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NCUA Press Release

Credit Unions Find Many Ways to Serve Latinos

PALS Workshop Shares Ideas to Connect with Largest U.S. Minority

July 10, 2003, Durham, N.C. – Credit unions have many ways to build trust and lasting relationships with Latinos -- America's largest and fastest-growing minority. Latino outreach experts from America's credit unions shared their ideas and advice at this week's Partnering and Leadership Successes (PALS) workshop initiated by National Credit Union Administration (NCUA) Board Member Debbie Matz.

"The misconception that the Hispanic market is a low-income, low-balance market is false," declared Harriet May, CEO of Governmental Employees Credit Union of El Paso, Texas. Latinos are approaching \$600 billion in purchasing power, she said, but only half have relationships with formal financial institutions.

Panelists at the workshop emphasized that first, U.S. credit unions must overcome Latinos' distrust of financial institutions. Even in their home countries, up to 80 percent of Latinos don't have bank accounts. Several panelists suggested that U.S. credit unions connect through institutions that Latinos already trust -- such as Latino community centers or churches.

To help more Latinos get in your credit union's doors, accept Matricula Consular and other foreign government cards as valid IDs, encouraged Deb McLean, vice president of marketing at Charlotte Metro Credit Union. NCUA General Counsel Bob Fenner invited credit unions to send comments by July 25 on the PATRIOT Act rule that allows Matricula Consular cards to open accounts, with no photocopies required for future transactions. (For more on how to file comments, log on to www.ncua.gov/news/press_releases/2003/ADV03-0702.htm.)

Once inside your credit union, connecting with Latinos is "not only about language, but about culture," pointed out Luis Pastor, CEO of Latino Community Credit Union in Durham. Credit unions must go beyond hiring a person who learned Spanish in high school. "To truly earn Latinos' trust," Pastor said, "hire Spanish-speaking immigrants from Latin American countries. You need employees who can directly relate to Latino members' culture and experiences."

"A great way to attract Latinos to the credit union and keep them there is income tax preparation," added Pablo DeFilippi, CEO of Lower East Side People's Federal Credit Union in New York City. By helping eligible taxpayers file for Earned Income Tax Credits (EITC), credit unions help Latinos get tax refunds that can be used to open share accounts.

Panelists described many creative services – including the International Remittance Network (IRnet), Individual Development Accounts (IDAs), share-secured loans, and tiered-rate loans where rates are reduced as members repay.

Marketing your services to Latinos requires the skills of a trained translator, noted Nicki Amos, senior vice president of Founders Federal Credit Union in Lancaster, S.C. For example, two of her credit union’s English marketing phrases translated literally into Spanish would mean, “We sell old tires” or “Relax, we have all your money!” Amos showed examples of successful credit union marketing materials designed specifically for Latinos.

Latinos are receptive to target marketing, confirmed Carmen Tapanes, assistant vice president of Eastern Financial Florida Credit Union in Miramar, Fla. She noted that “Latinos receive less direct marketing than any other group in the U.S., but are more likely to respond.”

“If your credit union is not ready to reach out to the Latino community on its own, consider partnering with other credit unions,” suggested Carla Decker, president of District Government Employees Federal Credit Union in Washington, D.C. Her credit union is planning a shared branch and other services for Latinos through a credit union service organization (CUSO) with two larger credit unions.

In branches, it helps to provide extra seating and activities for children. “Whether traveling three blocks or 300 miles, Latinos bring their families,” related Maurice Calderon, senior vice president of Arrowhead Credit Union in San Bernardino, Calif. Bilingual employees in casual dress also make members feel more comfortable, explained Miguel Avila, CEO of Chicanos Por La Causa Federal Credit Union in Phoenix.

Co-hosted by the North Carolina, South Carolina, Georgia and Alabama credit union leagues, the PALS workshop on “Making the Latino Connection” was attended by over 150 credit union officials, including 22 speakers.

PALS workshops are designed to help credit unions share successful initiatives to improve services and attract new members. The next PALS workshop, to be held Oct. 16 in Washington, D.C., will focus on serving the millions of small business owners who could use capital from credit unions.

For a full media kit from the workshop, including panelists’ handouts, contact NCUA’s Office of Public and Congressional Affairs at 703-518-6330. For more information on PALS, log on to Board Member Matz’s website at www.ncua.gov/org/ncua_board/matz.html.

A 23-year public service veteran, Matz is a member of three credit unions and resides in McLean, Va. with her husband and two children. Before her appointment to the NCUA Board, Matz was appointed by President Clinton as Deputy Assistant Secretary for Administration in the Department of Agriculture.

The National Credit Union Administration, governed by a three-member board appointed by the President and confirmed by the Senate, is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the savings of more than 80 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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