



# Annual Member Business Meeting

May 9, 2023



## A Message from Pete Hand, Board Chair



Since 1934, Point West has been a strong and reliable institution built and maintained by the membership. Through 2022 and into early 2023, the contributions of staff, members and volunteers continued this long tradition of a vibrant community powering our institution. I want to thank everyone for their contributions this past year where, despite a rapid shift to high

levels of inflation, the lingering COVID pandemic

and troubles in some commercial banks, Point West experienced strong financial performance, a new recent high in our Net Worth and a resilient balance sheet buoyed by increasing lending and the \$1.8M grant from the Treasury noted in my report from last year. Point West is well positioned to continue its long tradition as a secure and prudent partner to its members.

This improved financial performance also allowed several new and exciting programs to support our members. These include our expansion of auto loans to the community and prospective members through the CUDD auto lending platform and the groundwork to introduce QCash, a platform that allows the automated funding of 24/7 personal loans of up to \$2,500 to help members with emergency needs. This continued evolution and innovation of our products is aimed at ensuring the members can access borrowing and savings products that are competitive and supportive of their lives. We expect the rest of 2023 to continue this journey of innovation.

Point West, led by the staff, is also committed to providing information and support for growing financial wellness and providing important tools to achieve financial goals. To this end, we have three team members that have earned the CUNA Financial Counseling Certification Program whom you can access at the physical or remote branch. We have shifted our member education and training program to Credit Mountain from the BALANCE platform which we believe will provide more resources and support, especially for members who are working to improve their financial situation to the point where they can afford a home or vehicle. In addition, see Amy's statement for more amazing news about grant

support for the credit union.

The volunteers on the Point West Board of Directors have also been busy since our last Annual Meeting. We have continued to pursue efforts to strategically support and grow the credit union and the services it can provide members. In pursuit of that goal, we are updating our governance systems, doing the work to integrate Diversity, Equity, and Inclusion into all our processes, modernizing our Nominations process, and working to connect with members so that we can provide representative and direct feedback into the work of guiding the credit union. As always, the volunteers are here as member representatives; your honest feedback through surveys, emails and in-person conversations help mold the future of Point West Credit Union.

I also want to take a moment to thank Mark Oliver for his 6 years of service on the Point West Board. I had the pleasure of meeting Mark upon joining Point West as a volunteer, and his ability and focus on financial wellness, programs, products, and methods to help people achieve financial empowerment were deeply expert and empathetic. We will miss his contributions while he attends to other priorities.

The volunteers of the board of directors and supervisory committee stand proudly with the Point West team and members. You are a member-owner of Point West. This is a cooperative of the members that derives its strength from the member community. Based on the financial performance we are a strong and vibrant community. Thank you all for your continued membership.

Sincerely,

Pete Hand, Chair of the Board



# 604 hours<sup>1</sup>

VOLUNTEERED BY POINT WEST TEAM MEMBERS



# \$9,700<sup>1</sup>

COLLECTIVELY DONATED BY POINT WEST TEAM MEMBERS



# 21 Organizations

VOLUNTEERED AT BY POINT WEST TEAM MEMBERS

## 2022 PWCU Staff Impact Numbers

<sup>1</sup>Data obtained from the credit union's internal tracking and reporting platforms

## A Message from Amy Nelson, CEO



It continues to be my utmost pleasure to lead and serve Point West Credit Union. 2022 was both a challenging and rewarding year, with a variety of successful initiatives implemented, and significant project development underway for new products, services and resources in 2023. While much work remains to be done,

our momentum continues to build with the recent achievement of Point West earning significant grant dollars over the last 12 months:

In 2022, the Community Development Financial Institutions (CDFI) Fund awarded Point West Credit Union more than \$200K through the Small Dollar Loan Program (SDL) which aided in our implementation of the QCash platform which will enhance and expand deployment of our Boost Loan – a product our members have utilized for emergency and short term lending needs for over a decade. In 2023, Point West received over \$3.7M from the CDFI fund through the Equitable Recovery Program (ERP). As one of the CDFI Fund's most flexible programs for how awards are used, the CDFI ERP allows recipients like Point West to:

- Expand lending, grant making, and investment activities in low- or moderate-income communities and to borrowers, including BIPOC communities, which have significant unmet capital and financial services needs and have experienced disproportionate economic impacts from the COVID-19 pandemic; and
- Build organizational capacity and acquire technology, staff, and other tools necessary to accomplish the activities under a CDFI ERP Award

This is life changing for our cooperative and will allow for amazing new opportunities for our members, our team and our community. My sincere appreciation for the tireless work and dedication from each person on staff. Their daily efforts showcased our strong and enduring success with meeting member lending needs which resulted in Point West earning this grant. These funds, combined with your voice, are a catalyst for our cooperative's next chapter and will change lives over generations.

Amidst the backdrop of a continuously challenged economy, your credit union remains a strong, vibrant and stable resource for its members. The credit union ended 2022 with a well-capitalized net worth ratio of 10.78%, and 93 basis points of ROAA (Return

on Average Assets), beating budget forecasts by 53 basis points and 27 basis points respectively. As an organization dedicated to the financial wellness of its members, ensuring we make loans that improve outcomes for borrowers is important – to that end, 52% of total loans funded went to members that make less than \$50,000 and 32% of total loans funded went to ITIN holders, providing needed access to affordable vehicles for families, capital for small businesses and more. Many borrowers came to the credit union to borrow money for the first time in 2022, and are now on the path to building sound, reliable credit that will benefit them and their families going forward. With a year-end charge-off ratio of .27 basis points (48 points below forecast), members continue to demonstrate their commitment to their debt obligations and to this credit union. These are all significant achievements that are shared by all members of Point West, and to all of you that actively participated in your cooperative this past year, I thank you!

As a member-owned credit union, your voice and support remain the most critical components to our success. Please continue to engage with Point West through our team members, service surveys and via our listening sessions to let us know how we can best help you and your family continue to achieve better and more sustainable financial wellness and economic empowerment. Volunteerism with our Board of Directors and Supervisory Committee are additional avenues of engagement and advocacy we encourage you to consider. Your volunteer representatives have been hard at work for the cooperative, and this is an exciting time to help shape the vision of Point West! If you are interested in volunteering, please reach out via [contact@pointwestcu.com](mailto:contact@pointwestcu.com).

On behalf of Point West Credit Union and your Member Service team, thank you for your continuing support and participation in this cooperative and creating lasting impact and results for your fellow members and local community.

Cooperatively,

Amy Nelson, CEO

**\$200,000**

**\$3,700,000**

## Past and Future **Grants**

In 2022, the Community Development Financial Institutions (CDFI) Fund awarded Point West Credit Union **more than \$200K** through the Small Dollar Loan Program (SDL). This grant enabled Point West to establish the QCash loan program, which allows for automated 24/7 funding of emergency loans directly through our Online Banking platform.

In 2023, the CDFI Fund awarded Point West Credit Union **more than \$3.7 million** through the Equitable Recovery Program (ERP). These funds will help Point West expand lending, grant making, and investment activities in low- or moderate-income communities and to borrowers, including BIPOC communities, which have significant unmet capital and financial services needs and have experienced disproportionate economic impacts from the COVID-19 pandemic.



## A Message from Steff Shao, Supervisory Committee Chair



The Point West Credit Union Supervisory Committee meets quarterly with the CEO and on an as-needed basis to provide oversight of the financial reporting process, the audit process, the company's system of internal controls, and compliance with laws and regulations. The Supervisory Committee members are also encouraged to and regularly

attend the credit union's monthly meetings with the Board of Directors. This oversight allows the Supervisory Committee to provide the Board with insight to effectively oversee and update policies and procedures for the credit union.

As part of this oversight, each year, the Supervisory Committee contracts with an experienced, reputable third-party accounting firm to perform an independent financial statement audit of the credit union. Moss Adams, LLP, provided its independent audit report to the Supervisory Committee, which showed that Point West Credit Union's 2022 operations and cash flows ended in conformity with generally accepted accounting principles (GAAP).

I would like to thank the Supervisory Committee members for their time and expertise. On behalf of the committee, we would like to thank the Board of Directors for giving us the opportunity to serve our members in this capacity. We would also like to thank Amy Nelson, President/CEO and the entire staff of Point West Credit Union for their efforts to provide safe, sound and inclusive financial services to all the credit union's members.

*Steff Shao, Supervisory Committee Chair*

Our Boost Loans are getting an upgrade thanks to our friends at QCash! Get money when you need it most deposited right into your account; no credit check required!

- Available **24/7** via Online Banking and Mobile App
- Quick automated application and approval process
- Borrow between \$200 and \$2,500
- Repayment period up to 24 months
- Eligibility for Primary Account holder only
- Must be credit union member or at least 3 months.

*You could use a*

# BOOST

## Boost Loans

Powered by QCash

1

### Apply

Apply anytime, anywhere with your online or mobile banking account

2

### Review

Read through the options, features, and disclosures. Select the best options for you.

3

### Submit

QCash is so fast your loan is instantly assessed without a credit check.

4

### Decision

Approvals are funded immediately. The cash is in your account.

5

### Done!

That's it! Now you can focus on more important things.



**55% of new memberships** were BIPOC.



**41% of new memberships** were women.



**Nearly 1,300 people across 13 organizations** received financial education by our Community Advocate alone.



**52% of loans funded** went to members that make less than \$50K.



**32% of loans funded** went to ITIN holders.

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## 2022 Community Impact

As a member-owned cooperative, we're proud to be governed by a board of dedicated volunteers directly elected by you, our loyal members. This year, we have four well-qualified nominees who have been vetted by our Board Nominations Committee, for the open board positions.

In accordance with our credit union bylaws, all nominees who are approved for election by the Nominations Committee, may be Elected by Acclamation at the Annual Meeting, if there is only one nominee for each vacancy. Election by Acclamation is defined as an oral vote of approval taken without formal ballot. Per bylaws, no nominations shall be made from the floor at the Annual Meeting. In 2023, four candidates are running for Director positions on the Point West Board.

## Kristy Mayer-Mejia



Nominee - Board of Directors

### Re-Running | 3 Year Term

Kristy Mayer-Mejia has focused her career on using data to drive growth at organizations creating sustainable social impact, working across industries, including financial services, economic development, and energy efficiency. She is currently the Senior Director of Analytics at Arcadia, a climate tech company working to stop climate change by breaking the fossil fuel monopoly. Previously, she served as a Director of Product at Kiva, where she helped build a global marketplace for crowdfunded loans to serve the financially excluded and as Director of Analytics & BI at Simple Finance, where she founded the analytics, data science and BI teams. Kristy has been a Point West member since 2018 and currently serves on the Point West Board of Directors.

## Oscar Porras



Nominee - Board of Directors

### Re-Running | 3 Year Term

Oscar Porras started his career in the credit union industry over 20 years ago. He has primarily worked with community members of modest needs, credit union professionals of diverse backgrounds, and emerging markets with a focus on the Hispanic community in Oregon and California. That experience has led Oscar to Humanidei as a Senior Consultant for Diversity, Equity, and Inclusion. Porras has experience in branch operations, lending, and community outreach. In each of his roles, he has helped create, develop, and implement products and services that have helped guide immigrant community members and those of modest means into mainstream financial services. From working with youth, professionals, and board members, Oscar is driven by the belief that everyone deserves an opportunity. The credit union industry will serve as a catalyst for diversity, equity, and inclusion by purposely and intently providing opportunities for different ideas, opinions, and lived experiences. Credit unions will continue to grow and stay relevant by becoming a reflection of the communities they serve. Oscar is a certified International Credit Union Development Educator and has also received a certification from Georgetown University in Advancing Diversity, Equity, and Inclusion in the Workplace. Oscar has been a Point West member since 2017 and currently serves on the Point West Board of Directors.

## Cynthia Novelo



Nominee - Board of Directors

### Appointed Interim | 1 Year Term

Cynthia Novelo has been in the banking industry for over 20 years. She has held various senior roles in Compliance and Community Reinvestment Act (CRA) at banks of various sizes and complexity. Cynthia was also a bank examiner and CRA Subject Matter Expert with the Division of Depositor and Consumer Protection, with the Federal Deposit Insurance Corporation (FDIC). Her extensive experience and knowledge of the CRA gained through both program administration as well as numerous bank examinations, has made her a resource relied upon by peers as well as the banking community. Cynthia also has extensive experience working with financial institutions under regulatory enforcement actions and directly interfacing with regulators. Cynthia has previously volunteered as a director of various non-profit organizations, including SoCal CDC and Centro Latino for Literacy. Cynthia is a first generation American, both parents immigrating from Mexico to the Portland metro area in the early 1980s. Cynthia is passionate about the Latino community gaining access to financial services. Cynthia has been a member of Point West Credit Union since April 2021.

## Fernando Velez



Nominee - Board of Directors

### Appointed Interim | 2 Year Term

Fernando is a first-generation Latino immigrant and after 20 years he is now a recent retiree from Oregon state government. He started his banking career in 1989. Since then, most of his career was dedicated to promoting access and participation in the financial mainstream for disadvantaged communities. He also advocated and supported sustainable homeownership, particularly among first-time homebuyers, BIPOC communities, and women. He partnered with several housing nonprofits to promote these opportunities. Fernando also served in several housing nonprofits board of directors and as a state employee has received relevant certifications and training to promote consumer protection and awareness. Fernando is bilingual in English and Spanish. Fernando has been a Point West member since 2017 and currently serves on the Point West Board of Directors.

# Income Statement

	2022	2021
<b>INTEREST INCOME</b>		
Interest on Loans Receivable	2,916,551	2,709,965
Interest on Investments & Interest-Bearing Deposits	489,990	110,280
Total Interest Expense (Loss)	256,013	302,026
Provision for Loan Losses	-	-
<b>Net Interest Income After Provision</b>	<b>3,150,528</b>	<b>2,518,219</b>
<b>NON-INTEREST INCOME</b>		
Service Charges & Fees	854,601	833,185
NCUSIF Distribution	56,380	575,400
Grant Income	1,400,000	426,000
Gain on Insurance Premiums Receivable	12,399	30,908
Other Non-Interest Income	76,268	177,957
<b>Total Non-Interest Income</b>	<b>2,399,648</b>	<b>2,043,450</b>
<b>NON-INTEREST EXPENSES</b>		
Compensation & Benefits	2,099,914	1,894,484
Office Operations	917,726	854,501
Professional Services	513,173	514,440
Office Occupancy	306,294	336,122
Loan Servicing Expenses	208,082	164,143
Promotional	233,660	135,316
Other Non-Interest Expenses	241,840	235,014
<b>Total Non-Interest Expenses</b>	<b>4,520,689</b>	<b>4,134,020</b>
<b>NET INCOME (LOSS)</b>	<b>1,029,487</b>	<b>427,649</b>

The accompanying December 31, 2022 condensed financial statements have been derived from financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Audited statements will be available upon request by contacting the credit union at 503.546.5000. **Federally insured by NCUA.**

# Balance Sheet

	2022	2021
<b>ASSETS</b>		
Cash & Cash Equivalents	6,424,525	43,720,798
Interest-Bearing Deposits	17,748,000	7,948,000
Investment Securities Available for Sale, At Fair Value	254,085	346,558
Restricted Equity Securities	690,002	682,901
Loans Receiveable, Net	78,065,372	54,456,719
Accrued Interest Receivable	251,520	143,775
NCUSIF Deposit	964,657	957,021
Property & Equipment, Net	2,285,908	2,381,049
Other Assets	1,247,170	980,400
<b>Total Assets</b>	<b>107,931,239</b>	<b>111,617,221</b>
<b>LIABILITIES &amp; MEMBER EQUITY</b>		
<b>Liabilities</b>		
Members' Share & Savings Accounts	94,050,663	98,820,489
Borrowed Funds	2,700,000	1,400,000
Deferred Grant Revenue	-	1,400,000
Accrued Expenses & Other Liabilities	752,754	591,389
<b>Members' Equity</b>		
Regular Reserves	-	5,104,555
Undivided Earnings	10,433,955	4,299,913
Accumulated Other Comprehensive Income (Loss)	(6,133)	875
<b>Total Liabilities &amp; Member Equity</b>	<b>107,931,239</b>	<b>111,617,221</b>
<b>CAPITAL/TOTAL ASSETS (NET WORTH)</b>	<b>10.78%</b>	<b>9.68%</b>





## Board of Directors:

Peter Hand, Board Chair  
Oscar Porras, Vice Chair  
Roberto Flores, Secretary  
Kristy Mayer-Mejia, Director  
Robin Tompkins, Director  
Cynthia Novelo, Director  
Fernando Velez, Director

## Supervisory Committee:

Steff Shao, Chair  
Dana Lawrence, Secretary  
Katherine Hart  
Ali Hussain  
Samantha Downing

## Leadership Team:

Amy Nelson, CEO  
Steve Pagenstecher, CInO  
Sarah Ferguson, CFO  
Ray Cornwell, VP Lending & Branch Operations



[pointwestcu.com](http://pointwestcu.com) | 503.546.5000

