

# Building Community Financial Institutions



Eastern Regional Conference on Reaching  
Unbanked People

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# Latino Community CU

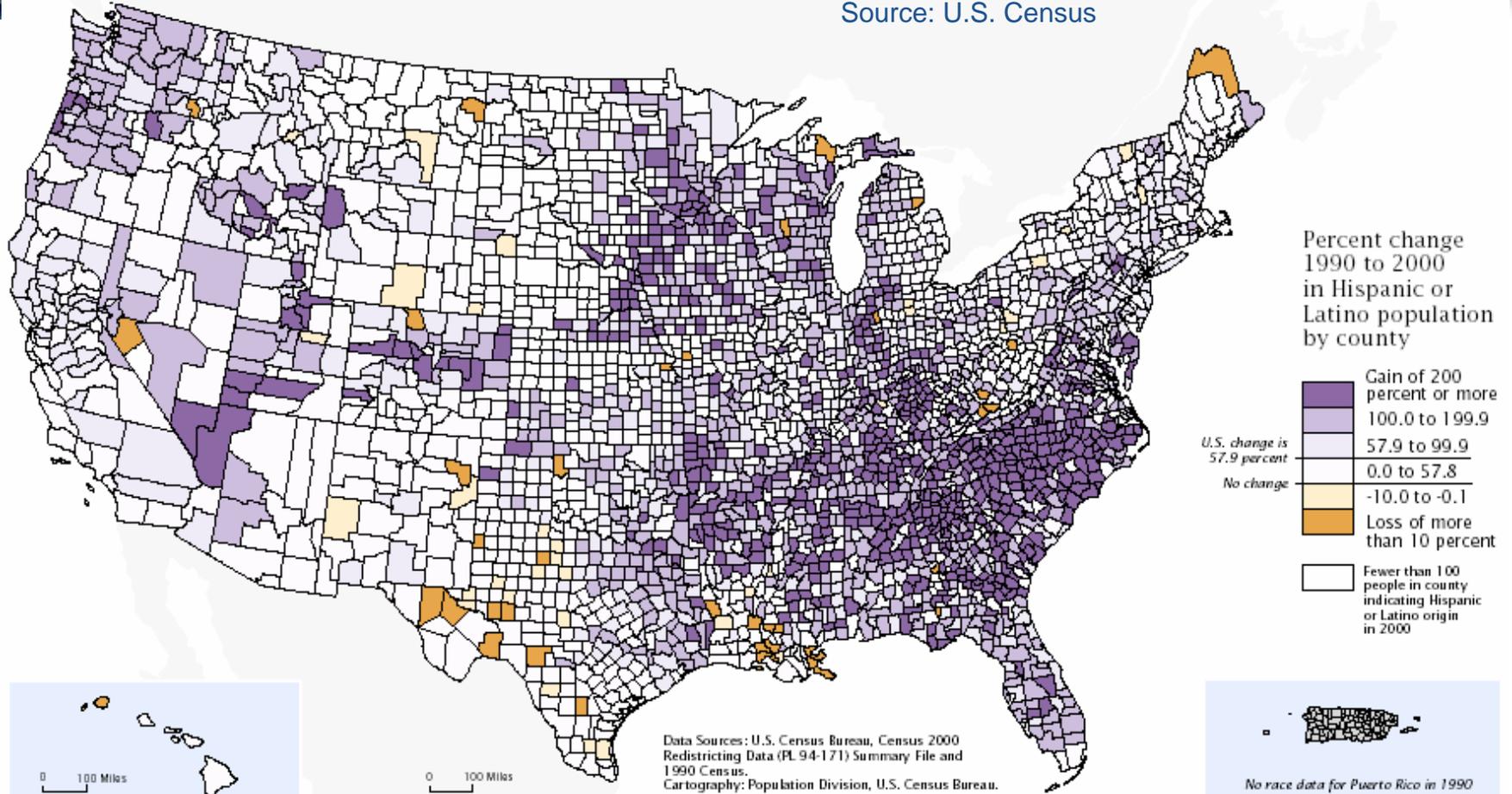
- **Origin:** First financial institution in NC focused on serving the Latino immigrant population
- **Mission:** To provide access to high quality, affordable financial services and education to integrate members into the U.S. financial system
- **Staff:** 100% bilingual and bicultural staff from Latin America, U.S. and Spain
- **Members:** from all continents





# Why in North Carolina?

Source: U.S. Census





# The Facts...

## Latino Community Credit Union

52,000  
Members

\$54 million  
in assets

5 branches  
In 3 years

75%  
unbanked

95%  
low-income



# Challenges and barriers

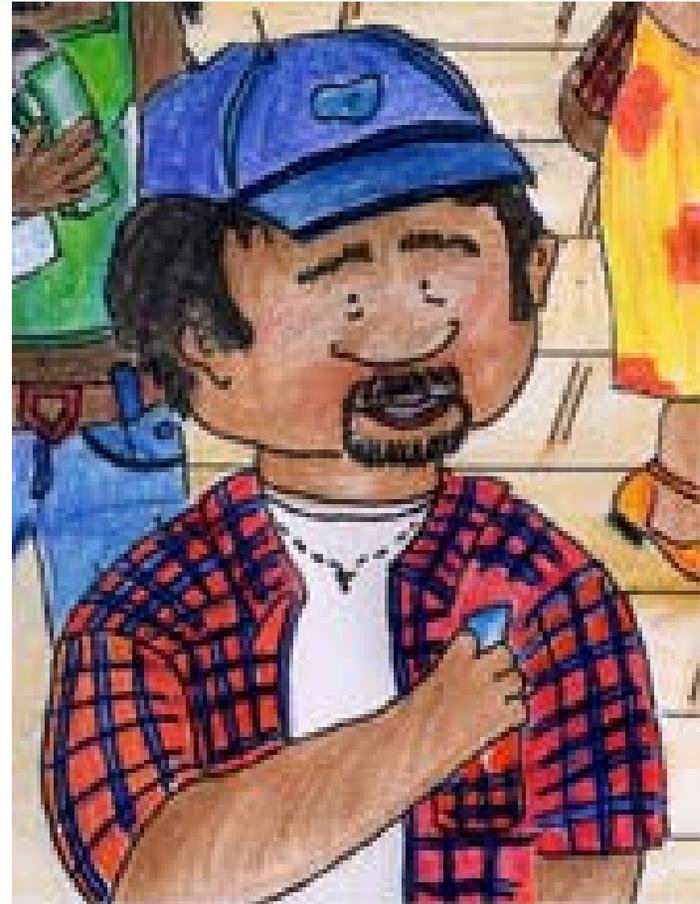
- Deposits uninsured in some Latin American countries
- Cash-based economies in many regions where immigrants come from
- Political unrest or currency fluctuations
- Lack of information about the U.S. financial system
- Reliance on family networks for help





# Our members

- Low level of formal education: 7<sup>th</sup> grade
- Mistrust of financial institutions
- Not only language barrier, but cultural
- Unnecessary documentation requested in some cases





# Partnerships: we are not alone

- El Centro Hispano
- Latino Community DC
- NCMSC
- Self-Help CU
- NCSECU





# NC State Employees' CU

- 2<sup>nd</sup> largest CU in USA
- Over \$13 billion in assets
- Over 1.3 million members
- Over 210 branches
- 70 years of experience
- Network of over 900 ATMs
- Old-fashioned CU
- Experience doing back office support with other CU (currently 2 others)





# Collaboration

- Training
- Equipment and furniture
- Operating system
- Accounting
- Policies and procedures
- Bilingual ATM network
- Expertise in problem solving
- Deals with vendors
- Branch set up
- 15% of Latino CCU gross income





# Pros outweigh Cons

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- Able to offer full range of services
- Concentrate on our expertise: understand our community
- Guidance in operational issues
- Direct access to people who have experienced similar situations

- Very old and non user-friendly operating system
- Different hours of operations
- Low flexibility for products, if different
- External system: lack of statistical information



# Creating our own culture

- Hire staff that is representative of the diverse community you serve
- Non-intimidating branches and welcome members
- Accept ITIN for all products, not only “basic financial products”
- Access to first-time and affordable credit
- Financial Education: not just “one on one counseling”
- Best Marketing: “word of mouth”



# Latino financial needs

- Long term relationship
- All financial products, not just check cashing and remittances
- Support the transition to financial stability and wealth creation
- Financial education: "Building a Better Future"



# Cooperativa Latina, Nuestra Cooperativa

