



More than banking, *we're family!*™

**GUADALUPE**  
CREDIT UNION

## ANNUAL REPORT

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EMPOWERING

# President/CEO Report

## Winona Nava, President/CEO

The Annual Meeting today is very different from those held over the last 72 years due to the Health Emergency with COVID-19 that is happening at this time. We will miss seeing all of you in person. I am pleased to report that 2019 was another very successful year for Guadalupe Credit Union (GCU) with growth in both members and assets. GCU is well positioned to meet the needs of our members during this difficult time while maintaining safety and soundness.

During 2019 GCU was voted **number one** by staff in the Best Places to Work competition and voted **number one** in values by staff in the Top Workplace competition. Both of these awards are granted based on engagement surveys asking staff about their experience as an employee. GCU was also awarded "gold" level by Family Friendly Workplaces in New Mexico based on policies and procedures.

Linda Medina, Board Chair, was also recognized as Director of the Year by the Credit Union Executive Society. This award recognizes the exceptional leadership role of Linda in guiding GCU over her 25 years of Volunteer Service to do an exceptional job of meeting members' needs. The award also takes into account the designation of Guadalupe Credit Union as a Community Development Financial Institution meeting the needs of all those living in the communities served, including providing an alternative to payday lenders.

GCU also saved members over half a million dollars in interest by rescuing them from the never ending cycle of predatory debt. Predatory lenders are allowed by state law to provide loans at interest rates up to 175%. What does this mean in dollars and cents? One member with a fixed income of just over \$1200.00 per month, facing a financial emergency, borrowed \$8,554.53 from Title Max for 48 months at an interest rate of 130.68%. This resulted in a loan contract charging \$37,614.63 in interest, a total repayment of \$46,169.16 and a monthly payment of \$962.00. GCU lowered his payment to an affordable \$284.00 per month and saved him \$32,537.16 in interest. If you know of friends and family suffering from these egregious rates and terms please let them know GCU can help!

GCU is thankful to our Board and Officials for their shared vision with staff to provide financial empowerment in the communities served. Your loyalty to GCU, using our products and services and referring friends and family has been the key to continued success. We want to assure you that GCU remains safe and sound and is here to guide and help you navigate the difficult times our country is now facing.



*Winona Nava*

**President/CEO**  
**Guadalupe Credit Union**

# Board of Directors' Report

## Linda Medina, Board Chair

The Board of Directors represent you, the member, by planning the future direction and directing the current progress through our CEO, Winona Nava, her management and staff. Through the family of volunteers, management and staff our credit union is safe, sound and stronger than ever.

Our credit union grew in 2019 in members who turned to GCU more frequently for their financial needs. Assets, membership, reserves and equity and financial performance continue to exceed our peers and make us the credit union to watch in our specialized areas of expertise. Management and staff continue to stay focused on improving loan quality and providing competitive rates for our members.

Accomplishments of the past year include:

- Financial coaching has been enhanced helping even more members to navigate their financial obstacles
- Significantly lower loan delinquencies
- At the request of another credit union, GCU took over their Raton operations
- Received a grant to build and staff a branch in Las Vegas, NM

In the credit union's 2019 planning session, we considered ways to expand and improve upon our products and services, as well as other initiatives to help us succeed in the continually changing financial landscape. We continue to refine the credit union's offerings to better serve our members and encourage them to make Guadalupe Credit Union their primary financial institution.

On behalf of the Board of Directors, I would like to express our sincere appreciation to Winona, GCU Management and Staff, for their hard work and dedication in serving our members. As board members, we take our responsibility in guiding the future of the credit union very seriously. Thank you for continuing to choose Guadalupe Credit Union as your trusted financial partner.

## Supervisory Committee Report

### Hazeldine Romero, Supervisory Committee Chair

Guadalupe Credit Union completed another year of new growth and financial success. The Supervisory Committee, through the efforts of the Compliance and Internal Audit Department, performed audits and reviews of activities such as loans, collections and new accounts. GCU management is in substantial compliance with the numerous policies and procedures and has benefitted from Internal Audit suggestions to streamline processes.

Jaramillo Accounting Group completed the 2018 audit, resulting in an unqualified opinion, finding that our financial information was accurate, complete and in accordance with financial reporting requirements. They are performing the 2019 audit. State and Federal regulators reviewed various aspects of our credit union and found no major areas of concern. Management immediately implemented the recommendations for improvement made by these reviewers.

We appreciate your loyalty to Guadalupe Credit Union. We will continue to earn that loyalty by protecting your money and providing efficient and effective service to our members and the communities we serve.

# Treasurer Report

## Toni Chavez, Board Secretary/Treasurer

As we get together for Guadalupe Credit Union's 72nd Annual Meeting, I am pleased to report that GCU remains strong, providing affordable financial products and services to our members and continuing our mission of serving the underserved.

It is with great satisfaction that I provide to you an overall view of our financial status for 2019. Total assets grew 9.62% and loans to members grew by 5.08%. For your reference, a comparison of where we stood as of December 31, 2019 compared to 2018 is shown after this report. The amount of dividends returned to members increased by 40% due to the increase in market rates. Due to the changes in the economy in early 2020, it is expected that earnings on loans and investments will trend down in 2020 and as a result, the funds available to return to members in dividends will also trend down.

Guadalupe Credit Union remains committed to managing its members' funds according to the very highest standards. Protecting your resources is our first priority and our CEO, our management team and our staff are all dedicated to providing our members with exceptional experiences and the best products and services that meet the needs of the communities served.

## Statement of Financial Condition

	DECEMBER 31, 2018	DECEMBER 31, 2019
<b>ASSETS</b>		
Loans to Members	129,686,775.62	136,272,832.96
Less Allowance for Loan Loss	(1,544,018.19)	(1,825,719.77)
Cash	3,029,426.23	3,473,876.79
Investments	25,638,276.92	35,358,044.64
Building & Equipment	9,394,396.98	9,002,543.68
Other Assets	748,725.66	739,112.13
<b>TOTAL ASSETS</b>	<b>166,953,583.22</b>	<b>183,020,690.43</b>
<b>LIABILITIES, SHARES, &amp; EQUITY</b>		
Liability	1,948,204.50	4,645,134.70
Share Certificates	46,818,072.96	48,254,346.51
IRA Deposits	5,648,805.06	5,084,019.85
Share Draft/Checking	19,132,496.51	22,540,371.12
Money Market Shares	19,612,928.41	19,383,533.61
Shares	54,206,530.88	62,418,178.44
Other Comprehensive Income	(2,325,858.00)	(3,051,749.00)
Undivided Earnings	21,182,343.81	23,016,796.11
Regular Reserve	730,059.09	730,059.09
<b>TOTAL LIABILITIES, SHARES, &amp; EQUITY</b>	<b>166,953,583.22</b>	<b>183,020,690.43</b>
<b>INCOME STATEMENT</b>		
Loan Income	8,698,642.10	9,331,929.40
Investment Income	445,347.15	647,044.66
Other Income	3,831,643.26	4,041,736.60
<b>TOTAL INCOME</b>	<b>12,975,632.51</b>	<b>14,020,710.66</b>
Less Operating Expense	9,334,374.71	10,331,556.99
<b>OPERATING INCOME</b>	<b>3,641,257.80</b>	<b>3,689,153.67</b>
Dividends to Members	673,523.57	941,488.96
Interest on Borrowed Money	---	---
Less Loan Loss Expense	621,000.00	1,023,797.00
<b>NET INCOME</b>	<b>2,346,734.23</b>	<b>1,723,867.71</b>
Gain/Loss on Investment	---	(6,667.00)
Gain/Loss on Disposition of Assets	(13,889.81)	(105,778.07)
Gain/Loss from Bargain Purchase - Merger	---	223,029.66
<b>NET INCOME</b>	<b>2,332,844.42</b>	<b>1,834,452.30</b>

# Loan Report

## Brenda Dominguez, Chief Lending Officer

In 2019, Guadalupe Credit Union loans grew 5.08%, an increase of \$6.86 million from December 2018. The main increase was \$2.9 million in auto loans. Congratulations to our Lenders and Financial Coaches for all of their hard work and contributions to another great year. All together, they processed 5,409 new loans totaling \$49,994,711.00 with an average loan balance of \$8,312.00

Our Financial Coaches are here to guide you by looking at your current financial picture and to help you plan for the future. We invite you to schedule an appointment for a free financial checkup.

On behalf of the lending team at Guadalupe Credit Union, we would like to thank you for trusting us with your financial well-being and allowing us to work with you to meet your ongoing financial needs. We are committed to our mission and look forward to continuing to support our members by promoting Financial Empowerment.

## Guadalupe Credit Union 2019 Loans

New Auto	452	10,295,887.22	7.56%
Used Auto	3,438	39,583,195.98	29.05%
Signature Loans	2,138	4,177,677.50	3.07%
LOC/Check Guard	2,533	7,144,290.07	5.24%
Rec. Vehicle	189	2,017,323.24	1.48%
Mobile Home	175	3,374,824.05	2.48%
TDR/Work Out Consumer Loans	19	347,482.36	0.25%
Share Secured	371	3,495,496.77	2.57%
Heavy Equipment Loans	8	148,407.51	0.11%
All Other Loans	1,802	432,621.80	0.32%
1st Mortgage <15 yr	187	9,944,447.28	7.30%
Vacant Land 1st Mortgage	163	5,691,205.67	4.18%
1st Mortgage Balloon	241	27,525,923.86	20.20%
1st Adjustable Rate Mortgage	83	12,918,478.71	9.48%
2nd Mortgage Balloon	1	91,160.00	0.07%
2nd Mortgage <15 yr	37	1,358,376.57	1.00%
Non Owner Occupancy Real Estate	9	359,497.35	0.26%
Non Owner Occupancy Balloon	3	206,838.70	0.15%
Mortgage Equity	5	132,215.31	0.10%
HELOC	56	1,448,609.11	1.06%
TDR/Work Out Mortgage Loans	29	3,591,359.17	2.64%
VISA	4,456	1,987,514.73	1.46%
<b>TOTALS</b>	<b>16,395</b>	<b>136,272,832.96</b>	<b>100.00%</b>

Guadalupe Credit Union is a not-for-profit dedicated to serving the underserved. Our focus is to provide low-income families, students and others access to fair, affordable and trustworthy financial services.

Guadalupe Credit Union created a lending product called the Predatory Debt Relief Loan to combat wealth stripping practices in New Mexico. Since 2018, we have saved working and retired New Mexicans \$500,000, keeping that money in our most economically disadvantaged communities.

New Mexico is suffering from an opioid crisis. In an effort to keep families together, Guadalupe Credit Union is working with Las Cumbres Community Services in Española to support grandparents who are raising grandchildren to find resources for legal, food and benefit assistance, as well as providing non-predatory lending options.

**Proudly Serving Northern New Mexico Since 1948**

**Low Income Designated and CDFI-Certified**

**Guadalupe Credit Union is 22,000 Members Strong**



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