Federal Credit Union

(proposed)

Business Plan

Proprietary & Confidential

April 1, 2013

Pamela Davis

pdavis@americannonprofits.org

831 621 6018

Charles Wilcox

cwilcox@ameircannonprofits.org

646 373 1131

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FEDERAL CREDIT UNION (proposed)

EXECUTIVE SUMMARY

American Nonprofits is a professional association of 12,000 organizational members and 63,000 individual members interested in the intersection of nonprofit finance and strategy. The Association is proposing to sponsor and form American Nonprofits Federal Credit Union (ANFCU). It has already received preliminary approval of the field of membership from the National Credit Union Administration. Potential ANFCU members are all 501(c)(3) nonprofits, their employees, volunteers and stakeholders.

Existing financial institutions are not meeting the credit needs of mid-sized, community-based nonprofit organizations. Further, nonprofit staff and volunteers are predisposed to collective action to solve market failures; a credit union structure will allow the sector to keep the community's funds working in the nonprofit space. Rather than enriching shareholders, using the credit union to cycle the small percentage of the nonprofit sector's activity currently taken as profits can result in millions of dollars of annual impact. ANFCU will enable existing financial resources to be repurposed to invest in community missions as well as offering a source of credit to individuals and organizations from an institution that shares their values.

The drivers of this initiative are well-established and respected leaders within the nonprofit and credit union fields.

UNMET DEMAND

Banks seek out nonprofit clients for their deposits, but generally eschew the business of lending to nonprofits. Operating loans needed by nonprofits are typically too small for banks to efficiently consider and few bank lending departments are familiar with nonprofits' methods of fund accounting. Banks apply standard bank underwriting guidelines for small businesses to nonprofits, not understanding that the leaders of the nonprofits are not the owners and are not in the position to personally guarantee the loans. Further, even banks that will consider larger loans with collateral, such as buildings, often prefer not to make these loans because they fear the public relations backlash of foreclosing on a local charity.

> We currently bank with one of the largest national banks in the U.S., and their fee structure is very for-profit business oriented with no attention to the needs and limitations of a nimble non-profit business model.
>
> Respondent- ANFCU Credit Union Survey

Credit unions have similar concerns and challenges as well as a limit imposed on member business loans by regulation. Most credit unions are prohibited from allowing their total loan portfolio for commercial loans (including nonprofit loans) to exceed 12.5% of their net worth. This makes commercial lending relatively uncommon for credit unions and discourages them from developing the special expertise required to underwrite nonprofit loans.

IMPACT

An extensive survey conducted in late 2012 demonstrated both a strong interest in ANFCU from individuals and organizations. Based on survey responses, achieving the desired growth to $100 million in deposits and a roughly equivalent portfolio of loans after four years of operation appear highly likely. Profitability should be achieved the end of the second year of operation.

PRODUCTS

Based on survey results, ANFCU will be able to offer the deposit, lending and other services required to meet the "must have products" to become a viable financial institution for individuals and organizations. The availability of web-based technology, including internet banking, online bill pay, mobile and remote deposit, and debit and credit card processors, enable a financial institution such as this to successfully operate and compete with larger institutions in ways that were impossible only a few years ago.

LOW INCOME CREDIT UNION STATUS ANTICIPATED

Credit unions that demonstrate that the majority of their natural person members are at or below 80% of the median income either nationally or for their communities, qualify for Low Income Credit Union status. Because the majority of individuals who join ANFCU will likely fit the criteria, it is highly likely that ANFCU will quality for this status. Credit unions that NCUA designates as "low-income" can:

- receive nonmember deposits from any source in addition to deposits from public units and other credit unions, limited to 20% of deposits (unless approved for more)
- offer secondary capital accounts and include this account in the credit union's net worth,
- qualify for an exception from the aggregate member business loan limit, and
- participate in the Community Development Revolving Loan Fund for credit unions

START UP EXPENSES AND CAPITAL REQUIREMENTS

This business plan documents the immediate need for $400,000 in development support to hire the senior management talent to finalize the charter process and put the infrastructure necessary to establish the credit union into place.

Based on the leverage ratio and expected loans that will enable ANFCU to establish earnings capable of supporting significant growth into the future, $10 million in capital will be required.

Specifically the capital will be aggregated from three sources. We anticipate that the mix of capital will be as follows:

- Paid in Capital: $1.25 million (unencumbered cash grants)
- Secondary Capital: $7.5 million (subordinated long term debt)
- Shares-:$1.25 million (a portion of member deposits)

For more information:
Pamela E. Davis
President, American Nonprofits
Founder/President/CEO Nonprofits Insurance Alliance Group
pdavis@insurancefornonprofits.org: Phone: 831-621-6018

FEDERAL CREDIT UNION

INTRODUCTION

Why create a credit union for the nonprofit sector?

The existing banking sector fails to serve the credit needs of all but the largest nonprofits, sharply limiting the social sector's ability to operate efficiently, and thereby damaging and limiting society's mechanisms for advancement and humanitarian care. Nonprofit stakeholders who are interested in advancing efficient financial and operational goals are lacking both a financial institution that supports the sector as well as a venue for sharing and developing their expertise and cooperative problem-solving. The credit union and its sponsor, American Nonprofits, address both of these problems.

Furthermore, credit unions are tax-exempt nonprofits and by their very nature are organized to use collective action to serve like-minded individuals. They do not have the competing responsibilities of serving clients and stockholders. Through their focus on members, they can provide targeted services and products specifically sought by their members, both individuals and organizations, without regard to needing to achieve the sort of margins sought by for-profit institutions. This credit union will provide a financial vehicle for nonprofits and their employees, volunteers and stakeholders. Financial resources currently taken as profits by banks will be repurposed to invest in community missions as well as offering individuals the ability to save and borrow from an institution that shares their values.

> "It is impossible for a nonprofit of our size to secure a business loan or line of credit from a commercial bank."
>
> -CFO of Philadelphia based respondent to ANFCU survey with a $1 million annual budget

> "[Our] Current bank does not have corporate positions in line with our mission, plus their performance during the 2008 melt down was disappointing. As [they are] a very large multistate institution we really are small potatoes to them."
>
> -CFO of $3 million Michigan based 501(c)(3)

Is there a successful model of another nonprofit financial institution?

The founders of the credit union are following a successful path of establishing a viable member-owned financial institution with a modest one-time capital grant. Specifically, the effort is based on the success of the Nonprofits Insurance Alliance Group (NIA Group) (**www.insurancefornonprofits.org**), started by Pamela Davis in the late 1980's, using $1.3 million in subordinated loans. The Group now insures the liability and property needs of nearly 12,000 nonprofits in 31 states and the District of Columbia. Over two decades, the organizations comprising the NIA Group have returned tremendous impact, generating more than $165 million of retained earnings and assets of $330 million. In addition, it has declared $31 million to its nonprofit members in the form of dividends during the past seven years and annually provides several million dollars' worth of free training and professional advice.

The NIA Group was created because commercial insurance companies were unable or unwilling to provide affordable liability insurance to small and mid-sized nonprofits. Over the past 20 years, the NIA Group has demonstrated that the nonprofit sector can not only provide insurance through these companies which they own and control, but they also can actually do it better than commercial carriers for large and small nonprofits alike. This model has simultaneously reduced the price nonprofits are paying for liability insurance and made finding affordable insurance an easy process. Furthermore, they have been able to use the savings from the reduced cost of risk to provide free infrastructure support, training and management service, including preventative employment practices advice from staff attorneys, to thousands of nonprofits a year. Recently, the NIA Group has begun to have an impact on the civil justice system to reduce the cost of risk for nonprofits by winning and having published important court cases that provide protection for all nonprofits.

Using this successful mode of bringing necessary insurance for nonprofits into alignment with the sector's need for socially responsible impact, we now want to create a similarly impactful model for another financial service—banking.

What are the startup costs?

We are seeking support from individuals and organizations to become founding supporters of this credit union. During 2012 and the early part of 2013 NIAC, one of the members of the Nonprofits Insurance Alliance Group, spent $100,000 toward this effort. We are immediately seeking organizing grant funds of $400,000 to be used during 2013 and early 2014 to support the chartering process and to pay for salaries and operating costs during the final implementation before the credit union launches. Any organizing expenses not spent prior to launch will become part of the capital of the credit union.

Additionally, we are seeking letters of commitment for $8.75 million in grants and subordinated loans to supply capital for the credit union once the charter is approved. This capital will enable the credit union to accept $100 million in deposits, make an initial $100 million in loans and achieve self-sustainability.

FOUNDING TEAM AND SPONSOR

A group including experienced financial services and nonprofit leaders has come together to create American Nonprofits Federal Credit Union (ANFCU), serving as board members and founders of the American Nonprofits and ANFCU. As individuals, this group is making a specific commitment, with the support of the credit union sponsor, American Nonprofits Inc., a membership 501(c)(3) organization, to raise capital and make application with the National Credit Union Administration to charter a credit union with the mission of serving the members of American Nonprofits, which is open to 501(c)(3) organizations and their associated individual stakeholders. In addition, American Nonprofits has attracted a strong panel of advisors who are donating their expertise and experience to the effort. Please see the appendix to review the lists of advisors and the directors of American Nonprofits.

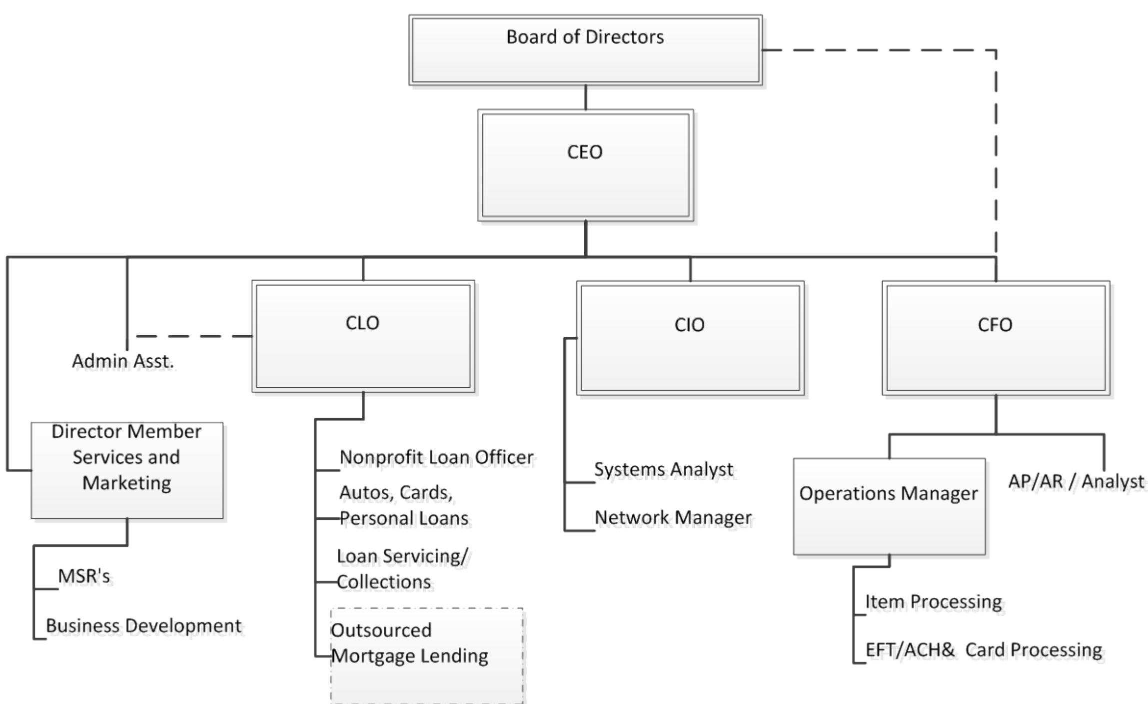
The team of founders includes the individuals who will comprise the initial board of directors of ANFCU (this group will be the designated "subscribers" for the purpose of obtaining the credit union charter). American Nonprofits has been discussing this plan with a number of experienced and well qualified credit union and nonprofit professionals who are supportive of the effort. From this pool of talent, several additional subscribers are being reviewed to join in the next few months prior to formal charter application. The subscribers who expect to serve as the initial drivers of the effort are:

- Pamela Davis: Founder and CEO of the Nonprofits Insurance Alliance Group, a multi-state 501(c)(3) nonprofit insurance group providing property/casualty insurance for 12,000 nonprofits nationwide, with assets of $330 million and rated AVIII by A.M. Best.
- Jan Masaoka: CEO of the California Association of Nonprofits which owns and operates a for-profit subsidiary insurance brokerage, obtaining insurance for 600 nonprofits including health insurance for 12,500 of their employees. Jan is a frequently published writer and speaker, and is the founder and publisher of Blue Avocado magazine, an influential online magazine for nonprofits with 63,000 readers.
- Charlie Wilcox: Founder of the community development bank, CheckSpring. He consults with credit unions and banks with social missions, as well as working with groups looking to found new institutions. He has served on multiple boards of nonprofits with annual budgets ranging from $100 thousand to $30 million.

EXPERIENCED MANAGEMENT AND BOARD

ANFCU's executive team will be comprised of experienced professionals who will manage and execute the CU's business plan. This team will have particular experience and knowledge of managing online delivery system and coordinating the various processes and systems necessary. Please see the Appendix for job descriptions describing the senior executives.

ORGANIZATIONAL CHART



SPONSOR: AMERICAN NONPROFITS

American Nonprofits, currently comprising 12,000 organizational members and 63,000 individual members, is proposing the formation of American Nonprofits Federal Credit Union. and has already received preliminary approval of the field of membership from the National Credit Union Administration (NCUA--the federal regulator of credit unions). Membership in the credit union through American Nonprofits will be open to all 501(c)(3) nonprofits, their employees, volunteers and stakeholders. American Nonprofits has a mission to strengthen the efficiency and effectiveness of IRS designated 501(c)(3) organizations by (a) providing services and resources to nonprofits and their stakeholders, staff and volunteers as well as (b) providing an online meeting, publishing and training venue to advance policy and practice in all areas of nonprofit finance, and (c) is the publisher of Blue Avocado (www.blueavocado.org), a premier online magazine for the nonprofit sector with 63,000 readers. As a membership organization that welcomes both nonprofit organizations and individuals, American Nonprofits is a professional association of people interested in the intersection of finance and strategy, as well as a platform through which members can convene around such topics as:

- Nonprofit accountability and related legislative proposals
- Nonprofit retirement plans
- Nonprofit investment management
- Issuance of various types of bonds for nonprofit construction
- Effective practices in "floating endowment funds"
- Looming changes in the provisions of employee benefits
- Enterprise risk management
- How finance concerns are integrated with strategy

AMERICAN NONPROFITS BOARD OF DIRECTORS

- ***Pamela Davis, President and CEO, Nonprofits Insurance Alliance Group***

Pamela Davis is Founder and CEO of the Nonprofits Insurance Alliance Group, a multi-state nonprofit insurance group providing property/casualty insurance for 12,000 nonprofits nationwide, with assets of $330 million and rated AVIII by A.M. Best

- ***Irv Katz, President and CEO, National Human Services Assembly***

Irv Katz is president and CEO of the National Human Services Assembly (National Assembly), a Washington-D.C. based association of 85 of the nation's leading nonprofit human service organizations

- ***Andrew Hastings, Vice President of Business Development, National Philanthropic Trust***

Andrew Hastings is the Vice President of Business Development of the National Philanthropic Trust (NPT) and has 20 years of experience in the philanthropic and nonprofit marketplace.

- ***Jan Masaoka, CEO, California Association of Nonprofits (and Editor-in-Chief, Blue Avocado)***

Jan Masaoka is the CEO of the California Association of Nonprofits which owns and operates a for-profit subsidiary insurance brokerage, obtaining insurance for 600 nonprofits including health insurance for 12,500 of their employees. She is a frequently published writer and speaker, and is the founder and publisher of Blue Avocado magazine, an influential online magazine for nonprofits with 63,000 readers.

- ***Susan Bradshaw, Vice President of Marketing, Nonprofits Insurance Alliance Group***

Susan Bradshaw is the Vice President of Marketing/Member and Broker Services for the Nonprofits Insurance Alliance Group.

AMERICAN NONPROFITS ADVISORY BOARD

The American Nonprofits advisory board has attracted more than twenty leaders in business, nonprofits and philanthropy who are lending support and expertise to the founding of ANFCU.

Jeanne Bell	CEO, CompassPoint Nonprofit Services	San Francisco, CA
Caitlyn Brazill	Senior Director for Strategic Partnerships, CAMBA	Brooklyn, NY
Chalmers Browne	Product Manager, Hiring Systems at Google	New York, NY
Pamela Calvert	Finance Manager, Consultative Group on Biological Diversity	San Francisco, CA
Judit Camacho	Consultant	Santa Cruz, CA
Linda Crompton	Former CEO, BoardSource	Washington, DC
Steve Delfin	President & CEO, America's Charities	Chantilly, VA
Robert Egger	President, CForward	Washington, DC
Jed Emerson	Chief Impact Strategist, Impact Assets	Bethesda, MD
Michael Enright	Economic Research Analyst, Oxford University	Chico, CA
Lance Fors	President, Silicon Valley Social Venture Partners International	Silicon Valley, CA
Leyta Jordan	Bank Developer	Atlanta, GA
Peter Kim	Manager, The Bridgespan Group	New York, NY
Ron Kratofil	President & CEO, Goodwill Keystone Area	Harrisburg, PA
David La Piana	Managing Partner, La Piana Consulting	Emeryville, CA
Colin Lacon	President & CEO, Northern California Grantmakers	San Francisco, CA
Kevin Lytle	President, Member Allegiance, LLC	Upland, CA
Christine Manor	Author, QuickBooks for Not-for-Profit Organizations	Rockville, MD
Cynthia Rowland	Partner, Coblentz, Patch, Duffy & Bass, LLP	San Francisco, CA
Trish Tchume	Director, Young Nonprofit Professionals Network	New York, NY
Charles Wilcox	Consultant , Credit Union and Bank Organization	Capitola, CA
Wendy Zanotelli	President & CEO, United Way of Northern California	Redding, CA

THE CHARGE

NONPROFITS KEEPING MONEY ON THE MISSION

A team of leaders in the nonprofit and credit union community have come together to create a new institution dedicated to improving the financial services landscape for the nonprofit community. True to the formative intentions of the credit union movement, this community is working co-operatively to create a safe and sound institution to improve its members' opportunities. The subscribers (founding members) are chartering a Federal Credit Union (to be known as American Nonprofits Federal Credit Union (ANFCU)) to provide financial services to individuals and organizations who are members of American Nonprofits, Inc. The purpose of founding the credit union is to provide an institution that can better serve the nonprofit community by allowing the members of the credit union to efficiently keep their funds working within the nonprofit community in service to their missions and by improving access to safe and sound credit for nonprofit organizations and their employees and volunteers.

Anecdotal comments among the members of Alliance of Nonprofits for Insurance (ANI), Nonprofits' Insurance Alliance of California (NIAC) and Blue Avocado magazine suggested investigating the need for a nonprofit-focused financial institution to provide services beyond insurance. Because the insurance providers are owned exclusively by the nonprofit members, the co-operative, member-centric model represented by credit unions is a proper fit from both a philosophical and a financial perspective.

The above organizations undertook initial research and surveys in 2010-2011, which showed a strong interest and revealed that, in particular, mid-sized nonprofits may benefit from better access to financial services resources, training opportunities and the development of a nonprofit finance community. Interviews with bank and credit union lenders revealed a lack of expertise in underwriting and lending to the nonprofit community and showed that there may be a lack of access to appropriate credit particularly among mid-sized nonprofits. Banks indicate a particular concern lending to nonprofits with regard to potential reputation risk associated with the possibility of a bad loan and its consequences. Likewise credit union lenders showed a lack of experience with member business loans in general and nonprofit business models in particular. Both groups expressed concern in applying "for-profit" underwriting criteria to nonprofit organizations.

> "The lack of credit is an enormous problem for nonprofit organizations, hampering growth and impeding program success."
>
> -Jeanne Bell, CEO of CompassPoint Nonprofit Services.

These findings led directly to the formation of American Nonprofits as a 501(c)(3) membership organization to provide a formal venue for organizational and individual members of the nonprofit community with an interest in financial models and in improving the efficiency of the nonprofit sector. The members of American Nonprofits will comprise the field of membership of ANFCU[1]. In particular, the nonprofit community, in the form of both individuals and organizations, has expressed a desire to use their collective resources to more effectively meet the needs of the nonprofits and their stakeholders. Serving the natural person members of

[1] Please see the Appendices for the preliminary approval of ANFCU field of Membership from NCUA

American Nonprofits (employees, volunteers and stakeholders of 501(c)(3) organizations) will be a mainstay of ANFCU's operations with products and services directed to meet the needs of these individuals; ANFCU is also being chartered with the specific purpose of serving nonprofit businesses themselves and will focus services and products on these nonprofit member businesses.

The leaders of this initiative have overseen the development of a product strategy based on the results of extensive surveys of both individual and nonprofit business members conducted in late 2012. American Nonprofits members are from forty-two states and have strongly expressed a willingness to use shared branching and internet-based services as the primary operational mode for ANFCU. American Nonprofits has executed extensive research to develop this business plan. The survey results provide the basis for an illustration of the economic viability of the institution, while achieving the socially responsible goals of allowing the nonprofit community to obtain services efficiently, at lower cost, and in a sustainable safe and sound manner. ANFCU's basic business model follows that of traditional credit unions -- aggregating member deposits in order to provide safely underwritten lending to support the needs of members.

COMMUNITY NEEDS: UNMET DEMAND AND RESULTING INEFFICIENCIES

UNMET DEMAND: Nonprofits deserve more credit, and the nonprofit community will never be the first priority, or even a high priority, for financial institutions organized around the needs of individuals and for-profit businesses. And, while this lack of access to credit has plagued the sector for many years, it is about to get even more troublesome for the nonprofit sector. Lester Salamon has convincingly documented the evolving needs of the nonprofit sector in his paper, "Investment Capital: The New Challenge for American Nonprofits"[2] as illustrated here:

> Once considered fundamentally labor-intensive institutions, nonprofit organizations are increasingly confronting expanded needs for "investment capital" to finance the facilities, technology, and innovations required to remain viable in an increasingly competitive environment. Because of their relatively small scale and their non-profit character, which makes it impossible for them to issue stock, however, nonprofits confront special difficulties in accessing investment capital.

American Nonprofits work has shown that these difficulties extend beyond investment capital to include finance tools for operations and cash flow management. A review of the credit worthiness of the nonprofit sector shows that nonprofits are generally older, have steadier revenue streams and are less risk taking than similarly sized for profit businesses.

- ***Credit availability:*** American Nonprofits has conducted surveys to assess the perception of availability of credit to nonprofits. The results clearly show that a significant group of nonprofits do not have options that are aligned with their financial stability and creditworthiness.

[2] Listening Post Project, Communiqué No. 5. Johns Hopkins University, Institute for Policy Studies, Center for Civil Society Studies, Baltimore, MD, 2006. Executive Summary provided in Appendix

- ***Community prefers cooperative model:*** Survey results show that the individuals comprising the nonprofit community strongly prefer the idea of a cooperative and therefore nonprofit model for a financial institution that provides them with an opportunity to choose a financial institution whose mission aligns with their chosen field's charitable goals.

Simply said, the existing for-profit banking sector fails to serve nonprofits, sharply limiting the social sector's ability to operate efficiently, and thereby damaging and limiting society's mechanisms for advancement and humanitarian care. Many nonprofits find themselves spending significant resources managing temporary cash flow concerns, a problem that has been exacerbated in the current political climate, when government funding delays and late budgets have caused significant delays in funding streams. Many grants and contracts are structured to provide payments after services are delivered, creating an inherent cash flow issue.

Institutional Barriers: Banks have long eschewed the business of lending to nonprofits, largely based on a combination of perceived reputation risk and a perception that nonprofits are risky credits. Structural barriers to profitability and biased risk management are the most important factors causing limited access.

Banks –

- ***Structural Barriers:*** The nature of larger banking operations, product offerings and cost structures all align to make smaller credit offerings to nonprofits difficult to underwrite and too specialized to manage profitably. For many banks, this is a significant barrier to entry into the nonprofit market.
- ***Reputation Risk:*** Concern for reputation risk causes many banks to shy away from nonprofit lending. No bank president wants to be the one who foreclosed on a local charity. This concern about collections and collateral for nonprofit lending has led to a bias against providing this form of credit and developing an expertise in its management.

Credit Unions –

- ***Limited Underwriting Experience:*** Few credit unions have developed a strong business lending practice, particularly if real estate collateral and personal guarantees are unavailable. While many credit unions have a mission alignment, many do not have the products to serve these nonprofit businesses.
- ***Limited Member Business Lending Opportunity***: Most credit unions are legally limited in the amount of business lending they can provide and, as a result, have traditionally not leant to nonprofits in order to reserve their business lending for small businesses owned by individual members. For those credit unions that have developed business lending expertise, the caps imposed on their member business lending can offer a barrier to nonprofits specifically. Credit unions are more likely to provide their limited lending capacity to businesses associated with members who can give personal guarantees and have additional relationships with the credit union.

IMPACT

Our research has shown that most banks are not able to cost-effectively offer loans to nonprofits under $250,000. Furthermore, most of these financial institutions only make loans collateralized by real property and do not easily offer lines of credit and loans for daily operations. Most banks and loan funds (particularly those related to the Community Reinvestment Act programs and

New Market Tax Credits) are interested only in lending against real property, primarily buildings. Many of these programs have minimum loan limits as high as $5 million.

Many nonprofits receive grants from local bankers, and we do not anticipate that this credit union will interfere in any way with that. Typically nonprofit organizations have more than one banking relationship. We do not believe that ANFCU will be in competition with banks, but instead will be providing complimentary services. The creation of ANFCU offers tangible and intangible benefits to the nonprofit sector:

- Access to credit for credit-worthy nonprofit organizations.
- Lower cost access to banking services for nonprofits, their stakeholders, staff and volunteers.
- A self-sustaining institution that can capture and redirect monies currently being spent in the for-profit banking sector; each dollar earned can be leveraged 10 times with deposits. Ten million dollars in capital will enable $100 million in lending.
- Credit-worthy nonprofits will be able to operate essential social programs without disruption due to temporary external financial events outside their control.
- A more efficient, self-reliant and secure nonprofit sector with the ability to make decisions based on strategy rather than on short-term cash needs.
- An altered market where for-profit financial institutions are influenced to provide more credit to the nonprofit sector because of the credit union's demonstrated success.
- Once matured, the credit union will be able to pay dividends, keeping more money on mission.
- Ability for deposits to be targeted for use in the nonprofit sector, creating virtuous circles.
- Leverage expertise in nonprofit models and finances through training to strengthen the sector's financial management capacity, enabling organizations to meet pressing social needs more effectively and efficiently.

One clearly identified need is for a streamlined "credit-scoring" model for the nonprofit sector that can be used efficiently to qualify borrowers for micro and small loans. With time and a proven track record of success, American Nonprofits Federal Credit Union could develop a significant revenue stream by offering underwriting services to other credit unions and banks that presently do not have the expertise to underwrite nonprofits. This could expand exponentially the credit sources available to nonprofits.

CHARTER

American Nonprofits, Inc. will be the sponsor of the proposed American Nonprofit Federal Credit Union using an Associational Single Common Bond field of membership definition. American Nonprofits is a membership organization, formalizing the association of people and organizations engaged in the nonprofit industry. American Nonprofits is itself a nonprofit membership organization of people and organizations seeking to improve the financial stability, efficiency, operations and effectiveness of 501(c)(3) nonprofit organizations.

American Nonprofits membership was founded with the members of Alliance of Nonprofits for Insurance (ANI), Nonprofits' Insurance Alliance of California (NIAC) and Blue Avocado magazine, which collectively represent approximately 63,000 individuals and nearly 12,000 501(c)(3) nonprofit organizations. These organizations are supporting the chartering process.

FIELD OF MEMBERSHIP

The Field of Membership of Nonprofits Federal Credit Union shall be comprised of the following:

- Members of American Nonprofits, Inc.;
- American Nonprofits, Inc.;
- Spouses of persons who died while within the field of membership of American Nonprofits Federal Credit Union; employees of American Nonprofits Federal Credit Union; volunteers; members of the immediate family or household; organizations of such persons; and corporate or other legal entities in this charter.

Survey of Potential Members

In October of 2012, American Nonprofits administered a survey of its membership by emailing an invitation to participate to its two types of members, namely nonprofit organizations and individuals involved in the nonprofit community. American Nonprofits emailed nearly12,000 organizations and 63,000 individuals and garnered responses from 566 organizations (399 completed) and 1,578 individuals (950 completed) providing a sound basis for a statistically relevant sample of the membership as suggested in the NCUA Chartering Manual guidance on administering the survey.

Strong Expression of Interest

The responses to the survey revealed a strong demand for the proposed credit union and provided the basis for the proposed product and service sets. Though the majority of nonprofits responding currently use banks (92%), the results showed a significant dissatisfaction with their relationships. In particular, among middle market nonprofits there is a perception that credit is not as available as the nonprofits strength would merit.[3] The comments show a strong perception of a lack of fair access to credit among the organizational membership and as importantly, among individuals, and a strong affinity toward having a financial institution that is aligned with the mission and business model of the nonprofit community. This desire for an institution that supports the community with a co-operative business model is of particular importance as it

[3] 69% of respondents were neutral or disagreeing with the statement "[Our Bank] will make loans to nonprofits who have consistent funding", while 71% agreed that "nonprofits deserve to have more or better access to credit than they currently have." Additionally, 18% of respondents reported that their "organization had experienced difficulty obtaining credit, even though [our] financials appear to support the requested loan."

speaks to the strength and depth of potential members and their loyalty to the credit union once it is established. Simply put, people and organizations would like to put their money to work providing benefit to nonprofits rather than to generate shareholder value for publically traded banks. For this reason alone there is a strong affinity between the nonprofit community and the credit union movement, which bodes well for the likelihood of adoption once ANCFU is operational. The survey results bear this idea out; 33.8% of organizational respondents reported a higher than 75% likelihood of joining the credit union and 24% of individual respondents did so as well.

The subscribers of ANFCU were particularly interested to understand a differentiation between those who may think the credit union is a "good idea" and those who will be early and strong adopters. To this end, the questions were intended to identify the likelihood of joining the credit union and using its services by making a differentiation between "Likely" (76-99%) and "Definite" (100%) intention to join. Among organizational respondents, 17.6% expressed a definite intention to join the credit union upon its formation, while an additional 16.2% suggested that their membership would be dependent on the particular circumstances of the credit union's services. Looking only at those respondents expressing a "Definite" intention and leaving aside the "Likely" cohort in order to illustrate the strongest foundations for the credit union, the survey results show a robust opportunity, which is only strengthened by the additional members coming from the "Likely" group.

The percentage of support within the current 12,000 American Nonprofits organizational membership equates to 2,112 organizational members with 100% likelihood to join ANFCU. An additional high percentage (10%) of individual respondents reported a "Definite" intention to join the credit union.

The following table illustrates these results when applied to the membership of American Nonprofits:

Willingness to Join ANFCU	Organizations	12,000		Individuals	65,000
100% = Definite	17.6%	2,112		10%	6,500
76-99% = Likely	16.2%	1,944		14%	9,100
Total Membership	33.8%	4,056		24%	15,600

LOW INCOME CREDIT UNION DESIGNATION

Even though this level of demand is strong, the credit union will likely follow historical growth patterns and ramp up deliberately. Simply from a safety and soundness perspective the institution will need to limit growth in its initial start-up period as staff and systems develop their ability to support such a robust membership. The financial projections provided later in this plan are based on a more conservative ramping up scenario. Data show that the majority of the individual respondents meet the criteria to allow ANFCU to be designated as serving a low income population and qualify for the benefits of that status, which include the ability of the credit union to obtain secondary capital to support loan growth and operations as well as other supportive exemptions to regulation, including the allowance of non-member deposits and the ability to exceed member business lending caps. Please see subsequent sections for discussion of the specific aspects of low income designation and the Appendix for a further discussion of low income qualification by ANFCU.

MISSION TO SERVE NONPROFIT MEMBER BUSINESSES AND NATURAL PERSONS

Though we expect that the credit union will be exempt from member business lending caps through being designated as a low-income credit union, it will also qualify for an exemption from these caps based on its specific mission to serve organizations in addition to meeting the saving and borrowing needs of its natural person members. As a result of this intention, ANFCU will be exempt from Member Business Lending caps currently in place based on the exemption found in 12 CFR 723.17 (b). Regardless of the exemptions, initial operations will not exceed the usual caps simply based on normal growth patterns. Ultimately, ANFCU will need to use this exemption from member business lending limits in order to fulfill its mission. ANFCU will, prior to using the above noted exemption, and after having demonstrated a safe and sound nonprofits lending program, notify NCUA and provide risk management, concentration, and related policies.

By designing a credit union service offering around the needs of nonprofits and individuals aligned with nonprofits, ANFCU is creating a strong and sustainable institution that will provide benefit and strengthen the nonprofit community into the future. It is important to note that the membership estimates are based on the current membership of American Nonprofits, which continues to reach a larger and larger percentage of the nonprofit community. Membership in American Nonprofits is ultimately available to more than 1.6 million 501(c)(3) organizations and the several million individuals associated with them.

The heart of a depository institution rests on its ability to generate both assets and the liquidity necessary to fund those assets at an appropriate net interest margin. A detailed projection of loan and deposit growth is contained in the financial projections section which has been specifically informed by the results of the membership survey and current market conditions.

American Nonprofits' survey asked specific questions about willingness to commit to deposits in savings checking and certificate forms. This information has been used to seed the pro forma financials generated as part of this business plan, which illustrates a moderated growth scenario and provides for a comprehensive view of various deposit and loan projections. The responses from both individuals and organizations show a strong willingness to participate with the credit union on both sides of the balance sheet. Evidence of this follows:

Deposits

Looking only at the individual survey respondents indicating "Definite" intention to join the credit union, these respondents reported a willingness to commit certificate deposit balances of $7,696,000 with maturities ranging from six months to greater than two years. Projecting to the full membership of American Nonprofits suggests an individual certificate deposit base of more than $317,000,000. In addition to individual deposits, organizations were willing to commit to $19,248,000 in certificates, which projects to $408,000,000. Clearly the credit union will not be able to accept that level of deposits for many years, but the point strongly illustrates the level of support for ANFCU among potential members.

Lending

ANFCU expects to lend to both individuals and organizations. By way of illustration for loan demand potential using only those expressing a 100% likelihood of joining, responding organizations responded showing $11,500,000 in current loan balances and $7,300,000 in unmet need for loans. When extended to the entire organizational membership, this equates to more than $160,000,000 in current loans and $104,000,000 in unmet credit needs. Individuals expressing 100% support indicated more modest borrowings of $753,000 which extends to $31,000,000 across the entire individual membership. These estimations are based on a very conservative estimate of likely loan opportunity, limited to only those expressing 100% likelihood, and only across the current membership of American Nonprofits. Extending the projections to include the likely cohort and a growing membership for American Nonprofits, suggests that ANFCU's growth could easily extend to more than a billion dollars in loans.

ANFCU management will be in the enviable position of being able to choose high quality credits as this demand outweighs the limits on loan originations imposed by prudent growth management, capital ratio constraints and safe and sound lending growth.

Services

In keeping with the mission of the credit union ANFCU will manage its fee income in order to set fees that offset the expense of providing necessary services. ANFCU recognizes that to be a viable institution serving the needs of organizational and individual members in the current online environment certain services will be expected and are "must haves" in order to provide a viable offering. The services described below have been limited to the minimum deemed necessary by the subscribers based on the member research. Key to successfully providing the services will be the tight integration of systems with a robust and affordable core technology platform.

OPERATIONS

Based on the community needs discussed above, the subscribers have developed an operational plan for ANFCU that is responsive to the concerns of individuals and organizations in the nonprofit community. The business model is designed to address the needs of the member constituencies with efficiently targeted and delivered products. At its core, the business model uses online systems to deliver traditional depository and lending products that meet the requirements of both individual members and nonprofit organizational members.

SHARED BRANCHING & ONLINE DELIVERY

To serve its national membership, ANFCU will use shared-branching to enhance a primary online presence with full-service member service representatives available via telephone. Shared branching describes a number of partnership networks that allow member credit unions to service each other's members. In this way a member of a credit union in the shared branching network can go to one of thousands of branches across the country and obtain account services (withdrawals, payments, and deposits). In addition to shared branching, members will access their funds with debit cards (through existing ATM nationwide networks) and through electronic transfers via online banking and bill payment systems. Account opening will be accomplished via online systems. For making deposits into their accounts, members will have several options:

- ACH / direct deposit;
- Wire transfers;
- Shared branching;
- Mobile check deposits; & remote deposit;
- ATM imaging;
- Mailing checks to the credit union; or
- Online "account to account" transfers.

PRODUCTS

ANFCU's service offerings (illustrated below) are directly justified by the survey results. The credit union will concentrate on those services that were most requested and for which a financial analysis shows viability. ANFCU's products are divided into three major categories, (Deposits, Loans, and Services) and are differentiated by being intended for either individuals or organization.

	Deposits	Loans	Services
Individuals	Savings CD's Checking Debit Card	Auto Credit Cards Signature/LOC Home Mortgages Mortgage Refinancing	Direct Deposit Debit Card Internet Banking Online Bill Pay Mobile Deposit Interbank Transfer
Organizations	Savings CD's Checking Debit Card	Credit Cards <$250K Term Loan >$250K Term Loan <$250K Lines of Credit >$250K Lines of Credit Real Estate Purchase Project Finance	Internet Banking ACH/EFT Card Processing Online Bill Pay Merchant Services Remote Deposit Quickbooks Integration

CORE TECHNOLOGY AND DELIVERY SYSTEM

One of the advantages of working with the credit union community is that service providers (many owned and operated by other credit unions) are willing to provide support to de novo credit unions in the form of low or no cost data processing and technology systems until the new credit union is profitable and able to absorb the expenses associated with maintaining the systems. ANFCU will engage in partnerships that will provide this support in order to provide a robust operating environment and meet the 24x7 online availability demands of its chosen business model. ANFCU will require a robust real time technology platform with seamless integration between core data processing, customer service, card processing and member facing online interfaces. The ability to use shared branching is also considered to be a high priority requirement of systems, as ANFCU members will be widely spread geographically. All of these technologies are currently operating successfully in the credit union industry. From a technology standpoint, ANFCU is seeking established platforms with proven providers and partners.

VENDOR DUE DILIGENCE

ANFCU's team recognizes that systems and systems integrations are absolutely key to ANFCU's success and as a result will undertake an extensive vendor due diligence using the significant experience of existing credit unions, advisors, the founders and the management team. The vendor selection contract negotiation and management process is informed by regulatory guidance from Federal Financial Institutions Examination Council with particular care being paid to complying with the regulatory requirements imposed by Gramm-Leach-Bliley Act (section 501(b) privacy and information security).

Each of the below systems will be scored based on requirements documentation developed by the team. Thorough and efficient integration between the systems and the core and each other will be given a priority.

REQUIRED SYSTEMS

• Core Processing	• Phone Banking, Call Center/Member Services
• Item Processing	• Loan Originations and Servicing
• ACH/EFT Processing	• Document Management/Statements
• Card Processing	• Asset Liability Monitoring
• AML & Compliance Monitoring	• Risk Analysis
• Website & Online Account Opening	• GL/Accounting
• Online Banking and Bill Pay	• Information Security

RISK MANAGEMENT

In addition to the business risks necessary to manage in a lending institution, namely those associated with interest rate risk, lending, underwriting, and record keeping, the credit union will be required to meet the challenge of addressing additional operational and compliance risks. By building controls and risk management into daily processes, ANFCU will adopt a risk management philosophy and operation with specific attention to internal controls, internal and external audit functions and a compliance program designed to ensure regulations are well understood and followed. By hiring experienced management, ANFCU will have a focused team for ensuring these important objectives.

MEMBER ACQUISITION

The credit union's growth will be dependent on its ability to effectively deliver messages to its potential member base in American Nonprofits. American Nonprofits publishes Blue Avocado to some 63,000 individual members of American Nonprofits who may join and use ANFCU's services. The membership of American Nonprofits is projected to continue to grow as American Nonprofits will promote its individual memberships through its organizational members. American Nonprofits will also be able to promote membership in the credit union to its 12,000 organizational members through the NIAC and ANI charitable risk pools.

FINANCIAL PERFORMANCE

ECONOMIC CONDITIONS OF NONPROFIT COMMUNITY

The overall number of nonprofits has grown throughout the past decade, with the National Center for Charitable Statistics reporting approximately1.6 million active organizations[4]. In 2010, nonprofits accounted for 9.2% of all wages and salaries paid in the United States, while the nonprofit share of GDP was 5.5% in 2012.[5] The below table provides an illustration regarding the subset that is 501(c)(3) nonprofits in particular.

Size and Financial Scope of the Nonprofit Sector (501(c)(3)), 2000-2010					
	2000	2005	2010	2000-2010 % change,	2000-2010 % change, (inflation adjusted)
Public charities, 501(c)(3)	688,600	847,954	979,901	42.3	NA
Reporting public charities	249,859	313,164	366,086	46.5	NA
Revenues ($)	837 billion	1.17 trillion	1.51 trillion	80.9	42.9
Expenses ($)	750 billion	1.08 trillion	1.45 trillion	94.0	53.2
Assets ($)	1.50 trillion	2.07 trillion	2.71 trillion	80.6	42.6
Excerpted from: The Nonprofit Sector in Brief: Public Charities, Giving and Volunteering, 2012. Urban Institute					

Even through significant changes in the background economic picture over the past half-decade the nonprofit sector has weathered the changes and continued to adapt in order to provide services and in many cases grow programs. The subscribers have extensive experience managing, serving and analyzing nonprofits in both individual and organizational capacities and have strong capacity and knowledge of the industry as a whole and the services it requires. The nonprofit sector has shown itself to be resilient, stable and growing steadily for many years. The majority of the organizational members of American Nonprofits have been operating for more than ten years.

CAPITALIZATION AND NET WORTH

The structure of depository institution regulation in the United States allows a credit union to take in deposits and provide loans by leveraging its net worth. To reach a critical mass of operations and provide for a stable and growing institution the subscribers have determined that the ANFCU will need to start with $10 million in capital. Based on the leverage ratio and the expected lending forms, this base will allow the credit union to provide more than $100 million is credit within the first four years of operations and establish an earnings base that can support significant growth into the future.

Specifically the capital will be aggregated from three sources- founding grants, member shares and subordinated debt. We anticipate that the mix of capital will be as follows:

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[4] NCCS Business Master File 12/2012. http://nccs.urban.org/database/overview.cfm#BMF

[5] The Nonprofit Almanac, 2012. http://www.urban.org/books/nonprofit-almanac-2012/

- Paid in Capital: $1.25 million (unencumbered cash as direct grants from corporations, individuals and foundations)
- Secondary Capital: $7.5 million (investments from foundations, corporations and individuals in the form of subordinated long term debt)
- Shares:$1.25 million (a portion of member deposits)

As ANFCU begins to operate profitably (toward the end of its second year of operations), its earnings will become a continued source of strength for the institution and allow it to grow the member base and its ability to serve the nonprofit community. In addition to $1.25 million in grants ANFCU is seeking 20 year subordinated loans to act as secondary capital. These loans will be able to be retired based on the credit union's earnings, so that the supporters of the institution will be able to redeploy the funds in the future and obtain a return on their investment over the life of the loans.

START- UP EXPENSES

ANFCU's subscribers are immediately seeking development support of $400,000 to hire the senior management talent to put into place all of the infrastructure described above which is necessary to establish the credit union. As the structure and talent is developed, additional commitments for capital to support the lending and operations of ANFCU will need to be in place before a charter can be granted.

These expenses assume that the founding management team will work for a reduced salary or defer a portion of their compensation during the preopening period, and that significant in-kind donations of space and equipment will be available during that time.

	1-Apr	1-May	1-Jun	1-Jul	1-Aug	1-Sep	1-Oct	1-Nov	1-Dec	1-Jan	1-Feb	Total
Create Pro-Forma Projections	2,000	2,000	2,000	2,000								8,000
Create the Business Plan	2,000	2,000	2,000	2,000								8,000
Draft Policies and Procedures	1,000	1,000	1,000	1,000	2,000	2,000	2,000					10,000
Complete Required NCUA Forms	1,000	1,000	1,000									3,000
Establish Credit Union Bylaws				1,000	1,000	1,000						3,000
Establish Location Rent & Utilities									3,000	3,000	3,000	9,000
Surety Bond/Insurance Coverage												-
Develop a Marketing Plan										2,000	2,000	4,000
Identify Officials & Management	5,000	5,000	5,000	5,000								20,000
CEO					6,250	6,250	6,250	6,250	6,250	6,250	6,250	43,750
CFO/COO					6,250	6,250	6,250	6,250	6,250	6,250	6,250	43,750
CLO					6,250	6,250	6,250	6,250	6,250	6,250	6,250	43,750
CTO					6,250	6,250	6,250	6,250	6,250	6,250	6,250	43,750
Travel		2,000	2,000	2,000	2,000							8,000
Legal/Compliance review			2,000	5,000	5,000	5,000	10,000	10,000				37,000
Startup												-
Systems & Tech												-
Install and configure systems								8,000	8,000	8,000	8,000	32,000
Train staff									7,000	7,000	7,000	21,000
Pre sales									8,000	8,000	8,000	24,000
Contingency												38,000
Total	11,000	13,000	15,000	18,000	35,000	33,000	37,000	43,000	51,000	53,000	53,000	400,000

PRO FORMA FINANCIAL PERFORMANCE

The pro forma statements presented below are based on a conservative estimate of the potential demand for lending expressed in the surveys conducted by American Nonprofits. The pro forma also anticipates that loans will be made during the first and second quarters of operations because of pre-qualification of borrowers and "getting the word out" before ANFCU opens doors. They show a steady growth of members and loan portfolio based on a careful and measured approach to adding both members and loans.

Major Assumptions

The member growth assumptions ramp up over four years from zero to 10% for individuals and 30% for organizations based on the current membership totals and survey results. The eligible membership is likely to grow significantly during that time; however prudent growth and management will likely be the limiting factors moderating the pace of growth for the new credit union. Similarly, loan demand estimates are informed by the experience of other de novo institutions with a similar capital base, the estimations of demand and most importantly, the operational limits of safe and sound loan growth rather than trying to fulfill all demand immediately. Deposit balances are conservatively estimated based on survey results and reported commitments members are willing to make. Core technology providers will structure to keep costs to a minimum prior to profitability, while ANFCU will continue to benefit from in-kind donation of space.

Additional Important Assumptions:

- Senior salaries (four at the chief level) will average $186,875 annually including benefits
- Fees will be 25% of total revenue
- Allowance for loan loss reserve will be 1.5% of loans
- Net interest margins will remain tight (<2.5%)

Interest	Annual Rate		Annual Rate
Investment Income	0.75%		
Interest on Deposits and Borrowing	0.75%		
Business Loans		**Consumer Loans**	
Credit Cards	12.00%	Signature Term	6.00%
<$250K Term	5.00%	Real Estate (Mortgage/HELOC)	4.00%
>$250K Term	5.00%	Auto	3.00%
<$250K Lines of Credit	5.00%	Credit Cards	12.00%
>$250K Lines of Credit	5.00%	LOC	7.00%
Real Estate Purchase	6.00%		
Project Finance	8.00%		

As is illustrated in the income statement, even with this conservative approach, the institution should become profitable in the second year of operations, which is in line with generally accepted industry expectations. The balance sheet reveals that by the fourth year, it will yield cumulative gains and have begun a cycle of growth that will leverage its initial capital and earnings into the future.

Balance Sheet	Y1Q1	Y1Q2	Y1Q3	Y1Q4	Y2Q1	Y2Q2	Y2Q3	Y2Q4	Y3Q1	Y3Q2	Y3Q3	Y3Q4	Y4Q1	Y4Q2	Y4Q3	Y4Q4
Assets																
Consumer Loans																
Term	45,000	100,000	200,000	350,000	545,000	785,000	1,070,000	1,400,000	1,780,000	2,210,000	2,690,000	3,220,000	3,775,000	4,355,000	4,960,000	5,590,000
Mortgage	90,000	200,000	400,000	700,000	1,090,000	1,570,000	2,140,000	2,800,000	3,560,000	4,420,000	5,380,000	6,440,000	7,550,000	8,710,000	9,920,000	11,180,000
Auto	45,000	100,000	200,000	350,000	545,000	785,000	1,070,000	1,400,000	1,780,000	2,210,000	2,690,000	3,220,000	3,775,000	4,355,000	4,960,000	5,590,000
Credit Cards	225,000	500,000	1,000,000	1,750,000	2,725,000	3,925,000	5,350,000	7,000,000	8,900,000	11,050,000	13,450,000	16,100,000	18,875,000	21,775,000	24,800,000	27,950,000
LOC	45,000	100,000	200,000	350,000	545,000	785,000	1,070,000	1,400,000	1,780,000	2,210,000	2,690,000	3,220,000	3,775,000	4,355,000	4,960,000	5,590,000
Total Consumer Loans	450,000	1,000,000	2,000,000	3,500,000	5,450,000	7,850,000	10,700,000	14,000,000	17,800,000	22,100,000	26,900,000	32,200,000	37,750,000	43,550,000	49,600,000	55,900,000
Business Loans																
Credit Cards	180,000	400,000	800,000	1,400,000	2,180,000	3,140,000	4,280,000	5,600,000	7,120,000	8,840,000	10,760,000	12,880,000	15,100,000	17,420,000	19,840,000	22,360,000
<$250K Term	27,000	60,000	120,000	210,000	327,000	471,000	642,000	840,000	1,068,000	1,326,000	1,614,000	1,932,000	2,265,000	2,613,000	2,976,000	3,354,000
>$250K Term	63,000	140,000	280,000	490,000	763,000	1,099,000	1,498,000	1,960,000	2,492,000	3,094,000	3,766,000	4,508,000	5,285,000	6,097,000	6,944,000	7,826,000
<$250K LOC	45,000	100,000	200,000	350,000	545,000	785,000	1,070,000	1,400,000	1,780,000	2,210,000	2,690,000	3,220,000	3,775,000	4,355,000	4,960,000	5,590,000
>$250K LOC	18,000	40,000	80,000	140,000	218,000	314,000	428,000	560,000	712,000	884,000	1,076,000	1,288,000	1,510,000	1,742,000	1,984,000	2,236,000
Real Estate Purchase	90,000	200,000	400,000	700,000	1,090,000	1,570,000	2,140,000	2,800,000	3,560,000	4,420,000	5,380,000	6,440,000	7,550,000	8,710,000	9,920,000	11,180,000
Project Finance	27,000	60,000	120,000	210,000	327,000	471,000	642,000	840,000	1,068,000	1,326,000	1,614,000	1,932,000	2,265,000	2,613,000	2,976,000	3,354,000
Total Business Loans	450,000	1,000,000	2,000,000	3,500,000	5,450,000	7,850,000	10,700,000	14,000,000	17,800,000	22,100,000	26,900,000	32,200,000	37,750,000	43,550,000	49,600,000	55,900,000
Total Loans	900,000	2,000,000	4,000,000	7,000,000	10,900,000	15,700,000	21,400,000	28,000,000	35,600,000	44,200,000	53,800,000	64,400,000	75,500,000	87,100,000	99,200,000	111,800,000
ALL	13,500	30,000	60,000	105,000	163,500	235,500	321,000	420,000	534,000	663,000	807,000	966,000	1,132,500	1,306,500	1,488,000	1,677,000
Net Loans	886,500	1,970,000	3,940,000	6,895,000	10,736,500	15,464,500	21,079,000	27,580,000	35,066,000	43,537,000	52,993,000	63,434,000	74,367,500	85,793,500	97,712,000	110,123,000
Other Assets																
Investments	14,318,317	20,233,590	25,287,029	29,402,534	32,695,420	35,188,866	36,903,565	37,860,246	37,938,144	37,204,267	35,681,748	33,393,765	30,776,210	27,915,793	24,824,387	21,513,887
Fed Funds	633,000	958,000	1,283,000	1,608,000	1,933,000	2,258,000	2,583,000	2,908,000	3,233,000	3,558,000	3,883,000	4,208,000	4,533,000	4,858,000	5,183,000	5,508,000
CCU Cash	633,000	958,000	1,283,000	1,608,000	1,933,000	2,258,000	2,583,000	2,908,000	3,233,000	3,558,000	3,883,000	4,208,000	4,533,000	4,858,000	5,183,000	5,508,000
Cash in Transit	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Other Assets	15,684,317	22,249,590	27,953,029	32,718,534	36,661,420	39,804,866	42,169,565	43,776,246	44,504,144	44,420,267	43,547,748	41,909,765	39,942,210	37,731,793	35,290,387	32,629,887
Total Assets	16,570,817	24,219,590	31,893,029	39,613,534	47,397,920	55,269,366	63,248,565	71,356,246	79,570,144	87,957,267	96,540,748	105,343,765	114,309,710	123,525,293	133,002,387	142,752,887
Liabilities																
Member Shares																
Primary Shares	171,875	343,750	515,625	687,500	859,375	1,031,250	1,203,125	1,375,000	1,546,875	1,718,750	1,890,625	2,062,500	2,234,375	2,406,250	2,578,125	2,750,000
Savings	3,702,349	7,404,697	11,107,046	14,809,394	18,511,743	22,214,092	25,916,440	29,618,789	33,321,137	37,023,486	40,725,835	44,428,183	48,130,532	51,832,880	55,535,229	59,237,578
Share Draft	2,629,658	5,259,317	7,888,975	10,518,634	13,148,292	15,777,950	18,407,609	21,037,267	23,666,925	26,296,584	28,926,242	31,555,901	34,185,559	36,815,217	39,444,876	42,074,534
Money Market	703,416	1,406,832	2,110,248	2,813,665	3,517,081	4,220,497	4,923,913	5,627,329	6,330,745	7,034,161	7,737,578	8,440,994	9,144,410	9,847,826	10,551,242	11,254,658
Certificates	917,702	1,835,404	2,753,106	3,670,807	4,588,509	5,506,211	6,423,913	7,341,615	8,259,317	9,177,019	10,094,720	11,012,422	11,930,124	12,847,826	13,765,528	14,683,230
Total Member Shares	8,125,000	16,250,000	24,375,000	32,500,000	40,625,000	48,750,000	56,875,000	65,000,000	73,125,000	81,250,000	89,375,000	97,500,000	105,625,000	113,750,000	121,875,000	130,000,000
Secondary Capital	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Accounts Payable	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Liabilities	15,825,000	23,950,000	32,075,000	40,200,000	48,325,000	56,450,000	64,575,000	72,700,000	80,825,000	88,950,000	97,075,000	105,200,000	113,325,000	121,450,000	129,575,000	137,700,000
Undivided Earnings	(504,183)	(980,410)	(1,431,971)	(1,836,466)	(2,177,080)	(2,430,634)	(2,576,435)	(2,593,754)	(2,504,856)	(2,242,733)	(1,784,252)	(1,106,235)	(265,290)	825,293	2,177,387	3,802,887
Paid in Capital (grants)	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Total Equity	745,817	269,590	(181,971)	(586,466)	(927,080)	(1,180,634)	(1,326,435)	(1,343,754)	(1,254,856)	(992,733)	(534,252)	143,765	984,710	2,075,293	3,427,387	5,052,887
Tot. Liabilities & Eqty.	16,570,817	24,219,590	31,893,029	39,613,534	47,397,920	55,269,366	63,248,565	71,356,246	79,570,144	87,957,267	96,540,748	105,343,765	114,309,710	123,525,293	133,002,387	142,752,887
Net Worth	8,245,817	7,769,590	7,318,029	6,913,534	6,572,920	6,319,366	6,173,565	6,156,246	6,245,144	6,507,267	6,965,748	7,643,765	8,484,710	9,575,293	10,927,387	12,552,887

Income Statement	Y1Q1	Y1Q2	Y1Q3	Y1Q4	Y2Q1	Y2Q2	Y2Q3	Y2Q4	Y3Q1	Y3Q2	Y3Q3	Y3Q4	Y4Q1	Y4Q2	Y4Q3	Y4Q4
Interest Income																
Interest on Loans																
Consumer Loans																
Term	665	1,478	2,955	5,171	8,052	11,598	15,809	20,685	26,300	32,653	39,745	47,576	55,776	64,345	73,284	82,592
Real Estate (Mort./HELOC)	887	1,970	3,940	6,895	10,737	15,465	21,079	27,580	35,066	43,537	52,993	63,434	74,368	85,794	97,712	110,123
Auto	332	739	1,478	2,586	4,026	5,799	7,905	10,343	13,150	16,326	19,872	23,788	27,888	32,173	36,642	41,296
Credit Cards	6,649	14,775	29,550	51,713	80,524	115,984	158,093	206,850	262,995	326,528	397,448	475,755	557,756	643,451	732,840	825,923
LOC	776	1,724	3,448	6,033	9,394	13,531	18,444	24,133	30,683	38,095	46,369	55,505	65,072	75,069	85,498	96,358
Total Consumer Loans	9,308	20,685	41,370	72,398	112,733	162,377	221,330	289,590	368,193	457,139	556,427	666,057	780,859	900,832	1,025,976	1,156,292
Business Loans																
Credit Cards	5,319	11,820	23,640	41,370	64,419	92,787	126,474	165,480	210,396	261,222	317,958	380,604	446,205	514,761	586,272	660,738
<$250K Term	332	739	1,478	2,586	4,026	5,799	7,905	10,343	13,150	16,326	19,872	23,788	27,888	32,173	36,642	41,296
>$250K Term	776	1,724	3,448	6,033	9,394	13,531	18,444	24,133	30,683	38,095	46,369	55,505	65,072	75,069	85,498	96,358
<$250K Lines of Credit	554	1,231	2,463	4,309	6,710	9,665	13,174	17,238	21,916	27,211	33,121	39,646	46,480	53,621	61,070	68,827
>$250K Lines of Credit	222	493	985	1,724	2,684	3,866	5,270	6,895	8,767	10,884	13,248	15,859	18,592	21,448	24,428	27,531
Real Estate Purchase	1,330	2,955	5,910	10,343	16,105	23,197	31,619	41,370	52,599	65,306	79,490	95,151	111,551	128,690	146,568	165,185
Project Finance	532	1,182	2,364	4,137	6,442	9,279	12,647	16,548	21,040	26,122	31,796	38,060	44,621	51,476	58,627	66,074
Total Business Loans	9,064	20,143	40,287	70,501	109,781	158,125	215,533	282,006	358,550	445,166	541,853	648,613	760,408	877,239	999,105	1,126,008
Investment Interest	-	26,847	37,938	47,413	55,130	61,304	65,979	69,194	70,988	71,134	69,758	66,903	62,613	57,705	52,342	46,546
Interest Expense																
Share Interest	15,234	30,469	45,703	60,938	76,172	91,406	106,641	121,875	137,109	152,344	167,578	182,813	198,047	213,281	228,516	243,750
Interest on Borrowing	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063	14,063
Total Interest Expense	29,297	44,531	59,766	75,000	90,234	105,469	120,703	135,938	151,172	166,406	181,641	196,875	212,109	227,344	242,578	257,813
Net Interest Income	(10,924)	23,144	59,829	115,312	187,409	276,337	382,138	504,852	646,559	807,032	986,397	1,184,698	1,391,770	1,608,432	1,834,845	2,071,032
Provision for Loan Loss	13,500	16,500	30,000	45,000	58,500	72,000	85,500	99,000	114,000	129,000	144,000	159,000	166,500	174,000	181,500	189,000
Net Interest Income after PLL	(24,424)	6,644	29,829	70,312	128,909	204,337	296,638	405,852	532,559	678,032	842,397	1,025,698	1,225,270	1,434,432	1,653,345	1,882,032
Fee Income	4,593	10,207	20,414	35,725	55,628	80,125	109,216	142,899	181,686	225,576	274,570	328,667	385,317	444,518	506,270	570,575
Total Income	(19,831)	16,851	50,243	106,037	184,538	284,462	405,854	548,751	714,245	903,608	1,116,967	1,354,365	1,610,587	1,878,950	2,159,615	2,452,607
Operating Expense																
Compensation	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500	377,500
Benefits	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625	56,625
Member Services	11,008	17,016	23,023	29,031	31,539	37,547	43,555	49,563	55,570	61,578	67,586	73,594	79,602	85,609	91,617	97,625
Information Technology	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	50,000	50,000	50,000	50,000	125,000	125,000	125,000	125,000
Office Occupancy	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Marketing	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
General & Administrative	20,719	23,438	26,156	28,875	31,594	34,313	37,031	39,750	42,469	45,188	47,906	50,625	53,344	56,063	58,781	61,500
Total Operating Expense	484,352	493,078	501,805	510,531	515,758	524,484	533,211	541,938	594,664	603,391	612,117	620,844	704,570	713,297	722,023	730,750
Charge Offs	-	-	-	-	9,394	13,531	18,444	24,133	30,683	38,095	46,369	55,505	65,072	75,069	85,498	96,358
Net Income	(504,183)	(476,227)	(451,562)	(404,494)	(340,614)	(253,553)	(145,801)	(17,319)	88,898	262,123	458,481	678,017	840,945	1,090,583	1,352,094	1,625,500

CONCLUSION

Taken together all of these factors show that ANFCU has the required ingredients to be a successful co-operative financial institution, commitment to strong management, a broad and interested membership, a profitable plan, and dedicated governance.

The creation of ANFCU will provide a long term benefit to the entire nonprofit community and as a result to the fabric of our national society. Looking over multiple decades, the ongoing impact of ANFCU extends far beyond the dollars and cents that it would save. Beyond the resources it can redirect to nonprofits and leverage in support of nonprofit missions, it offers unquantifiable savings for nonprofit executives in terms of time and energy spent explaining their special business models to for-profit institutions whose energies are focused elsewhere. Every year, this investment will pay countless rewards.

APPENDICES:

AMERICAN NONPROFITS BOARD OF DIRECTORS

- ***Pamela Davis, President and CEO, Nonprofits Insurance Alliance Group***

Pamela Davis is Founder and CEO of the Nonprofits Insurance Alliance Group, a multi-state nonprofit insurance group providing property/casualty insurance for 12,000 nonprofits nationwide, with assets of $330 million and rated AVIII by A.M. Best. During its 20+ years, because it is organized as a nonprofit itself and because of its commitment to the nonprofit sector, the NIA Group has declared $31 million to its member nonprofits in dividends. Their strong nonprofit member relationships, data bank and strong competencies with long-distance risk assessments will be invaluable assets to American Nonprofits and the credit union. Among other awards, Ms. Davis was named one of small business' Best Bosses in 2005 by Fortune Small Business Magazine and one of the 80 leading women in the insurance industry worldwide in 2006. Ms. Davis holds a B.A. in Economics with Highest Honors from University of California, Santa Cruz and a Masters of Public Policy from the Goldman School, University of California, Berkeley. www.insurancefornonprofits.org

- ***Irv Katz, President and CEO, National Human Services Assembly***

Irv Katz is president and CEO of the National Human Services Assembly (National Assembly), a Washington-based association of 80 of the nation's leading nonprofit human service organizations. The members and their affiliates collectively reach every community and virtually every household in the United States as donors, volunteers and consumers of services. As president of the Assembly, Mr. Katz oversees a dozen peer councils, affinity groups on youth development, family strengthening and public policy, collaborative initiatives, and an extensive group purchasing program. Prior to joining the National Assembly in April 2001, Mr. Katz enjoyed a 23-year career with the United Way. He is on the board of 501(c) Agencies Trust, is a Trustee of America's Promise Alliance, and has been recognized as one of the Power and Influence 50 by the Nonprofit Times. Mr. Katz holds undergraduate and graduate degrees from Indiana University. www.nassembly.org

- ***Andrew Hastings, Vice President of Business Development, National Philanthropic Trust***

Andrew Hastings is the Vice President of Business Development of the National Philanthropic Trust (NPT) and has 20 years of experience in the philanthropic and nonprofit marketplace. During his ten-year tenure with NPT he has overseen the generation of over $2 billion in charitable gifts and increased assets under management to $1.3 billion. He has closed and renewed institutional partnerships with 14 Fortune 100 financial service and private banking firms including American Express, BlackRock, JPMorgan, Morgan Stanley, Harris Bank and UBS. Mr. Hastings has been recognized nationally for his pioneering work in the field of charitable marketing and web development. Mr. Hastings wrote and edited NPT's award-winning publication *A Chronological History of Philanthropy in the United States*. He also developed NPT's annual Donor-Advised Fund Market Report which has been featured in the Wall Street Journal and New York Times and will be incorporated into Giving USA's annual report on charitable giving. Mr. Hastings was formerly the President and CEO of the Delaware Association of Nonprofit Agencies, which provided management services and technical assistance to more than 2400 nonprofit organizations, and was National Program Director of the American Institute for Public Service. Mr. Hastings has a B.A. with Honors in Political Science from Denison University and also studied at Exeter College, Oxford University. www.nptrust.org

- ***Jan Masaoka, CEO, California Association of Nonprofits (and Editor-in-Chief, Blue Avocado)***

Jan Masaoka is the publisher of Blue Avocado magazine, an influential online magazine for nonprofits. Blue Avocado's uniquely insightful understanding of the nonprofit market has led it to be described as the second-most read publication in the American nonprofit sector. Ms. Masaoka and Blue Avocado's wide reach within the nonprofit community and its work in nonprofit finance and strategy will be important in developing and strengthening both American Nonprofits and the credit union. She is also the CEO of the California Association of Nonprofits which owns and operates a for-profit subsidiary insurance brokerage, obtaining insurance for 600 nonprofits including health insurance for 12,500 of their employees. She is a frequently published writer and speaker. www.blueavocado.org and www.calnonprofits.org

- ***Susan Bradshaw, Vice President of Marketing, Nonprofits Insurance Alliance Group***

Susan Bradshaw is the Vice President of Marketing/Member and Broker Services for the Nonprofits Insurance Alliance Group. Ms. Bradshaw is recognized for her excellent leadership qualities, including project management, team building and developing strategic partnerships. Over the past 13 years, she has played a key role in the expansion and growth of the Nonprofits Insurance Alliance Group into 31 states plus District of Columbia serving 12,000 nonprofits and writing in excess of $90 million in premium. www.insurancefornonprofits.org

THE JOHNS HOPKINS INSTITUTE FOR POLICY STUDIES

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Center for Civil Society Studies
Institute for Policy Studies

Listening Post Project

A joint project of the Center for Civil Society Studies at the Johns Hopkins Institute for Policy Studies in cooperation with the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Association of Homes and Services for the Aging, the American Association of Museums, the National Congress for Community Economic Development, the National Council of Nonprofit Associations, and Theatre Communications Group

COMMUNIQUÉ NO. 5

Investment Capital: The New Challenge for American Nonprofits

Lester M. Salamon with the assistance of Stephanie L. Geller
Johns Hopkins University

EXECUTIVE SUMMARY

Once considered fundamentally labor-intensive institutions, nonprofit organizations are increasingly confronting expanded needs for "investment capital" to finance the facilities, technology, and innovations required to remain viable in an increasingly competitive environment. Because of their relatively small scale and their non-profit character, which makes it impossible for them to issue stock, however, nonprofits confront special difficulties in accessing investment capital. Regrettably, though, precious little is known about the special challenges nonprofit organizations face in generating such capital or the degree of success they have had in overcoming them.

To help fill this gap, the Johns Hopkins Nonprofit Listening Post Project took a preliminary "Sounding" of its nationwide sample of nonprofit organizations in five broad fields of nonprofit action (children and family services, community and economic development, elderly housing and services, museums, and theaters) to learn about the capital needs of these organizations and the ease or difficulty they face in meeting these needs.

Based on the results of this Sounding, the following major conclusions emerge:

1. Nonprofits in these core human service, community development, and arts fields have significant investment capital needs.
2. These needs extend well beyond the traditional areas of physical capital to embrace program development, staff upgrading, and strategic planning. This likely reflects the growing competition in many of these fields and the substantial infusion of entrepreneurial spirit into the nonprofit sector in recent years.
3. Despite these needs, nonprofits have encountered significant difficulty accessing the major pools of investment capital in our country, such as insurance companies and pension funds. Many nonprofits have limited knowledge of these capital resources, and those that do have knowledge report substantial difficulty in accessing them.
4. Although other sources, such as commercial banks, government, foundations, and individual donors, are more familiar to nonprofits, some (e.g., government) are quite difficult to access for investment capital purposes and others (e.g., commercial banks, foundations, and individual donors) are limited in their areas of interest.
5. Although some variations exist in the applicability of these findings among the different types of nonprofit organizations surveyed and between organizations affiliated with national intermediary organizations and those not so unaffiliated, what is most striking is how uniform they seem to be, at least among the types of organizations examined here.
6. While it is impossible to say for certain whether these results apply equally to other types of nonprofit organizations, they certainly suggest the need for increased attention to the investment capital needs of nonprofit organizations and possible policy actions to level the playing field for nonprofit access to capital.

The full text of this Communiqué is available for downloading at: www.jhu.edu/listeningpost/news

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PRELIMINARY FIELD OF MEMBERSHIP APPROVAL

National Credit Union Administration

July 26, 2012

Charlie Wilcox
Post Office Box 8507
Santa Cruz, CA 95061-8507

RE: Proposed Nonprofits Federal Credit Union

Dear Mr. Wilcox:

This letter responds to your letter received July 6, 2012 requesting a preliminary field of membership approval for the Proposed Nonprofits Federal Credit Union. I have preliminarily approved your request for a single associational common bond field of membership pursuant to Chapter 2, Section III of the NCUA's Chartering and Field of Membership Manual. I have also reserved the following credit union name for the proposed credit union: "Nonprofits Federal Credit Union."

The preliminary field of membership for the proposed Nonprofits Federal Credit Union as a single associational common bond chartered credit union reads as follows.

> "The field of membership shall be limited to those having the following common bond:
>
> > "Members of the American Nonprofits, Inc. who qualify for membership in accordance with its charter and bylaws in effect on April 5, 2012;
> >
> > Spouses of persons who died while within the field of membership of this credit union; employees of this credit union; members of the immediate family or household; volunteers; organizations of such persons; and corporate or other legal entities in this charter."

My preliminary field of membership approval is based on the following information indicated in your letter:

- The planned office location for the proposed credit union is in Santa Cruz, California, and
- The potential membership for the proposed credit union is initially approximately 70,000 individuals and over 11,000 501(c)(3) nonprofit organizations.

Please note my approval is for your proposed federal credit union's field of membership only. You may not advertise, or otherwise indicate, your proposed federal credit union is a federally-insured financial institution prior to receiving NCUA's approval of a complete charter application.

1775 Duke Street - Alexandria, VA 22314-3428 - 703-518-6300

Mr. Wilcox
July 26, 2012
Page Two

We encourage you move forward with developing the remainder of your charter application. Consumer Access Analyst Annette Moore is available to assist you with any questions you may have. Please feel free to contact her at 703-664-3844.

We look forward to hearing further from you regarding your new federal credit union charter application.

Sincerely,

Kent D. Buckham
Director, Office of Consumer Protection

OCP/CA/AKM:akm

cc: Proposed Nonprofits FCU
NCUA Region II
OCP-CA Analyst Annette Moore

LOW INCOME CREDIT UNION DESIGNATION

The NCUA Board defines "low-income members" as those members whose income is 80% or less than the total median earnings for the metropolitan area where they live or for the national metropolitan area, whichever is greater. The term "low-income members" also includes those members enrolled as students in a college, university, high school, or vocational school.

LICU status benefits:

Credit unions that NCUA designates as "low-income" can:

- receive nonmember deposits from any source in addition to deposits from public units and other credit unions, limited to 20% of deposits (unless approved for more)
- offer secondary capital accounts and include this account in the credit union's net worth,
- qualify for an exception from the aggregate member business loan limit, and
- participate in the Community Development Revolving Loan Fund for credit unions

Secondary Capital Specifics- from NCUA Examination Manual:

The NCUA Board established key safety and soundness elements, to ensure (1) the availability of secondary capital accounts to absorb losses, and (2) the investor understands the risks involved. In §701.34, the NCUA Board permits credit unions to offer secondary capital accounts providing the credit union does the following:

- Offers the accounts to organizational investors only, not to natural persons
- Subordinates the accounts to all other claims on the assets of the credit union, including claims of creditors, shareholders, and the NCUSIF
- Does not offer the accounts as share accounts and discloses they are not insured by the NCUSIF, or any other government entity
- Makes the funds available to cover losses after depletion of reserves and undivided earnings, but before liquidation
- Establishes the accounts with a minimum maturity of five years, which may not be redeemable before maturity
- Requires that the investors sign standard account agreements and disclosures (per the Appendix to §701.34) and retain them for at least the life of the loan
- Recognizes the capital value of an account having a remaining maturity of less than five years on a declining scale for each subsequent year (i.e., accounts with maturities between four and five years will have capital value of 80 percent of the balance, those with three to four years remaining - 60 percent, two to three years remaining - 40 percent, one to two years remaining - 20 percent, and accounts with maturities of less than one year - zero capital value). All of the funds, however, will remain at risk; and
- Adopts and submits to the regional director a written plan that addresses the use of the funds and provision for liquidity upon maturity. The credit union need not wait for approval.

Finally, under prompt corrective action, NCUA can restrict payment of principal or interest on uninsured secondary capital of a low-income designated credit union classified as critically undercapitalized.

MANAGEMENT TEAM JOB DESCRIPTIONS

Chief Executive Officer

ANFCU is seeking a strong leader with the management experience, social vision and the financial services acumen to bring this vision from plan to fruition and to create a lasting legacy for the benefit of the nonprofit sector.

Qualifications: (knowledge/ skills/abilities):

- Knowledge of depository business models, financial reports, ratios and metrics
- Familiarity with laws and regulations affecting credit unions
- Experience with financial services regulation and regulators
- Experience and reputation with nonprofits
- Knowledge of banking technology. Comfortable with online delivery models
- Strategic planning, creative problem solving and decision-making skills
- Proven leadership, teambuilding capabilities, management and supervisory skills
- Asset/liability management skills
- Active listening skills
- Public presentation skills

Experience Required:

At least eight years credit union (or the equivalent) in a key management position. Strong preference toward experience in start-up credit union or de novo bank.

Education Required:

College degree, Master's Degree preferred.

Travel:

Significant travel required to represent the credit union at conferences as well as certain state and local association meetings and conferences.

Job Summary:

- Directly supervises Chief Operating Officer, Chief Lending Officer, Chief Financial Officer, Chief Information Officer and Executive Assistant.
- Responsible for maintaining credit union safe and sound operations, executing business plan and ensuring credit union's continued success.
- Manages all aspects of the credit union's activities.
- Establishes and controls the budgeting and forecasting process.
- Provides primary voice with members- nonprofits and individuals.
- Ensures that the operations of the credit union are carried out efficiently and accurately in accordance with by-laws and board directives.
- Ensures compliance with regulations
- Maintains contacts and reputation with numerous credit union associations, community leaders, attorneys, regulators, etc.

Essential Functions and Responsibilities:

- Leads the credit union to successful fulfillment of mission and plan. Provides leadership and focus to board, staff and members to ensure long term viability of credit union.

- Interfaces between the board of directors and credit union staff to execute business model and strategic plan.
- Informs the board on all important factors influencing the credit union; drives strategic planning process and maintains long term business plan and goals.
- Directs preparation of and presents special and routine financial reports to the board as required by law.
- Serves as a member of appropriate management and board committees, (e.g., investment, insurance, budget, future planning, etc.) Carries out the directives of these committees such as investment of surplus funds and charge-off loans.
- Directs the development of operating policies. Implements all policy directives from the board, delegates authority to ensure effective performance of assigned functions.
- Oversees, directly or through subordinates, the recruitment, selection, orientation and training of employees. Oversees employee discipline, and related matters.
- Maintains contacts with local, state and federal credit union associations; with nonprofit community leaders and representatives who might have an impact on the credit union; and with related correspondent banks, auditors and insurance carriers.

Chief Lending Officer

ANFCU is seeking an experienced CLO to collaborate with the CEO and founders to bring this vision to fruition, creating a legacy benefiting the nonprofit sector.

Qualifications: (knowledge/ skills/abilities):

- Experience managing participation loan programs.
- Experience with laws, regulators and regulations affecting Credit Union Lending.
- Familiarity with nonprofit business models and development of underwriting standards targeting nonprofits.
- Must be proficient with accounting, spreadsheet, and word processing software.
- Proven leadership, management, collaborative, and active listening skills.
- Ability to work with mathematical concepts such as probability and statistical inference, and fundamentals of regression analysis.
- Ability to define problems, aggregate, facts and draw valid conclusions.
- Excellent analytical skills and ability to read and interpret complex documents and to respond effectively to sensitive inquiries or complaints.
- Must have knowledge/ability to use all MS Office Suite products. Must have working knowledge of lending systems.

Experience Required:

Minimum 8 years in lending, loan review and/or compliance. Strong preference toward experience in start-up credit union or de novo bank.

Education Required:

College degree preferred or extensive related work experience.

Travel:

Moderate travel required for business development. Start-up phase may require additional travel to coordinate participations and partnerships.

Job Summary:

- Responsible for providing support, direction, credit information, loan policies and procedures to ensure the overall quality of the Credit Union's lending portfolio.
- Directs and monitors lending operations for the Credit Union. Develops lending targets and budgets in collaboration with senior management.
- Manages ongoing development of nonprofit lending programs
- Reviews strategic planning for coherence and practicality of lending goals. Collaborates with senior management to set sales goals for lending programs.
- Reviews and recommends lending rates, pricing, and fee structures balancing mission and financial viability.
- Examines, evaluates, authorizes or recommends approval of member applications for commercial loans and lines of credit. Reviews periodically for required updated financial information and field visits.
- Identifies problem loans, makes recommendation for assignment of loans to review loan list that is reviewed quarterly with the board
- Analyzes loan data reports for any corrective action.

Essential Functions and Responsibilities:

- Oversee the full range of managerial duties for the loan review, compliance, collections, and credit analysis functions including adherence to policies and and applicable regulatory and governmental agencies.
- Responsible for developing underwriting criteria for nonprofit lending.
- Responsible for implementing a system of credit analysis and quality assurance for loans made as required by board directives; assign ratings as needed in conjunction with loan loss reserve analysis.
- Performs direct supervisory duties of department staff. Assumes responsibility and is accountable for adherence to lending policies and procedures.
- Examine files periodically for assurance of credit and collateral documentation, regulatory compliance, and loan policy conformance; review technical exceptions and deficiencies; maintain reports of exceptions to the Board of Directors.
- Develop and maintain a cohesive, highly trained, motivated staff sufficient to meet daily department demand and long-term organizational goals.
- Maintains contacts and reputation with professional associations, community leaders, attorneys, regulators, etc.

Chief Financial Officer

ANFCU is seeking an experienced CFO to collaborate with the CEO and founders to bring this vision to fruition, creating a legacy benefiting the nonprofit sector.

Qualifications: (knowledge/ skills/abilities):

- Knowledge of depository business models, financial reports, ratios and metrics.
- Asset/liability management skills.
- Familiarity with laws and regulations affecting Credit Unions.
- Experience with financial services regulation and regulators.
- Knowledge of banking technology. Comfortable with online delivery models.
- Must be proficient with accounting, spreadsheet, and word processing software.
- Proven leadership, management, collaborative and active listening skills.
- Excellent analytical skills.
- Ability to operate collaboratively and independently required.

Experience Required:

At least five years of similar or related experience, strong preference toward experience in start-up credit union or de novo bank.

Education Required:

Finance, Business, or Accounting Degree; Master's Degree preferred, or extensive related work experience.

Travel:

Once credit union is established, moderate travel required to represent the credit union at conferences as well as certain state and local association meetings and conferences. More frequent travel may be required during start-up period.

Job Summary:

- Designs and maintains the Credit Union's accounting system and other related organizations. Ensures complete and accurate financial, statistical, and accounting records of the Credit Union.
- Develops the budgets with direction from and in collaboration with CEO. Incorporates needs from other senior managers, in accordance with meeting strategic plan and goals efficiently.
- Works in close accordance with senior leadership to ensure efficient information availability, management reporting, compliance reporting and procedures.
- Reviews tactical and strategic planning for coherence and efficiency in implementations and capital expenditures.
- Directs the financial affairs of the Credit Union and related entities, manages investments, reserves and forecasts financial performance.
- Reviews and recommends rates, pricing, and fee structures while balancing mission and financial viability.
- Develops, defines, and documents financial procedures to ensure compliance with regulatory requirements, established policy and generally accepted accounting practices.

- Maintains contacts and reputation with professional associations, community leaders, attorneys, regulators, etc.

Essential Functions and Responsibilities:

- Serves as a member of appropriate Management and Board committees, carries out the directives of these committees.
- Maintains contacts with local, state and federal credit union associations; with nonprofit community leaders and representatives who might have an impact on the Credit Union; and with related correspondent banks, auditors and insurers.
- Manage internal and external audit s and ensure sustained regulatory compliance. Develops, implements, and evaluates policies and procedures for the Finance Department. Ensure communication with the management team on a regular basis regarding new regulations and necessary compliance.
- Coordinates public accounting firm audits and regulatory agency exams including preparation of required responses. Procures insurance for the Credit Union, its affiliate organizations, and its subsidiary organizations.
- Prepares and presents special and routine financial reports to the Board.
- Directs the Credit Union's investment activities and reputation in financial markets to ensure liquidity.
- Reviews performance and projections to predict and identify budget variances and suggests appropriate action.

Chief Information Officer

ANFCU is seeking an experienced CIO to collaborate with the CEO and founders to bring this vision to fruition, creating a legacy benefiting the nonprofit sector.

Qualifications: (knowledge/ skills/abilities):

- Thorough knowledge of hardware systems, system software, networks, and application software development relevant to credit unions.
- Must have excellent resource management, planning, implementation and communication skills.
- Familiarity with depository business models, financial reports, ratios and metrics.
- Familiarity with laws and regulations affecting Credit Unions.
- Significant implementations and conversions experience with online banking systems Previous experience managing and coordinating integration of various online products.
- Proven leadership, management, collaborative, and active listening skills.
- Ability to operate collaboratively and independently required.

Experience Required:

At least five years of similar or related experience, strong preference toward experience in start-up credit union or de novo bank.

Education Required:

Related degree preferred, or extensive related work experience.

Travel:

Some travel may be required to represent the credit union at conferences.

Job Summary:

- Defines systems architecture and functionalities to meet strategic and tactical operations requirements in cost effective and sustainable manner. Ensures systems integration and maintenance.
- Performs due diligence to ensure product viability and efficient product delivery.
- Manages IT systems, including budgeting, performance monitoring, reporting, planning, priority setting, and staff management.
- Responsible for developing and maintaining data processing and reporting systems required to provide operations and appropriate reporting facilities.
- Ensures necessary controls, to deliver accurate financial performance, management information and compliance reporting.
- Directs and monitors all hardware and software conversion, development, and enhancement projects. Responsible for ongoing vendor management in collaboration with COO and CFO.
- Collaborates in the development and implementation of long-range strategic plans to address the evolving information processing needs of the Credit Union and its members.
- Responsible for maintaining information security and compliance

Essential Functions and Responsibilities:

- Ensures continuous access to information and products in an online delivery model for mission essential systems.
- Reviews information systems related to tactical and strategic planning for coherence and efficiency in implementations and capital expenditures.
- Implements rates, pricing, and fee structures balancing mission and financial viability. Collaborates on product development ensuring implementation viability.
- Reviews and implements financial products in accordance operations requirements.
- Serves as a member of appropriate Management and Board committees, carries out the directives of these committees.
- Ensures Disaster Recovery and Continuation of Business Plans are current and data system tested according to plan.