

President/CEO Report

Winona Nava, President/CEO

I am looking forward to returning to an in-person Annual Meeting this year. Even with the challenges posed in 2020 by COVID-19, Guadalupe Credit Union (GCU) positively impacted many of our member's lives. Financial Coaches in all of our offices were invaluable in helping members survive the financial issues they were facing in 2020 due to the COVID-19 Virus.

Our Financial Coaching and Outreach Department worked one-on-one virtually with many members to help them maintain their financial wellness in spite of the pandemic.

The Credit Union National Association awarded GCU 2 first place awards for credit unions under \$250 million in assets:

- The first was the DesJardins Youth Education Award that recognized our BizKids Program in 2019. This program held in conjunction with the City of Santa Fe Summer Program is a chance for the youth of Santa Fe to become entrepreneurs. In 2020, the program went virtual.
- The second was a Louise Herring Award for an innovative product created to improve the lives of our members. The product that won this award was GCU's Predatory Debt Relief Loan that provides an escape from interest rates as high as 175% charged by other lenders in the counties we serve. **This product has now saved GCU members over one million dollars** by refinancing loans from these high rate lenders. For example, one member borrowed \$10,004.25 at a rate of 150.68% from a title lender. The payments were \$1,334.36 for 48 months, including a finance charge of \$54,036.17. GCU refinanced the loan for a term of 33 months, lowering her payment to \$570.00 per month and **saving her \$50,582.11 in finance charges.**

GCU worked with our members during the pandemic, providing payment extensions to those in need on both consumer and mortgage loans. Other lenders provided payment extensions, but required that these skipped payments be paid in full right after the extension period. This was impossible and left many members in danger of losing their home or car. GCU was able to assist them by refinancing the loans with the credit union and giving them a fresh start on the repayment of their loans.

In order to provide a higher level of contactless service during 2020, GCU added the following electronic services: Remote Deposit Capture, Online loan applications, the ability to sign loan documents digitally, and the ability to open additional accounts digitally.

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 you towards a successful financial future!



Winona Nava

**President/CEO
Guadalupe Credit Union**

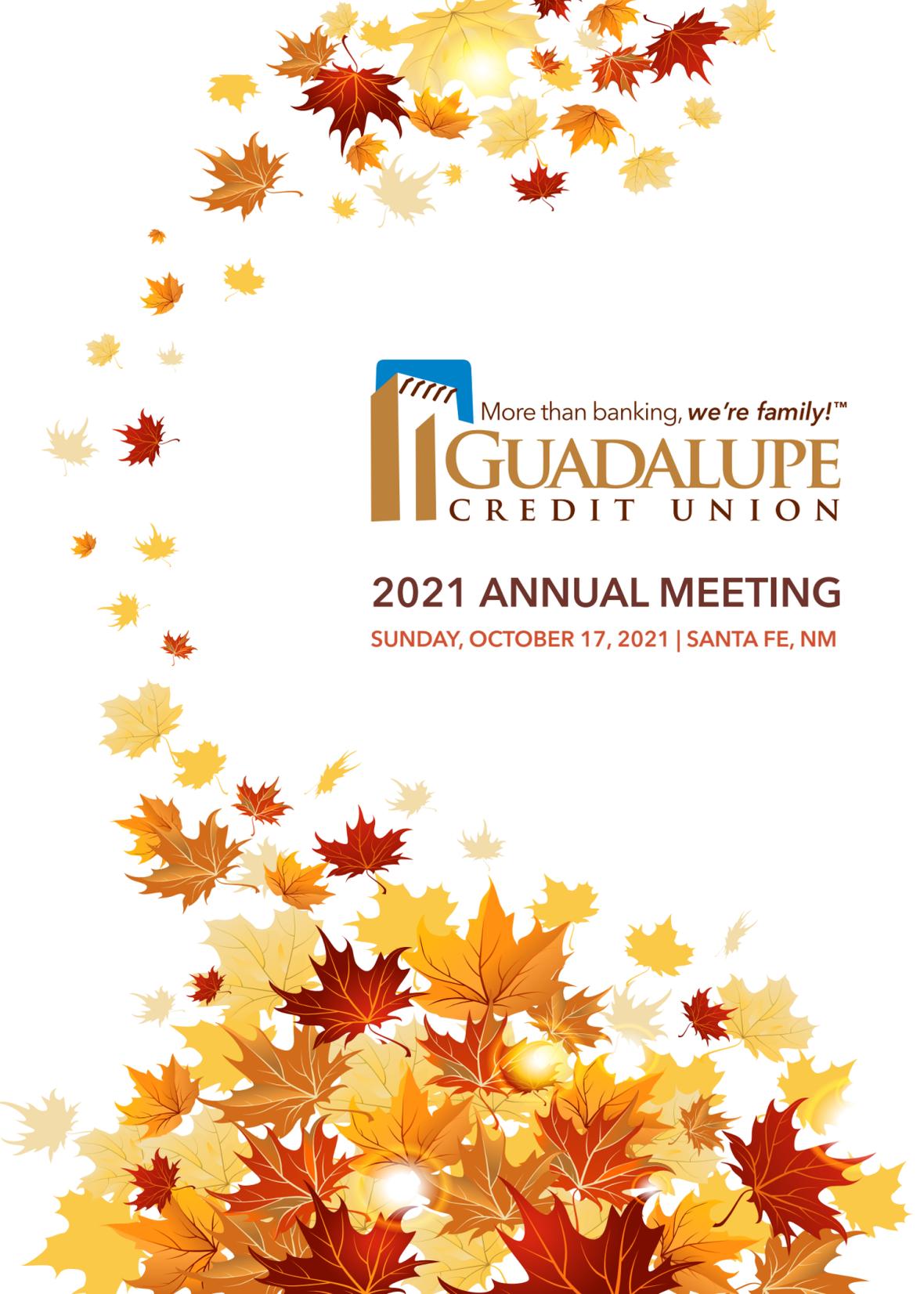


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2021 ANNUAL MEETING
SUNDAY, OCTOBER 17, 2021 | SANTA FE, NM

Board of Directors' Report

Linda Medina, Board Chair

Guadalupe Credit Union's CEO, Winona Nava, Management, and Staff have been able to help our GCU family weather the challenges of the COVID-19 pandemic through required quarantines and temporary closings. GCU has launched several products and features to help navigate these difficult times. These efforts have helped to make 2020 a successful year.

Some significant changes and accomplishments since our last annual meeting are:

- All branches have been able to reopen,
- An in-house call center has been launched with the ability to answer members inquiries,
- The Taos Branch is now located in a larger and more accessible location for the community,
- GCU's newest branch in Las Vegas will be opening soon

On behalf of the Board of Directors, I would like to thank Winona, Management and Staff for their hard work and dedication in serving our members. The Board is proud of the way Management and Staff continue to take care of each other while helping our members.

On behalf of our Guadalupe Credit Union family, we would like to express our sincere condolences to all those who have lost friends and family during this last year. Please know you are in our prayers.

Supervisory Committee Report

Hazeldine Romero, Supervisory Committee Chair

Guadalupe Credit Union completed another successful year. We are thankful for the dedication of GCU management and staff, who continue to work for the success of our members. We have been through numerous changes and have grown stronger from the recommended processes that the Compliance and Internal Audit Department has implemented to safeguard your money.

Jaramillo Accounting Group performed the 2019 and 2020 audits that resulted in unqualified opinions, finding GCU financial information was accurate, complete and in accordance with financial reporting requirements. The State and Federal examiners reviewed certain aspects of our credit union and found no major areas of concern. Management immediately addressed the minor issues noted during the audits and examination.

Although our nation and world continue to face a very contagious virus, our priorities are to keep our members and staff safe, to help you meet your needs through this difficult time, and to give you the tools you need to reach your financial goals. We continue to recommend improvements to protect your resources and provide efficient and effective products and services to our members and the communities we serve.

Treasurer Report

Gladys Cobos-Romero, Board Secretary/Treasurer

Guadalupe Credit Union remains financially strong and well capitalized in 2020. A comparison of the change in GCU's financial condition from 12/31/2019 to 12/31/2020 is included below. GCU experienced unprecedented growth due to deposits from the government stimulus payments. Assets grew at a rate of 19%, almost twice the rate of 9.62% in 2019. Loans declined as members used the stimulus funding to pay down their existing loans. Many members were hesitant to borrow with their incomes impacted by the virus and uncertainty regarding the future.

Due to the number of members impacted by COVID-19 and the uncertainty of their financial future, the allowance for loan loss account was increased 41% to cover future losses. Due to the drop in rates by the Federal Reserve, GCU earned 53% less investment income in 2020. This resulted in net income 31% less in 2020 than in 2019. Even with these challenges, GCU remained well capitalized at 11.67%, which well positions your credit union to face any further challenges that may lie ahead.

GCU 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 & services that meet the needs of our communities.

Statement of Financial Condition

ASSETS	DECEMBER 31, 2020	DECEMBER 31, 2019
Loans to Members	129,647,206	136,272,833
Less Allowance for Loan Loss	(2,568,208)	(1,825,720)
Cash	3,450,747	3,473,877
Investments	75,001,530	35,358,045
Building & Equipment	8,835,793	9,002,544
Other Assets	3,346,405	739,112
TOTAL ASSETS	217,713,473	183,020,690
LIABILITIES, SHARES, & EQUITY		
Liability	2,379,141	4,645,135
Share Certificates	48,148,168	48,254,347
IRA Deposits	4,818,995	5,084,020
Share Draft/Checking	33,478,079	22,540,371
Money Market Shares	22,825,349	19,383,534
Shares	84,104,726	62,418,178
Other Comprehensive Income	(3,046,307)	(3,051,749)
Undivided Earnings	24,275,263	23,016,796
Regular Reserve	730,059	730,059
TOTAL LIABILITIES, SHARES, & EQUITY	217,713,473	183,020,690

Statement of Income

INCOME STATEMENT		
Loan Income	9,479,778	9,331,929
Investment Income	303,041	647,045
Other Income	4,539,359	4,041,737
TOTAL INCOME	14,322,178	14,020,711
Less Operating Expense	10,673,309	10,331,557
OPERATING INCOME	3,648,869	3,689,154
Dividends to Members	1,052,515	941,489
Less Loan Loss Expense	1,344,309	1,023,797
TOTAL NET INCOME BEFORE GAINS OR LOSSES	1,252,045	1,723,868
Gain/Loss on Investment	---	(6,667)
Gain/Loss on Disposition of Assets	6,423	(105,778)
Gain/Loss from Sale of Osage Building	---	223,030
NET INCOME	1,258,467	1,834,452

Loan Report

Brenda Dominguez, Mortgage Loan Manager Mario Vega, Consumer Loan Manager

In 2020, Guadalupe Credit Union loans decreased 4.86% from December 2019. The main reason for the decrease was due to COVID-19. During these unprecedented times, GCU granted 975 loan extensions on consumer loans and originated \$91,631.42 in emergency COVID loans. Thank you to our Lenders and Financial Coaches for all of their hard work and contributions during the 2020 year. All together, they processed 3,796 new loans totaling \$37,825,679.90 with an average loan balance of \$8,335.30.

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 invite you to schedule an appointment for a free financial check up. Our Financial Coaches are here to guide you by looking at your current financial picture and to help you plan for the future, as well as to answer any questions you may have. We are committed to our mission and look forward to continuing to support our members by promoting Financial Empowerment.

Guadalupe Credit Union 2020 Loans

New Auto	434	9,614,621.00	7.42%
Used Auto	3,140	38,387,373.00	29.61%
Signature Loans	1,231	3,550,710.00	2.74%
LOC/Check Guard	2,559	6,479,676.00	5.00%
Rec. Vehicle	215	2,663,772.00	2.03%
Mobile Home	171	3,745,651.00	2.89%
TDR/Work Out			
Consumer Loans	27	428,781.00	0.33%
Share Secured	317	3,164,669.00	2.44%
Heavy Equipment Loans	10	175,059.00	0.14%
1st Mortgage <10 yr	192	9,808,511.00	7.57%
Vacant Land 1st Mortgage	177	6,274,929.00	4.84%
1st Mortgage Balloon	210	22,921,734.00	17.68%
1st Adjustable Rate Mortgage	82	12,669,186.00	9.77%
2nd Mortgage Balloon	1	86,201.00	0.07%
2nd Mortgage <10 yr	32	1,219,961.00	0.94%
Non Owner Occupancy			
Real Estate	8	364,752.00	0.28%
Non Owner Occupancy Balloon	1	41,997	0.03%
Mortgage Equity	5	135,784.00	0.10%
HELOC	45	1,277,206.00	0.99%
TDR/Work Out Mortgage Loans	24	3,397,296.00	2.62%
VISA	4,844	1,866,100.00	1.44%
All Other Loans	1,829	1,403,239.00	1.08%
TOTALS	15,554	129,647,206.00	100.00%

