

# CUES Directors & Dialogue

How your CU can make  
a REAL difference in  
your Community

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CREDIT UNION ADVISORS

# What If...



The kind of impact you could have...

**March 12, 2020**

# Looming Distress?



Fannie Mae®



4.55%\*



9.15%\*

\*Forbearances as of 9/13/2020 – Source: Marketwatch.com

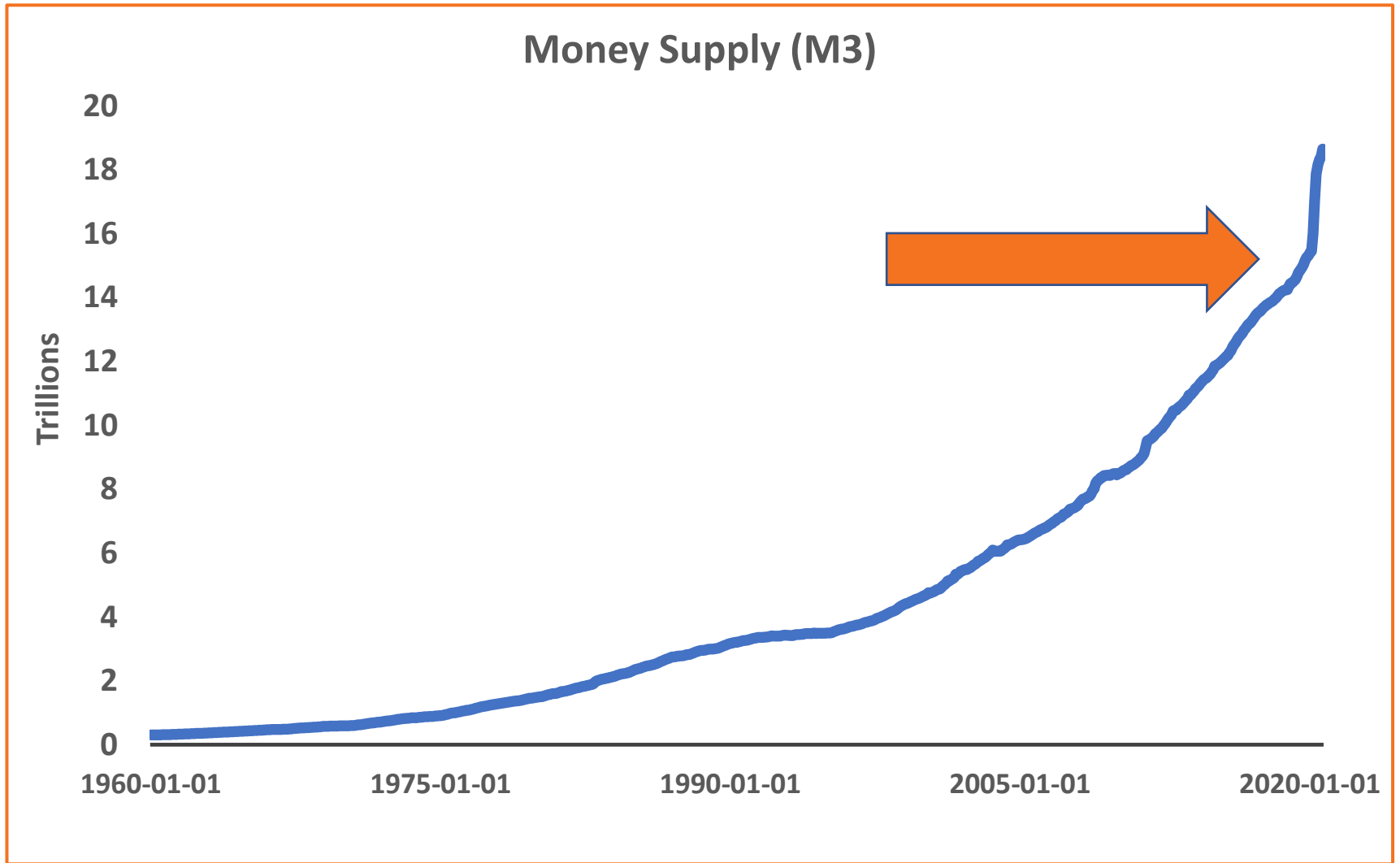
# What's next?

**100,000 Restaurants nationwide  
have “closed either permanently  
or long-term,”**

**This figure represents 1 in 6  
restaurants in the United States**

**This was before the 2<sup>nd</sup> wave  
of COVID began to spike**

# Ye Olde Printing Press:



Source: OECD, St. Louis Fed FRED Database - November 30, 2020

## Which means:

- Your communities face REAL financial hardship
- Interest rates are very low due to massive Federal stimulus, this may likely persist
- In short, your credit union generally has excess liquidity, very low normal investment returns, and your communities need help!



# Section 721.3(2) of the FCU Act

- Goal: Generate added earnings for 501(c)3 Charities
- 5% Net Worth Limit, Give within 5 years, 51% of earnings to 501(c)3
- Your credit union can keep other 49% of asset earnings

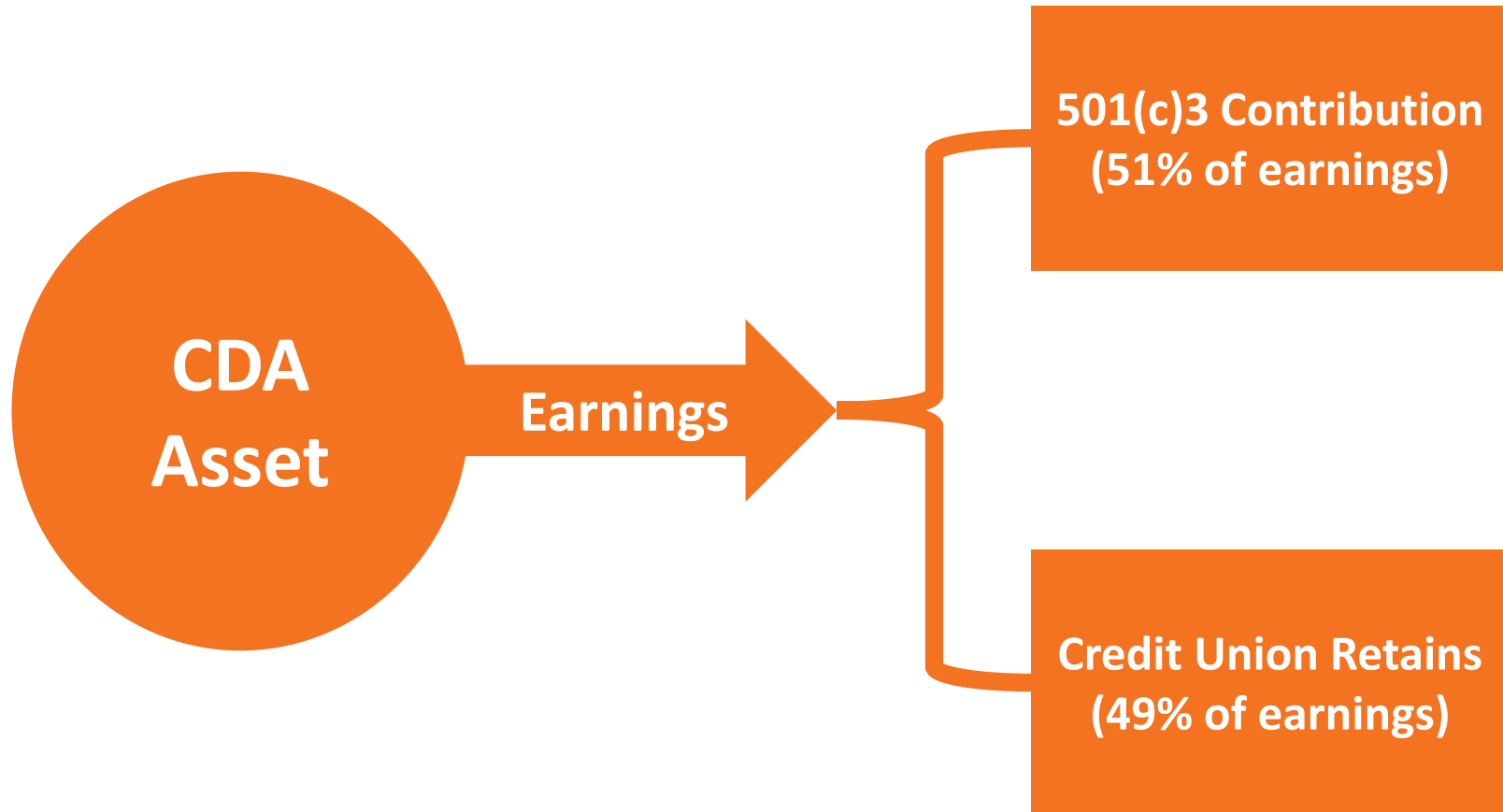
## How it works:

- Your Credit Union can invest in assets beyond those normally used
- Returns provided by the CDA asset, are used by your credit union to provide \$ for contributions to 501(c)3 charities

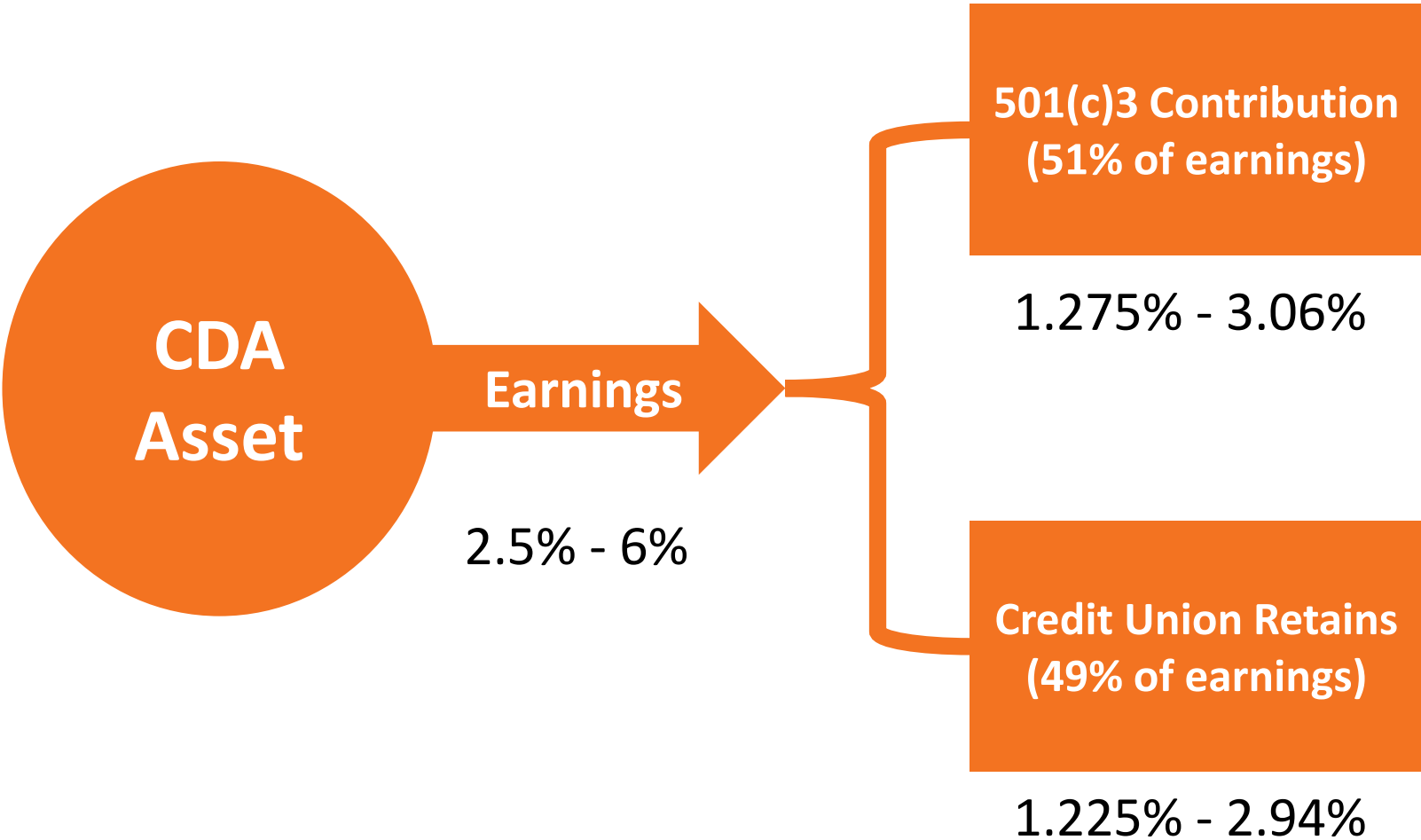
OR

- If you have already budgeted charitable giving in 2021 – the CDA can offset the expense –saving your credit union (and your members) money.

# Example:



# Further Example:



What this means – you can fund the 501(c)3 charity – and STILL earn the same amount you would have from your normal investments.

Return values are for illustrative purposes only.

# Giving Creatively:



#GIVINGTUESDAY

## Corporate Matching Programs:

1. General Electric (GE)
2. Johnson & Johnson
3. Soros Fund Management
4. PepsiCo
5. Apple
6. Hewlett-Packard (HP)
7. ExxonMobil



THE National Credit Union FOUNDATION



# Reminders before we close:

## **How do we pay our CEO given the 2020 Train Wreck?**

Presented by Flynt Gallagher of Newcleus Compensation Advisors  
December 9<sup>th</sup> at 4:25 PM

## **What MUST Directors know when buying a bank or bank assets?**

Presented by Jeffrey Cardone of Luse Gorman PC  
December 16<sup>th</sup> at 4:35 PM

# In Summary:

It's not over yet.

Your ***communities*** need your help now, more than ever!

Credit unions are collectively holding onto **\$100-220 million PER YEAR** that they could offer directly to their communities at ***no cost to your members!***

Do your communities a TREMENDOUS favor and explore how you could incorporate the Charitable Donation Account into your credit union's strategic plan.

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Thank You

Please Stop By  
Our Booth!

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