



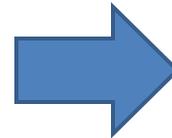
Driving Toward Success: Latino Credit Union

Our Beginnings in 2000

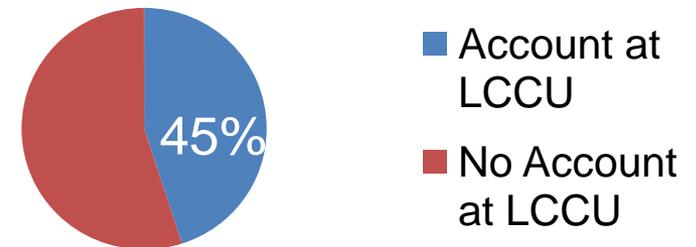
A **grassroots movement** to curb violence against Latinos turns into a full-service credit union



Latinos in Durham County (1999)



Latinos with Account at LCCU (2010)



Latino Credit Union Overview



10 Branches

\$100 Million in Assets

50,000 members

97% low-income

70% without bank accounts

\$167 Million in Financing

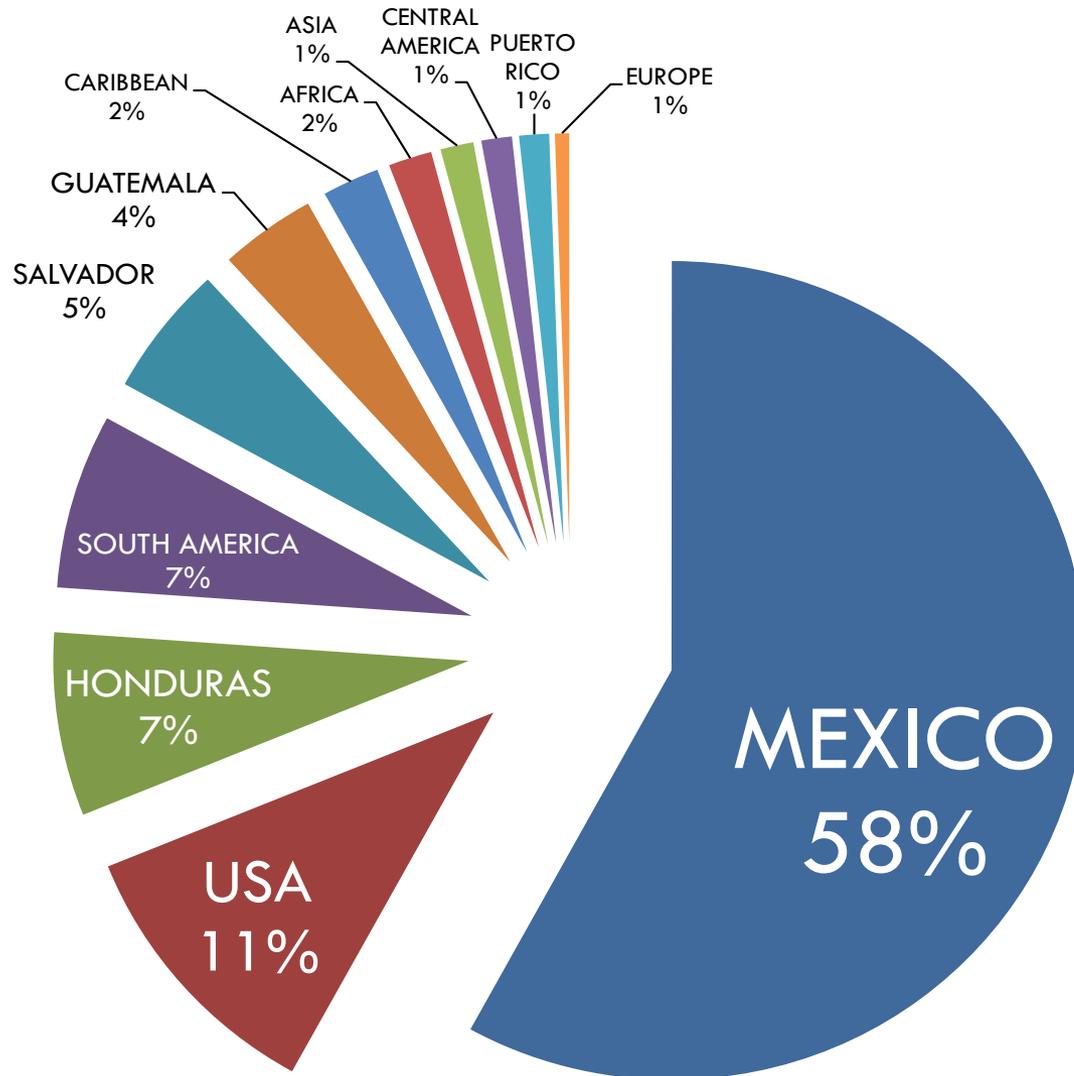
Over 20,000 families with loans

810 graduates of financial education

Sustainable Model

International Recognition

Where is our membership from?



Members:
53,000

Full package of services

Deposit Services

- Saving
- Checking
- Money Market
- STCs
- Free cashing of checks
- Available for individuals, small businesses and non-profits
- IRAs

Loans

- Credit-Builder
- Personal Loans
- Car Loans
- Credit Cards (secured & unsecured)
- Mortgages
- Business start-up and expansion loans

Other Services

- Low-cost money orders
- Affordable wire transfers/ACH
- Remittances
- Online/ Phone and Mobile Services
- Financial Education
- Insurance Services

Mission is to serve the underserved, but we have a sophisticated package of products. LCCU serves everyone who wants a good value and wants to support their community!

Loan Philosophy

Accessible, affordable personal loans— low fees, competitive interest rates

Full package of loan products to help move people along continuum

Create long-term relationship with member

Financing to help people build credit history

Accept alternate forms of credit in lieu of formal credit history

No discrimination in pricing; all members receive the same rates (including ITIN)

Simple and responsible underwriting guidelines – understand affordability

Financial education is key to successful loan portfolio and wealth building

Welcoming for all – Latinos, immigrants, refugees, and those born in U.S.

Challenges for Immigrant Communities

□ Culture

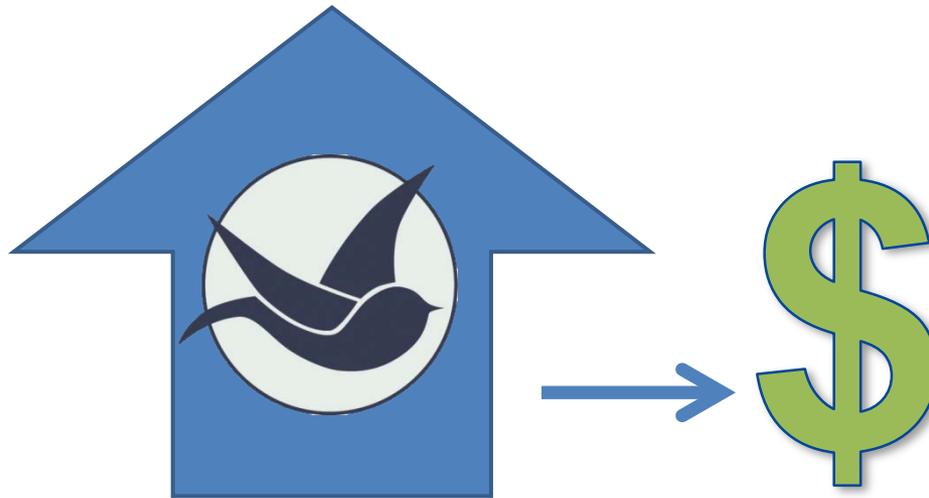
Many immigrants come from countries where there's no trust in the government or the financial system

□ Language

Many non-English-speaking consumers at a disadvantage when it comes to conducting their financial affairs.

Lack of Knowledge of System

- What is the process of buying a car in the U.S.?
- Where do you go?
- What's a good deal?
- What Documents do I need?
- How do you know what a car is worth?
- How do you know if a car is damaged?
- What are all of these add-on products?
- What is a fair interest rate?



KNOWLEDGE

**SAVINGS FOR
MEMBERS**

Modes of Education

- Workshops
- Individual Counseling
- Educational articles
(statements & newspapers)
- Spanish language
educational materials
- Educational Movies/Videos
- Educational Screens
- Kiosks – Online Access
- Online Educational Tools



Car Loans with LCCU

Without
credit
history

- Finance cars up to 90% of the value and to \$12,000

With
credit
history

- Finance vehicles up to 95% of the full value, and up to \$40,000.

* LCCU gives an additional discount of green vehicles!

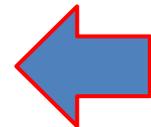
Example



NADA Price: **\$20,500**

Example: Auto Purchase

CASH PRICE	\$ 22,000.00
ACCESSORIES INSTALLED BY DEALER	
TAX	\$ 660.00
CLOSING FEE	\$ 199.50
NC TAG TITLE	\$ 69.00
<u>TOTAL CASH DELIVERED PRICE</u>	<u>\$ 22,928.50</u>
WARRANTY ADD	\$ 999.00
GAP	\$ 580.00
WINDOW TINTING	\$ 250.00
DOWNPAYMENT	\$ 3,000.00
TOTAL	\$ 21,757.50



A

Example

CASH PRICE	\$ 22,000.00	
ACCESSORIES INSTALLED BY DEALER		Expensive!
TAX	\$ 660.00	
CLOSING FEE	\$ 199.50	
NC TAG TITLE	\$ 69.00	
<u>TOTAL CASH DELIVERED PRICE</u>	<u>\$ 22,928.50</u>	
WARRANTY ADD	\$ 999.00	Necessary?
GAP	\$ 580.00	
WINDOW TINTING	\$ 250.00	Correct price?
DOWNPAYMENT	\$ 3,000.00	
TOTAL	\$ 21,757.50	

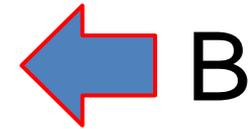
Is pricing fair/correct?

Example: Revised Contract

X	CASH PRICE	\$ 20,500.00
	ACCESSORIES INSTALLED BY DEALER	
	TAX	\$ 615.00
	CLOSING FEE	\$ 199.50
	NC TAG TITLE	\$ 69.00
	<u>TOTAL CASH DELIVERED PRICE</u>	<u>\$ 21,383.50</u>
	WARRANTY	
	GAP	\$ -
X	WINDOW TINTING	\$ -
X	DOWNPAYMENT	\$ 3,000.00
	SUB-TOTAL	\$ 18,383.50

+ GAP LCCU	\$135
TOTAL	\$ 18,518.50

\$ 3,239
SAVINGS



B

Example: Financing

Interest Rate: 15%

A	\$517.60 - Payment	\$31,055.85 - 60 payments
	\$9,298.85 Interest	\$21,757 - Loan

Interest Rate 10%

B	\$393.47 - Payment	\$23,608.44 - 60 payments
	\$5,089.44 Interest	\$18,518 - Loan

\$4,209.41 Savings

Example: Total Savings

TOTAL SAVINGS FRONT-END: \$3,239

TOTAL SAVINGS FINANCING: \$4,209

TOTAL SAVINGS:

\$7,448

Driver's License a Challenge

The REAL ID Act of 2005 requires that states issuing REAL ID driver's licenses and identification cards ask for proof of the identity and the U.S. citizenship or the legal status of the applicant.

A person who is unable to produce a Social Security Card or other documentation issued by the U.S. government proving his or her lawful presence in the United States may not obtain or renew a drivers license.

For immigrants with this additional challenge, applying for a car loan can be extremely difficult!



Questions ?



COOPERATIVA
LATINO
CREDIT UNION