U. @ Home advocate would be customized to their background. ICUL offers several training opportunities that could supplement any gaps in knowledge. These include Mortgage Loan Officer, Collections and Bankruptcy, IRA, Lending School, DEI Roundtable, and Financial Coach Training. If the staff needs more extensive training, C.U. @ Home would look to programs through the Center for Financial Training and Education Alliance.

C.U. @ Home would need to develop several processes to ensure that its services are consistent and effective. The most important process to develop would be the intake assessment of the home buyer's needs, wants, and financial health to ensure that it gathers enough information but is not too burdensome for the home buyer. Additionally, there would need to be a process for matching the home buyer with lenders that meet their needs and financial situation, but also honors the home buyer's potential existing relationships with their credit union or other financial institution. Additional processes would need to be developed to keep track of clients and where they are in the process, as well as ways to keep clients engaged and motivated during what can be the loan process of improving their financial health.

## OPERATIONAL AND OTHER CONSIDERATIONS

To keep startup costs low and to ensure C.U. @ Home develops good processes and procedures, the group will begin in just one area of Iowa and focus on helping Black and African American Iowans. As popularity and supporting funds grow, C.U. @ Home will expand its offerings to cover the entire state. C.U. @ Home should begin in areas with higher concentrations of Black and African American Iowans and grow from there.

Another important consideration is that Black and African American Iowans are not the only group who struggle with parity to White Iowans in homeownership. C.U. @ Home advocates can and will work with other groups facing similar problems, though the initial outreach will focus on the Black and African American community. As C.U. @ Home grows, additional employees could be hired to focus on other communities that may have challenges during the homeownership process, such as Hispanic Iowans, disabled Iowans, and small business owners in the state.

## CALL TO ACTION AND NEXT STEPS

Mary worked for a credit union and was familiar with other options for her to pursue homeownership. She ended up working with Habitat for Humanity to get her home. However, not everyone has the same level of financial literacy and knowledge of homeownership that Mary does. Credit unions should proactively work to reach Black and African American Iowans and help them achieve homeownership. Supporting C.U. @ Home would offer a one stop shop

for Black and African American Iowans to get financial advice and access to homeownership programs in Iowa.

As credit union employees, we are guided by the Cooperative Principles. The first principle, Voluntary and Open Membership, calls us to serve people regardless of their race, gender, or financial situation. Supporting C.U. @ Home would allow credit unions to better serve their Black and African American members.

The seventh cooperative principle, Concern for Community, calls on credit unions to work for the sustainable development of communities. Black and African American Iowans have been historically left out of community development efforts or the efforts intentionally harmed Black and African American communities. Supporting C.U. @ Home would help develop the Black and African American community in Iowa.

And finally, the eighth cooperative principle, Diversity, Equity, and Inclusion, calls on credit unions to take a leadership role in fostering diverse, equitable and inclusive communities. Because C.U. @ Home is focused on assisting Black and African American Iowans on their journeys to homeownership, it would help build wealth and make Iowa homeowners a more diverse and inclusive group.

The comprehensive structure of C.U. @ Home ensures that at no part of the home buying process do any of its clients wonder what happens next or what something means. However, any additional support from credit unions would be beneficial so more Black and African American Iowans can become homeowners and achieve more financial health. Just as many systems worked together to create the wealth and homeownership gaps, it will take collaboration from many groups to bring about real equality and equity for Black and African American Iowans. We hope you and your credit unions will commit to becoming part of the solution.

## APPENDIX

### Works Cited

- Carr, J. H., & Zonta, M. (2022). *2022 State of Housing in Black America: The Elusive Dream of Black Homeownership*. Lanham: National Association of Real Estate Brokers.
- Data USA. (2023, August 23). *Real Estate Brokers & Sales Agents*. Retrieved from Datausa.io: <https://datausa.io/profile/soc/real-estate-brokers-sales-agents#ethnicity>
- Frame, S., Huang, R. M., & Sunderam, A. (2022). *The Impact of Minority Representation at Mortgage Lenders*. Cambridge, MA: National Bureau of Economic Research.
- Hasan, T., Lucas McKay, K., & Smith- Ramani, J. (2022). *Disparities in Debt: Why Debt is a Driver in the Racial Wealth Gap*. Washington, DC: Aspen Institute Financial Security Program.
- Iowa State Data Center. (2023, August 23). *Median household income, median family income, median nonfamily income, and per capita income by race and Hispanic or Latino origin*. Retrieved from iowadatacenter.org: <https://www.iowadatacenter.org/index.php/data-by-source/american-community-survey/median-income-per-capita-income>
- National Association of Realtors. (2023). *County Median Home Prices and Monthly Mortgage Payment*.
- Nelson, R. K., Winling, L., Richard, M., Connolly, N., & al., e. (2023, August 9). *Introduction*. Retrieved from Mapping Inequality: Redlining in New Deal America: <https://dsl.richmond.edu/panorama/redlining/#loc=5/39.1/-94.58>
- Sullivan, L., Meschede, T., Shapira, T., & Escobar, F. (2019). *Stalling Dreams: How Student Loan Debt is Disrupting Life Chances and Widening the Racial Wealth Gap*. Waltham: The Heller School for Social Policy and Management Institute on Assets and Social Policy.
- Yun, L., Lautz, J., Evangelou, N., Snowden, B., & Dunn, M. (2023). *2023 Snapshot of Race and Home Buying in America*. Washington, DC: National Association of Realtors Research Group.
- Zippia. (2023, August 23). *Loan Officer Demographics And Statistics in the US*. Retrieved from Zippia.com: <https://www.zippia.com/loan-officer-jobs/demographics/>



## **SURVEY RESULTS**

### **SURVEY 1: HIGH LEVEL CREDIT UNION EMPLOYEES' RESPONSES**

#### **Respondent #1**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Vp*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*7*

**Q4 What questions or concerns do you have about a program like this?**

*What is the cost or how is it funded?*

**Q5 How would your credit union benefit from this type of program?**

*Another option for members that don't qualify for a traditional loan*

**Q6 What programs or processes does your credit union have for increasing diversity in lending?**

*Treat everyone on the same, don't assume someone doesn't qualify*

#### **Respondent #2**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Community Inclusion Strategist*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

**Q4: What questions or concerns do you have about a program like this?**

*I don't have concerns I think it's a good idea. My question is who would oversee the collaboration? How would we ensure African Americans are a part of the leadership and development of the collaborative community?*

**Q5: How would your credit union benefit from this type of program?**

*I think it would support and align with our current Racial Economic Equity Incubator with the Filene Institute*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*Veridan Credit Union provides: IDA program, Financial Inclusion, Mortgage Home buyer workshop, Credit Coaching*

**Respondent #3**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*CFO*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*8*

**Q4: What questions or concerns do you have about a program like this?**

*Has this been done elsewhere? What were the outcomes for homeowners and for the financial institutions? What on-going work will be done to continue helping the members? What alternative resources are available for borrowers who would be in the program? Does this overlap with any other programs?*

**Q5: How would your credit union benefit from this type of program?**

*Grow a loyal membership base from a typically underserved part of the market. Develop a more diverse group in the credit union's field of membership. Improve communities by growing home ownership.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*Access to underwriting algorithms/software that would provide less bias during the underwriting process. Experience assessing alternative sources of underwriting that would be less dependent on credit score alone.*

**Respondent #4**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*VP of Marketing*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*10*

**Q4: What questions or concerns do you have about a program like this?**

*How easy is it to utilize? Is it digital? What tools do you have to help CU's promote the tool, if we partnered with you? Is it expensive? Can we track the results?*

**Q5: How would your credit union benefit from this type of program?**

*We're currently initiating a project to focus on the growth of African American mortgage loans. Your advocacy program would help us educate and guide African Americans through the process.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*We have a few programs that help us serve the underserved: PAL's and 1st time home buyer grants (both funded by CDFI grants). We also have a bilingual community development program that helps focus our efforts in diverse lending.*

**Respondent #5**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Branch manager*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*10*

**Q4: What questions or concerns do you have about a program like this?**

*NA*

**Q5: How would your credit union benefit from this type of program?**

*We have lots of members that want to purchase but don't know how start or if they qualify*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*Unknown*

## **Respondent #6**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Chief Operating Officer*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*9*

**Q4: What questions or concerns do you have about a program like this?**

*I love the overall thought process and plan. The main question would be logistics and sustainability. Is this program a virtual program, how many employees and how is it funded?*

**Q5: How would your credit union benefit from this type of program?**

*It could have a significant impact on the ability to reach those that currently do not qualify for a home. These programs take time to implement and to potentially improve/repair individuals credit scores but overall I love the focus and thought process of this program!*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*We have multiple processes in place and have focused on overall communication, education and currently have a grant that helps 1st time homebuyers with little to no down payment get into homes. I believe we do a good job of helping all those in need but there are always opportunities to improve.*

**Respondent #7**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*VP of Mortgage*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*10*

**Q4: What questions or concerns do you have about a program like this?**

*Across many minority groups, trust and belief in the process is important. While the above process may work, the only way to have long term success from the denial to approval stage is based on the efforts and follow up of the homebuyer advocate group. I think the biggest hurdle is getting the person to commit to the process that sometimes can take 1-2 years.*

**Q5: How would your credit union benefit from this type of program?**

*Nothing but positives for CU and community.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*We created an IH first time home buyer program that has greatly benefited our minority lending. We are currently working through a process (like the above) to get members from denial to pre-approval, but it takes a group effort beyond just the mortgage dept.*

**RESPONDENT #8**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Executive*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*8*

**Q4: What questions or concerns do you have about a program like this?**

*No questions, it is an idea that could provide significant benefit*

**Q5: How would your credit union benefit from this type of program?**

*It benefits all in that those who most need assistance and direction would be able to get it*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*We constantly look for ways to say yes, or at least ways to assist in moving a dream forward*

## **RESPONDENT #9**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*upper management*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*10*

**Q4: What questions or concerns do you have about a program like this?**

*Cost to implement. Who bears this cost. Volunteer? Initial and ongoing training for the advocate group. How is it determined that the advocate group is qualified?*

**Q5: How would your credit union benefit from this type of program?**

*Members would be better prepared for the process and have more realistic expectations on timing, steps necessary to complete, etc.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

Bi-lingual lenders and many information pamphlets etc. in both English and Spanish.

**RESPONDENT #10**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*CEO*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*8*

**Q4: What questions or concerns do you have about a program like this?**

*Ensuring that our membership relationship is retained throughout any process.*

**Q5: How would your credit union benefit from this type of program?**

*Able to improve more members' financial lives and deepen relationships.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*NA*

**RESPONDENT #11**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Compliance*

**Q3: How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*8*

**Q4: What questions or concerns do you have about a program like this?**

*Is the Advocacy group making calls on the buyers behalf or just offering guidance on how to make the calls? Will the Advocacy group offer a checklist or something in writing to help the buyer remember the steps to success? Will the Advocacy group be available for continued questions and support for the buyer through the process (sometimes collection calls or things of that nature don't go as planned and could overwhelm the buyer)?*

**Q5: How would your credit union benefit from this type of program?**

*This would be great to assist potential buyers/borrowers in getting in better financial shape to support a mortgage. Also, the general education of the process and steps would benefit the buyer in the long run.*

**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*Removing obstacles for minority memberships, ITIN acceptance, bilingual staff to assist in conversations and translation, marketing in areas of minority, branches in areas of minority, workshops in areas and at employers of minorities, Spanish marketing materials and documents.*

**RESPONDENT #12**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: What is your role at your credit union?**

*Senior Management*

**Q3 How likely is it that your credit union would support a homebuyer advocate program to assist members who were recently declined mortgages?**

*5*

**Q4: What questions or concerns do you have about a program like this?**

*What is the cost and who is paying for it? If the CU is paying for it, what guarantee is there that the buyer comes back to the CU for financing? What would be your targeted success rate and the average time to finish all the counselings advice?*

**Q5: How would your credit union benefit from this type of program?**

*Any time we can get more members in homes its a good idea. I would think that most lenders already do a form of financial education for members even if they have to turn them down initially. I do see how continuing to help the borrower after the intial conversation could be very beneficial though.*



**Q6: What programs or processes does your credit union have for increasing diversity in lending?**

*We committed to the 10/10 initiative with plans to advertise more in areas that are more diverse. We did \$3.7MM first mortgages to people of color in 2021 when I last reviewed the data; roughly 10% of loans.*

## **SURVEY 2: IOWA CREDIT UNION CEOs**

### **RESPONDENT #1**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

*5*

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

*6*

**Q4: What questions or concerns do you have about a program like this?**

*How is the advocate directed to the borrower? Or how does a borrower get access to an advocate?*

**Q5: How would your credit union benefit from this type of program?**

*Very little*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

*Deep mortgage experience with financial coaching/counseling experience as well*

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

*TBD*

**Q8: Do you have any other feedback?**

*Respondent skipped this question*

## **RESPONDENT #2**

**Q1: What is your credit union asset size?**

Medium: \$51M to \$199M

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

6

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

59

**Q4: What questions or concerns do you have about a program like this?**

*Down payment assistance, affordable housing and reasonable interest rates*

**Q5: How would your credit union benefit from this type of program?**

*Assist our members in achieving their dream to buy a home, continue the People Helping People motto*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

*Thorough knowledge of the process and mortgage types offered*

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

Yes

**Q8: Do you have any other feedback?**

*Respondent skipped this question*

## **RESPONDENT #3**

**Q1: What is your credit union asset size?**

Medium: \$51M to \$199M

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

6

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

60

**Q4: What questions or concerns do you have about a program like this?**

*I think this is a great idea, but feel that it could benefit anyone who is struggling to own their own homes because of different types of financial issues.*

**Q5: How would your credit union benefit from this type of program?**

*This would help build further relationships with the community and help gain future membership*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

*Definitely a financial literacy certification. Some knowledge in mortgages so that they understand what all needs to happen in order to help the person properly*

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

*maybe.... incentives would have to be thoroughly evaluated*

**Q8: Do you have any other feedback?**

*Respondent skipped this question*

#### **RESPONDENT #4**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

5

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

25

**Q4: What questions or concerns do you have about a program like this?**

*Would hope that there is not the expectation that all loans will get approved or have a some sort of basis point discount.*

**Q5: How would your credit union benefit from this type of program?**

*Would be good to help those through the loan process.*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

*Financial counseling.*

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

*Yes*

**Q8: Do you have any other feedback?**

*Respondent skipped this question*

## **RESPONDENT #5**

**Q1: What is your credit union asset size?**

*Medium: \$51M to \$199M*

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

*5*

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

*50*

**Q4: What questions or concerns do you have about a program like this?**

*.*

**Q5: How would your credit union benefit from this type of program?**

*.*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

.

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

*Yes*

**Q8: Do you have any other feedback?**

*Respondent skipped this question*

## **RESPONDENT #6**

**Q1: What is your credit union asset size?**

*Larger: \$200M and above*

**Q2: How likely would your credit union utilize this service if it were included in your Iowa Credit Union League membership?**

*5*

**Q3: How likely would your credit union utilize this service if it were based on a separate fee such as a percentage of the total mortgage?**

*2*

**Q4: What questions or concerns do you have about a program like this?**

*How does the advocate group determine the realtors and lenders for the new buyer? Is there a preferred list? How does this work across the regions of Iowa?*

**Q5: How would your credit union benefit from this type of program?**

*Having more financial literacy for our members would be a benefit.*

**Q6: What certification(s) or training would you expect staff for this program to have or obtain?**

*I would hope the staff of this program would have an extensive understanding of mortgage underwriting and mortgage products. They would also need to be a Certified Financial Coach.*

**Q7: Would your CU be open to this being an incentivized referral program to keep the member relationship within your CU?**

No

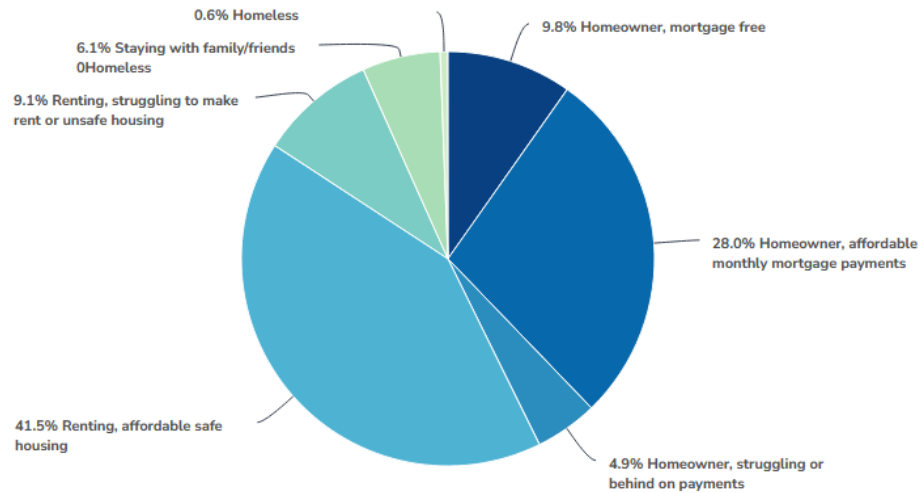
**Q8: Do you have any other feedback?**

*Respondent skipped this question*

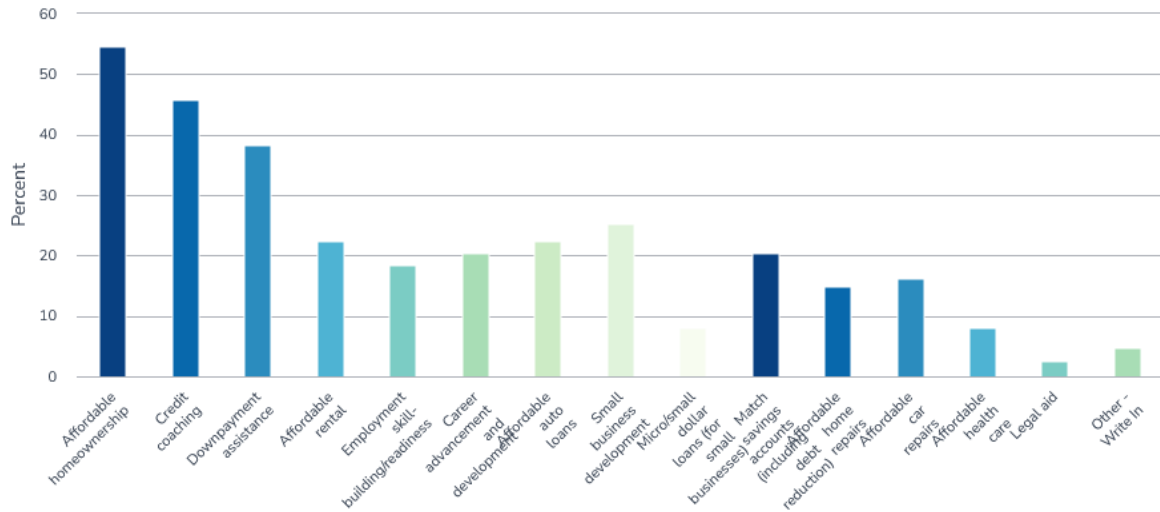
### **SURVEY 3: VERIDIAN CREDIT UNION RACIAL ECONOMIC EQUITY INCUBATOR SURVEY- DRIVING HOME HOPE**

For more information about this survey, please contact Angela Weekly at Veridian Credit Union.

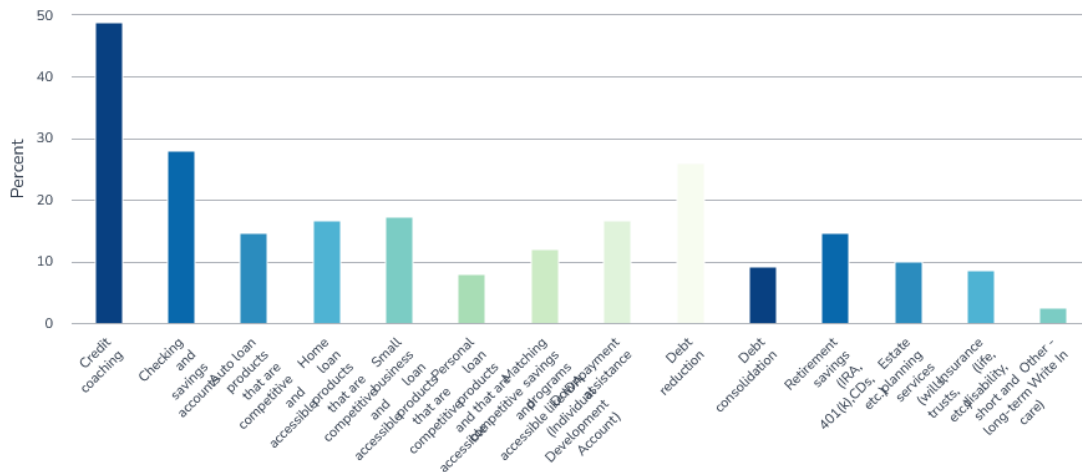
11. What is your current housing status?



18. Which of these community services (offered through a local nonprofit or County government agency) would be most valuable to helping you build wealth, if any? Select up to 5



19. Which of these financial services (offered through a local bank or credit union) would be most valuable to helping you build wealth, if any? Select up to 3



## 16. How do you define wealth?

[Hide Responses](#) ▼

ResponseID	Response
1	Money and assets above what is needed to meet my basic needs. Wealth is an accumulation of valuable economic resources that can be measured in terms of either real goods or money value.
3	test - I have enough money for what I need now, flexibility to get most of what I want, and am able to save for the future.
10	Wealth is a large amount of money or valuable assets
11	Financially stable without debt. Financially comfortable without financial worry
13	Having more than enough to survive on
15	Able to pay all of my bills and not be in debt. Have money left over.
16	Living a life with good health, and financial health is maintained
17	Being able to make ends meet, pay all of the bills, and not be in debt.
19	Not living check to check, Not having a care in the world.
20	Wealth is having enough money to pass down generations after you die
21	Generations of endless money
22	To me wealth is being able to pay my bills and not having to worry about anything.
24	Wealth is when you're secure or more than secure with the money you have. In other words your above comfortable with where you are at.
25	Wealth is having money aside for raining days or just being able to do things you want to do. Being financially secure.
27	The ability to spend your money without any worries, in other words, living comfortably.
28	Being able to pay your bills on time & having enough saved for a major setback whether it be having to take time off work for medical reasons or being able to afford a major car repair
29	I define financial wealth as financial freedom. When you don't have to worry about money all the time. You never have to worry about your regular bills and generally have money left over or wants or upgrades to better enjoy life or help others without hurting your finances.
31	Not living pay check to paycheck
34	Being happy
35	Being able to have a money and share it generationally



20. Have you had a negative financial experience at any banks or credit unions? If yes, would you be willing to share more information about your experience, knowing that it is anonymous?

[Hide Responses](#) ▼

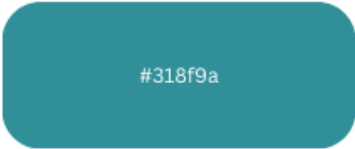
ResponseID	Response
1	n/a
3	No
10	No
11	Yes. They didn't explain their policies and information thoroughly enough. I ended up being charged a lot of fees for having my account with their institution
13	N/A
15	none
16	At Veridian where I banked my whole life I was turned away because I had a collection item when I was trying to refinance my auto loan and use the equity to pay off credit cards and the collection during my home buying process. So I switched to another credit union and they helped me so that I was able to increase my score above 700(at the time it was 630 due to my credit utilization being high)
17	n/a
18	yes, just not giving proper or full information on how to improve my situation.
19	no
20	I think minorities get treated different and or not approved for loans or refinancing as much as other races
22	Being turned down for loans and not given a chance
24	Once I watched my dad experience it when his identity was stolen.
27	No, I have not yet.
28	No I have not
29	I have not personally but I feel like I have had some advantages/privilege's
34	no
36	No
38	No
39	No

20. Have you had a negative financial experience at any banks or credit unions? If yes, would you be willing to share more information about your experience, knowing that it is anonymous?

[Hide Responses](#) ▼

ResponseID	Response
40	No
41	Na
44	No
50	N/A
57	Na
60	No
62	I am black I cannot have a positive experience
64	Don't do banks but I do a business bank. Had a verifiable account for over 40 years.
65	No
67	N,a
69	N/A
73	Kkskj
75	NA
79	N,a
83	Jjj
93	No
94	No
95	No
97	No
98	Not being able to access and utilize loan services.

**BRAND GUIDE**



**Headings: Barlow, bolded**

Body: Barlow, regular



## ABOUT FILENE

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We work to strengthen organizations through cutting-edge research, incubation opportunities to test and scale solutions, advisory services to help organizations implement innovation, and host communities and events to connect a community of leaders to improve financial well-being.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: “Progress is the constant replacing of the best there is with something still better.” Together, Filene and our supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) nonprofit organization. Nearly 1,000 members make our body of work possible. Learn more at [filene.org](http://filene.org).

## ABOUT IOWA CREDIT UNION LEAGUE

The Iowa Credit Union League is the non-profit trade association representing the interests of Iowa’s state and federally chartered credit unions and their more than 1.6 million members. ICUL provides the following services to Iowa’s credit union industry:

- **Advocacy**—ICUL lobbyists hike the hill each year to speak with legislators in Iowa and Washington D.C. about the importance of credit unions and to discuss different issues affecting the industry. The legislative department also coordinates fundraisers for the Credit Union Political Action Committee (CUPAC) and manages and organizes grassroots involvement programs.
- **Regulatory Compliance**—Iowa credit unions are heavily regulated by the National Credit Union Administration and the Iowa Division of Credit Unions. In partnership with ViClarity, ICUL offers support and expertise to credit unions to help them understand and comply with these regulations. In addition, the regulatory department offers fee-based professional audit products that include 24/7 Compliance Support, Lending Audit Services, BSA Independent Tests, Regulatory Training and Website Compliance Audits.
- **Professional Development**—ICUL holds numerous professional development seminars for Iowa credit unions each year. This includes the Iowa Credit Union Convention, ICUL’s largest event of the year.
- **Management Consultation**—Experienced management consultants work with individual credit unions to help identify goals, challenges, and prepare for the future. The consultants have a strong credit union background, provide educated advice and personalized service.
- **Communications & Marketing**—The communications team works to increase awareness about credit unions through media outreach efforts, social media and the member engagement plan. Learn more at [iowacreditunions.com](http://iowacreditunions.com).