

## **Credit Union looks ahead to another great year**

Written by Chris Lee

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2011 was another solid year for Holyoke and Imperial, Neb. Community Federal Credit Unions, reported board of directors and staff to members of the local cooperative at the annual meeting Monday, Feb. 27.

Net income for the combined Holyoke and Imperial offices was \$116,768.58 in 2011. That amount would be much higher but the amount that was required to remit to the National Credit Union Administration to shore up the insurance fund for this past year was \$67,948.53.

The credit union's combined loan portfolio was reported at \$26,112,393. Treasurer Charles Milner said 85 percent of the assets are loaned out to the Credit Union's membership.

### **President reports positive outlook**

Holyoke Community Federal Credit Union (HCFCU) president Ron Goldenstein said even though the past couple years have been rough for the United States, HCFCU is well positioned to come through these economic times unscathed.

The financial structure of credit unions has undergone changes in the past few years, but the local credit union is adapting.

National Credit Union Share Insurance Fund (NCUSIF) insures member deposits up to \$250,000. This fund has been struggling, and it is the credit unions themselves that are contributing money to shore up the NCUSIF.

Goldenstein said sub prime lending in four states in 2008 led to the instability of the NCUSIF. Financial institutions in California, Florida, Arizona and Nevada had been pretty much given free

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reign in real estate lending.

Loans were granted indiscriminately with little regard to whether the borrower was capable of making payments and keeping up with required taxes and insurance. Property values in these states became grossly overinflated which resulted in mortgages way beyond sustainable values. "And then, the bubble popped," Goldenstein said.

Property values drastically decreased, leading to heavy losses to financial institutions in these areas. The insurance funds for banks and credit unions were strained far beyond capacity. This resulted in bailouts to keep these insurance funds solvent.

Goldenstein forecasted the annual cost this coming year to be between \$24-36,000 to keep the NCUSIF stable. "In the past three years, we have been required to contribute \$184,000 to shore up the NCUSIF," Goldenstein said. The NCUSIF is once again solvent and looks to be in good shape for the foreseeable future."

Goldenstein credited the sizeable loan portfolio as the reason why Holyoke and Imperial credit unions are well positioned to make it through the current economic situation.

The 2012 budget indicates the credit unions will have approximately \$170,000 net income this year—net after the required contribution of \$36,000 to the NCUSIF.

Goldenstein made sure to recognize all staff members, board members, supervisory committee and volunteers who give their time to make the credit union a success.

HCFCU member Deb Dusenbury-Dorren represented the volunteer loan officers Monday night and reported they have seen a drop in loan applications. She said the combined offices had 304 loan approvals in 2011, with a total of 274 being loaned out.

Loans serviced amounted to \$3,473,939.90. The loan ratio is 40 percent out on real estate and

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60 percent out on vehicle, share, signature and other types of loans.

Supervisory committee chairperson Wes Holmes gave his report, noting the annual audit by Peterson & Associates found no major areas of concern. He added the federal examiner reported the credit union is in sound condition.

Current supervisory committee members are Holmes, Tom Balding, Jim Gribben, Mariane Ortner and Daniel Baney.

### **Board member elected**

At Monday's meeting, members voted to cast a unanimous ballot to elect Garold Roberts of Holyoke to the board.

Others on the board include Laura Bittner, Steve Starkebaum, Nancy Berges and Scott Murray in Holyoke and Wanda Westfahl and Charles Milner in Imperial. Rick Krueger decided to step down this year.

Prior to the annual meeting, members enjoyed a complimentary meal catered by Bill and Kristie Pelle with the help of Challengers 4-H Club.

Members of all ages were excited to end the evening with the popular money machine.

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