

# Celebrating Our Best Decade Yet

**UMassFIVE**  
COLLEGE FEDERAL CREDIT UNION

Report to The Membership  
2019





# Letters from Our Leadership



*Looking back on a decade of growth, UMassFive has closed this latest chapter on the rise. We finished 2019 with record assets, income, and members, and along the way, we became the 25<sup>th</sup> largest credit union in the Commonwealth (out of 157), and 2<sup>nd</sup> largest in the Pioneer Valley.*

Category	Jan. 1, 2010	Dec. 31, 2019	% of Growth
Members	24,670	41,335	68%
Assets	\$296.9 Million	\$518.3 Million	75%
Net Income	\$659,000	\$4,336,000	560%
Net Worth	7.65%	9.46%	24%

Our financial success has allowed us to invest back into the cooperative in a myriad of ways. The decade of the twenty-tens saw new job generation, new product offerings, and new branches. Staffing went up by over 25%, and our investment in training and professional development grew fivefold. That commitment to our employees has paid off—as 21 of 26 current managers have been promoted from within, including five of our eight senior managers.

As a financial cooperative, giving back to our members usually comes in the form of better rates, lower fees, and superior service. During the last decade, however, our giveback was quite literal: We returned more than \$1.6 million in fees back to our members through our Co-op Points program, nearly \$500,000 in local donations and contributions (mostly in support of our Sponsor Groups), and over \$100,000 in cash-back rewards from our Cash Back Signature Visa credit card, which debuted in 2018.

The Cash Back card wasn't the only new product in the twenty-tens. For the first time in our history, we opened our doors to businesses—both large and small. In 2017, our first commercial borrower—and a long-time UMassFive member—was able to save their business money by refinancing a commercial loan from another lender at a lower rate. We have since originated over \$8 million in business loans, and opened nearly 350 business deposit accounts totaling another \$2.7 million. The business community is certainly opening their eyes to UMassFive!

The most impactful new service, though, has been in residential solar lending. Since 2016, UMassFive has financed over 2,000 residential solar installations and, in the process, has become this industry's #1 volume bank or credit union in Massachusetts, originating \$68 million in new loans. We also take pride in our commitment to low-income homeowners who represent 70% of all our solar financing. In part because of this, UMassFive was recently recognized as the Sustainable Business of the Year by the Sustainable Business Network of Massachusetts, in the Western Massachusetts mid-sized business category.

Bolstering our growth were the individual mergers with two small credit unions. Our merger with the Credit Union of the Providence Systems (CUPS) added a UMassFive branch at Mercy Hospital in 2015, and similarly, the merger with the Northampton VA Hospital Employees Credit Union in 2019 added a branch at the VA Hospital in Leeds. Both locations are thriving and contributing well to the co-op.

Growth simply for the sake of growth is not what UMassFive is about, though. Scale certainly matters, but here at UMassFive we live our mission of service, and the satisfaction of our members is truly our most important indicator of success. Standing as testament to that, we are humbled to have been voted Best Credit Union for 13 consecutive years in the *Valley Advocate*, and for six consecutive years in the *Hampshire Gazette's* Reader's Choice poll by you—our members.

*As we look forward to the twenty-twenties, UMassFive is well positioned to continue our legacy of service and growth, and I could not be more proud of how our employees live that mission, every member, and every day!*

Sincerely,

**Rich Kump**  
President & CEO



*On behalf of the Board of Directors, I am delighted to report that 2019 was another successful year for UMassFive.*

It is hard to believe another decade has come to a close here at the Credit Union—and what an incredible period of time it has been for us. From 2010 to 2019, we experienced unparalleled growth and success at our non-profit financial cooperative, wrapping up the decade with assets standing at over \$518 million.

Throughout the following report, we highlight our progress made during the last ten years. Beginning with the ways we have improved our physical infrastructure—including modernizing our Hadley and UMass Amherst locations and building new branches at Mercy Medical Center in Springfield, on King Street in Northampton, and most recently at the Northampton VA Medical Center—our state of the art branches reflect the latest best practices in member service. We also invested further in enhanced technology for security and member convenience. In-branch, we added a team of Video Tellers, brought in the ability to issue debit cards instantly, and installed digital screens to help keep our members current on everything from product specials to our activity in the community. Our remote services also greatly expanded, as we launched our user-friendly online loan application, convenient mobile banking app, upgraded online banking system, mobile wallet compatible debit and credit cards, and redesigned website at [umassfive.coop](http://umassfive.coop) all within this time period.

The continuous evolution and growth we have enjoyed as an institution is no small feat—and yet it is no surprise to see this momentum continuing to propel us into the new decade. At our core, we are a people-first organization, and it is our people—many of whom are featured on the cover of this very report—who have made all our advancements possible over the past decade. We sincerely thank our senior leadership team led by Rich Kump, our President and CEO, and our dedicated staff, all who work tirelessly to carry out our mission and member-first approach, every single day.

We also thank our Board of Directors and all the member volunteers who have served on our committees throughout the past decade. Thousands of volunteer hours have been dedicated to ensure that our Credit Union continues to remain stable and financially sound, year after year.

Of course, at the heart of our growth, is our focus on the people we serve: you, our loyal member-owners. What a rewarding era it has been, continuing to grow our cooperative with you. We began the year of 2010 serving 24,670 people in our communities. Through your referrals—often to your family and co-workers—and the addition of ten sponsor groups, we ended the decade in December 2019 serving 41,335 members.

As we continue to evolve as a financial institution, our central goal remains unwavering. We are here to better the lives of our members and to strengthen the communities we live in. From the 800+ free Financial Literacy workshops we have hosted to the \$105,730 in rewards our members redeemed at local businesses with Buzz Points—I could not be more proud of the efforts we continue to put forth to uphold these values.

Thank you, as always, for your continued trust and support. As we reflect upon the best decade of growth and success our Credit Union has seen so far, I am confident that even more of the best is still yet to come.

Sincerely,

**Robert M. Harrison**  
Board Chair

*Asset/Liability Management Committee, Credit Risk Management Committee, Executive Committee, Human Resources Committee, Nominating and Corporate Governance Committee, Supervisory Committee Ex-Officio | Retired Director of Internal Audit, UMass*

## 2019 Board of Directors



- BOARD MEMBERS FROM LEFT TO RIGHT, TOP TO BOTTOM –**
- Karl Kowitz:** Board Vice Chair, Asset/Liability Management Committee, Executive Committee | Director in Facilities Management, Smith College
- Ruth Yanka:** Board Secretary, Asset/Liability Management Committee, Credit Risk Management Committee, Executive Committee | Executive Director, A&F Operations in Administration & Finance, UMass Amherst
- Sam Killings:** Board Chair, Asset/Liability Management Committee Chair, Credit Risk Management Committee, Executive Committee, Human Resources Committee, Nominating and Corporate Governance Committee, Technology Planning Committee | Retired Internal Auditor & Assistant Controller for Research Accounting, UMass Amherst
- Robert Mishol:** Credit Risk Management Committee Chair, Human Resources Committee Chair, Nominating and Corporate Governance Committee | Retired Bursar, UMass Amherst
- Michael Sullivan:** Credit Risk Management Committee, Human Resources Committee | Retired Controller & Director of Finance, UMass Amherst
- Jacqui Watrous:** Supervisory Committee, Technology Planning Committee Chair | Executive Director, Administrative Systems in Administration & Finance, UMass Amherst
- Amy Proietti:** Asset/Liability Management Committee, Technology Planning Committee | Coordinator of Financial Aid, Greenfield Community College
- Curt Shumway:** Asset/Liability Management Committee, Credit Risk Management Committee | Managing Partner, RLS Properties, and Chief Operating Officer, Hampshire Hospitality Group



# Built to Better Serve Our Members

*At UMassFive, we're committed to providing not only the best products, but also the best service to our loyal members.*

When you first walk into a UMassFive branch, you may notice it's a little bit different from traditional financial institutions. That's because over the last decade, we've made a conscious effort to move away from the expected—queue lines and segmented teller windows—and into a more modern, open concept.

From installing local artwork and digital screens, to our open floorplan with Teller pods, self-serve check-in, and Video Teller ATM functionality, we've spent a lot of time making sure that our branches are as efficient as they are comfortable. After all—we're intent on providing you with the best banking experience possible.

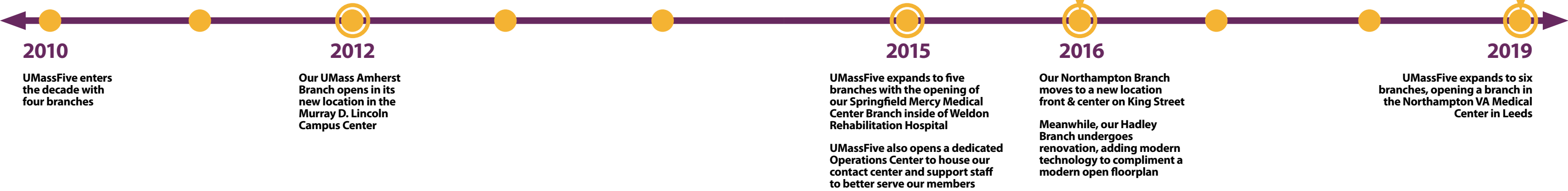


## 2019 Spotlight

Through a merger with the Northampton VAF Federal Credit Union, UMassFive added our sixth location in October 2019.

We were thrilled to welcome 900 new members into our community following the approved vote, and immediately got to work renovating the space and spreading the word about all of the products we offer.

Formerly served by a window, our new VA location features a walk-in branch with seating areas for financial consultation, as well as access to our Hadley Video Teller Team via the ATM for standard transactions.



Hadley Branch 2014



Hadley Branch after 2016 renovation

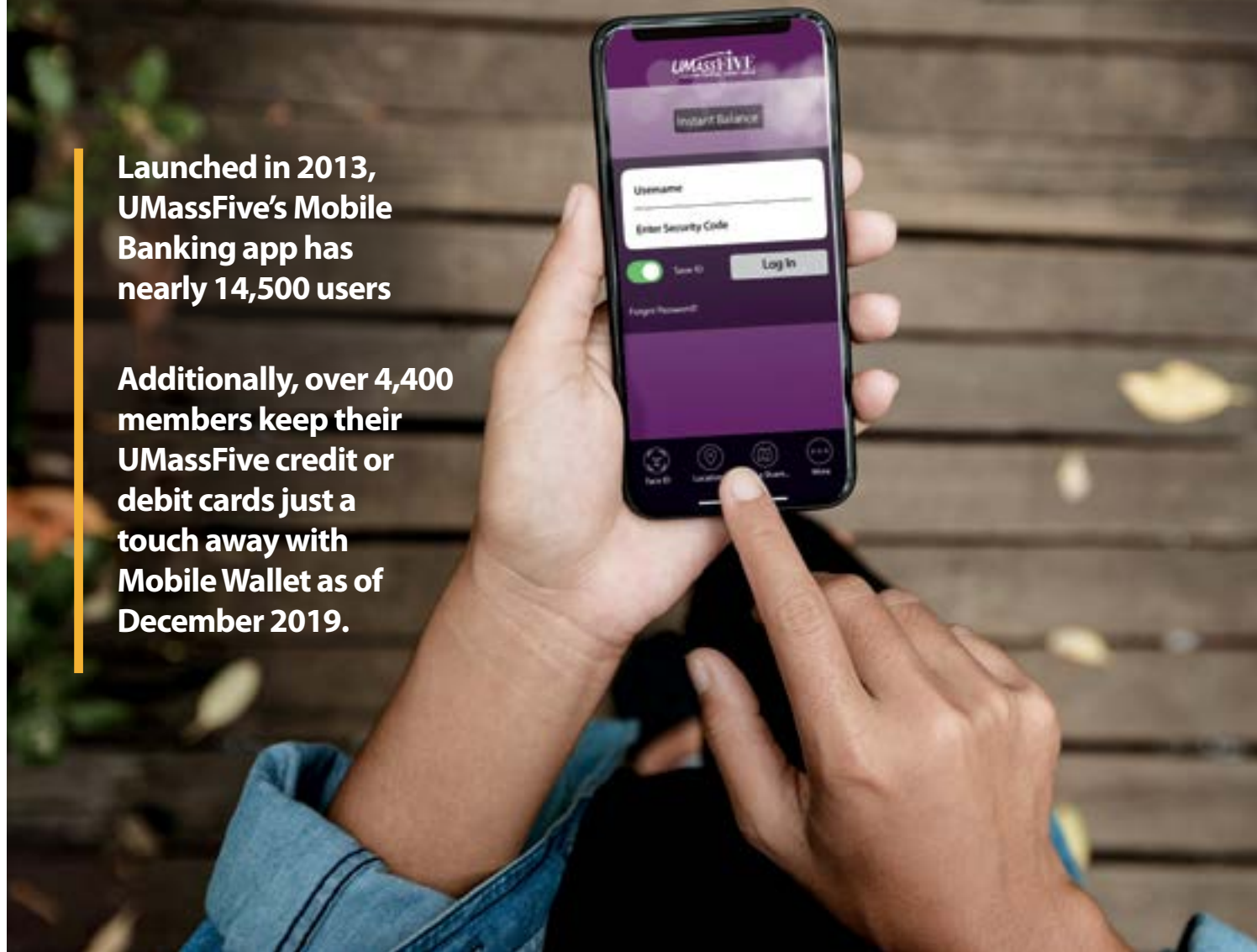




# Banking Made Easy, Wherever You Are

Launched in 2013,  
UMassFive's Mobile  
Banking app has  
nearly 14,500 users

Additionally, over 4,400  
members keep their  
UMassFive credit or  
debit cards just a  
touch away with  
Mobile Wallet as of  
December 2019.



*Whether you're using your phone on-the-go, at home online, or in a hurry as you stop by your local branch, we're constantly updating our technology to ensure that wherever you are, your accounts are easy to access, while remaining secure.*

**Technology is constantly evolving, and we've made keeping pace a priority.** Over the last decade, UMassFive has remained at the leading edge of new advances made available to us. We've updated our Online Banking and brought in new features like Mobile Banking alerts to ensure your accounts are protected by the latest security.

We've prioritized a sustainable future by offering paperless online Statement delivery, and saved you trips to the branch with online and mobile transfers, bill pay, and mobile check deposit. All the while, we've searched for new ways to make banking with us convenient and easy for you—with simple online applications, instant in-branch debit card printing, and by introducing Video Tellers that can help you save time by skipping the line for quick transactions through our ATMs.



## 2019 Spotlight

In 2019, our new Northampton VA Branch opened, featuring an ATM equipped with our Video Teller functionality. This feature allows us to make the most of a small space. By assisting our VA members with everyday transactions remotely through the ATM machine, we are also able to provide seated consultation areas where members can apply for loans or seek financial advice.



**13,527**

Secure transactions  
were performed  
by our Video Teller  
team in 2019

**2013**

UMassFive introduces an online  
application for membership as well  
as for many of our loans

Our Mobile Banking app was launched

**2015**

Online Banking was updated to offer  
better functionality and features like  
external account transfers

UMassFive cards all became Mobile  
Wallet compatible

**2016**

Transforming the drive-up service area  
at our Hadley Branch to make space,  
UMassFive proudly introduced video chat  
technology at some of our ATMs

With Instant Issue, members could now get  
their debit cards printed instantly in-branch

**2018**

Our website,  
umassfive.coop, got  
a new look, as well as  
lots of new features  
and resources

**2019**

# How We've Grown, and Given Back to You

As a non-profit financial cooperative, UMassFive operates as an association of people coming together for a common purpose. We're member owned, so when we enjoy growth and success, so do you—our members.

We've nearly doubled our membership in the last decade—growing from 24,670 members on January 1, 2010 to 41,355 members on December 31, 2019. While some of this growth can be explained by the addition of 10 new sponsor groups that extended UMassFive eligibility to a larger community, a large portion of our success can be attributed directly to your referrals. Thank you for sharing the Credit Union spirit with your family, friends, and co-workers year after year.



Our field of eligibility grew by 10 Sponsor Groups, bringing 2,894 new members:



## Co-op Points: A Rewarding Decade

136,443

Fees were waived with Co-op Points saving members:

**\$1,632,319**

7,281

Members used Points to raise their Term Share Certificate interest rate by 0.25% and **earned more on their deposits**

9,961

Members used Points to lower a loan's interest rate by either 0.25% or 0.50% and **paid their loans off faster**



**\$40,995**

Redeemed at National Businesses

**\$156,120**  
in rewards redeemed 2014-2019

**\$9,395**

Redeemed to benefit Local Charities

**\$105,730**

Redeemed at Local Businesses



## 2019 Spotlight

We're not a for-profit institution, and we understand that sometimes life happens. That's why we created a rewards program that allows our members to enjoy better rates, and rewards them for their loyalty when they need a helping hand.

In 2019, members just like you took advantage of our unique Co-op Points rewards program to save themselves money. In fact, \$187,626 in fees were waived using Co-op Points, while 1,781 members used their Points to lower the rate on a loan, and 1,129 enjoyed a higher rate of return on their Term Share Certificate.

*I especially like that I can give my Points to my son, sister, or friends to help them when they are in need.*

— REBECCA R.

*Co-op Points is my absolute favorite and I don't know any other bank that offers this service. [They] have saved me hundreds of dollars ...*

— KRISTEN T.



# More Ways to Bank With Us

*Although the branches you visit may be the most obvious growth over the last decade, we've also remained committed to expanding the selection of products and services that we offer to our members.*

Whether you're interested in finding a financial business partner, a way to build your savings faster, or financing for a smaller carbon footprint—we've been working hard to ensure we have a product to assist with any dream.



Since beginning our Solar Initiative three years ago in 2016

We've successfully  
financed

2,121

Solar Installations,  
totaling over

\$68,580,000

“

*I initially became involved with UMassFive when I needed a solar loan. I was so happy they offered them because it meant I could work with a local institution. Then, because they handled the loan so smoothly and treated me so well, I started looking into them more closely. I found they were more convenient than my current credit union in so many ways: location, phone access, dividend rates on the checking account and how easily they made switching all my accounts over (savings, checking, and bill pay)... Yikes! I'm all in, now!*

— MARYANNE K.

Photo courtesy of Northeast Solar



## Business Banking, Meet Personal Attention.

You asked, and we listened. As of December 2019, 170 members have moved their business accounts to UMassFive, and we've helped local businesses finance over \$8,077,500 in improvements with Commercial Real Estate, Equipment, and Sustainability loans.

“

*I am part of UMassFive because, although they are one of many small banks in my area, they are the one small bank that I've found so far that does not use big bank tactics —there are no fees at the drop of a hat, there is good communication between the institution and the members, and they allow you to make as many accounts as you need for all the different financial aspects of your life. Personal checking and savings? Check. MMA? Check. Business account? Check. Multiple types of credit cards to suit your lifestyle? Yessir! Want to transfer an old 401K into an IRA...They've got you covered! I love my bank and always feel like my funds are always secure, and compounding interest in the ways and application I've chosen. Thanks, UMassFive!*

— LUCAS S.



## 2019 Spotlight

In 2019 more members than ever took advantage of the competitive interest rates on our non-traditional savings options like **Money Market Savings Accounts**.

Featuring tiered rates, this option allows you to earn a higher rate on larger balances—so the more you save, the more your savings earn.

**379 of our members opened a Money Market Savings, with a combined savings balance of over \$49,691,198.**

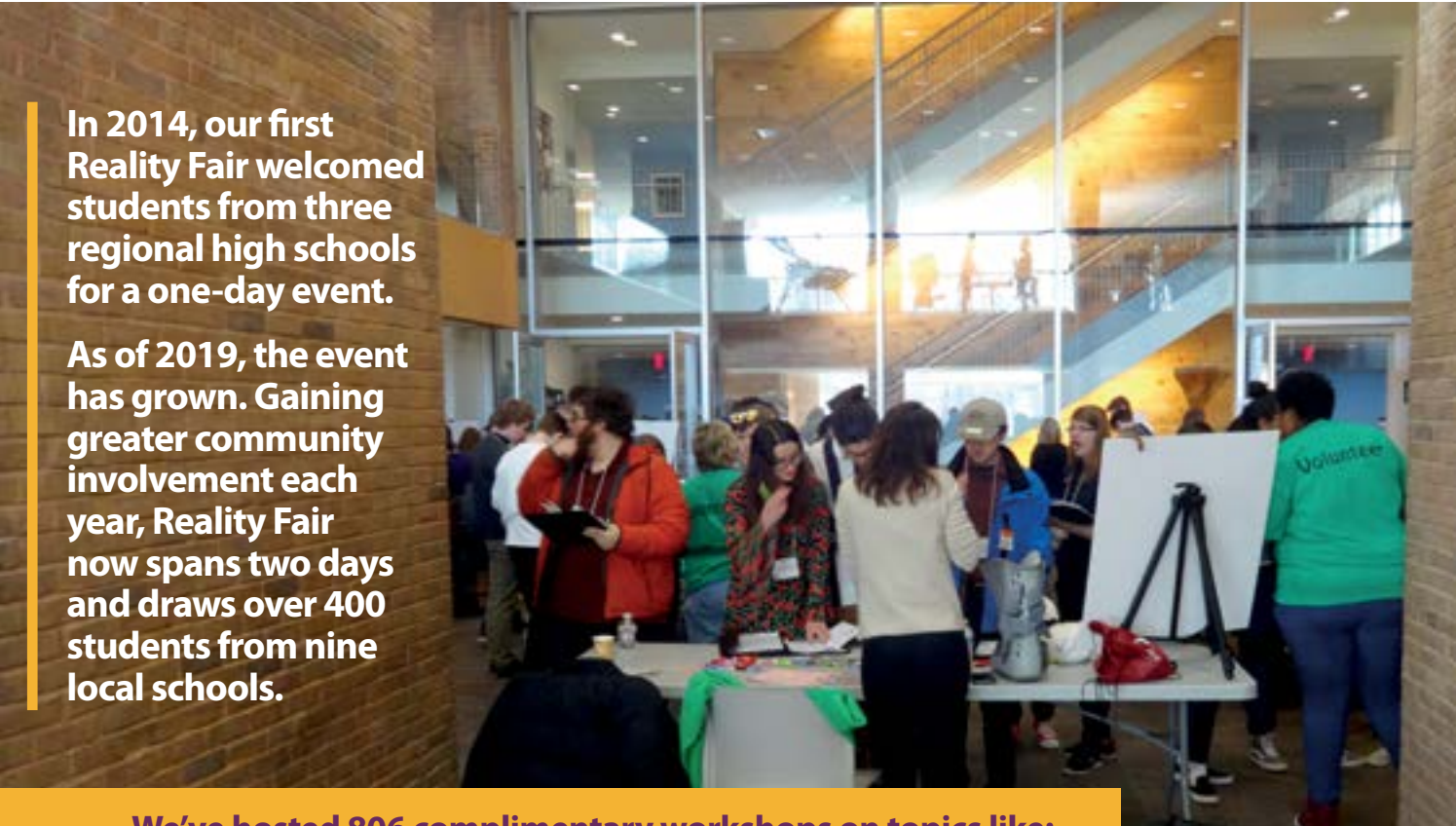


# Working Together for a Common Goal

*We are an institution founded on the ideal of bettering the lives of our members and strengthening our communities.*

Every year we host free educational workshops to ensure every single one of our members possesses the knowledge necessary to make confident financial decisions, and bus in hundreds of high school students to help chart a course for financial success.

We collect goods and support initiatives that help improve the daily lives of those struggling with poverty and hunger, and we raise funds for research that brings hope to families battling cancer.



In 2014, our first Reality Fair welcomed students from three regional high schools for a one-day event.

As of 2019, the event has grown. Gaining greater community involvement each year, Reality Fair now spans two days and draws over 400 students from nine local schools.

## We've hosted 806 complimentary workshops on topics like:

- |                 |                         |
|-----------------|-------------------------|
| Budgeting       | IRAs                    |
| Estate Planning | Paying Down Debt        |
| Homebuying      | Paying for College      |
| Identity Theft  | Planning for Retirement |
| Annuities       | Social Security         |
| Investing       | Understanding Credit    |

All of our workshops are 100% free and offered multiple times at different locations across our branches. View our current listing online at [umassfive.coop](https://umassfive.coop) for 2020's workshops!



Consistently our most ambitious and enthusiastic undertaking, UMassFive has fundraised and participated in the UMass Medical School Cancer Walk & Run since its inception in 1999. From volunteering at water stops, to personally fundraising for their own Walk or Run, our UMassFive volunteers' t-shirts can be spotted in the crowds at the Worcester Medical School every September. In recent years, employees have also taken the initiative to make and sell baked goods, handmade crafts, and artwork in support of cancer research.

In the past decade, Team UMassFive has raised over \$125,000 for this cause.



## In 2019, UMassFive also supported the following local organizations:

- |   |  |  |                                       |
|---|--|--|---------------------------------------|
| Amherst Skating Club  | Dress For Success Western Mass           | Ko Theater                               | Northampton Lions Club                |
| Amherst Hurricane Boosters  | Food Bank of Western Mass                | Look Memorial Park                       | Pioneer Valley Ballet                 |
| Amherst Survival Center   | Forbes Library                           | Massachusetts Academy of Ballet          | Pioneer Valley Habitat for Humanity   |
| Amherst Young Professionals                                       | Fort River Water Shed                    | Massachusetts Coalition for the Homeless | Springfield Boys and Girls Club       |
| Arcadia Players   | Franklin County Rotary and Kiwanis Clubs | Martin Luther King Jr. Family Services   | Springfield Friends of the Homeless   |
| Big Brothers Big Sisters of Hampshire County                      | Girls Inc, Holyoke                       | Mercy Caritas Gala                       | UMass Amherst Alumni Association      |
| Boys & Girls Club Family Center                                   | Greenfield Community College Foundation  | Mount Holyoke Friends of Athletics       | UMass Amherst Asian Film Festival     |
| Center for New Americans  | Heroes, Horses and Hounds                | Northampton Community Music Center       | UMass Amherst Cycling Club            |
| Community Involved in Sustaining Agriculture (CISA)               | Hilltown Charter School                  | Northampton First Night                  | UMass Amherst Smart About Money       |
| The Community Friendship Project (Crocker Farm Elementary School) | Hitchcock Center for the Environment     | Northampton Survival Center              | UMass Amherst Student Businesses      |
| Dakin Pioneer Valley Humane Society                               | Jones Library                            | Northampton Public Schools               | University Museum of Contemporary Art |
|   |  |  | Valley Alliance of Worker Co-ops      |
|   |  |  | The Valley Winds                      |



# A Letter From Our Supervisory Committee

*The Supervisory Committee is charged with protecting the UMassFive College Federal Credit Union's members' interests and ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.*

To meet this responsibility, the Supervisory Committee employs accounting and other qualified firms to perform necessary audits, account verifications, and risk assessments under its supervision. In 2019, the committee engaged the accounting firm of CliftonLarsonAllen (CLA), Certified Public Accountants, to conduct the annual financial audit and ongoing internal audit and compliance functions. The NCUA also concluded one of their regular exams of the Credit Union during 2019. As a result of the most recent Annual Financial Audit, UMassFive College Federal Credit Union received an unmodified opinion that our financial statements conform to generally accepted accounting principles.

Beginning in 2016, the Supervisory Committee contracted with CLA to begin a more comprehensive internal audit program. This work continued in 2019, with various reports presented throughout the year by CLA to the Supervisory Committee on the findings of their work, much of which centers on regulatory compliance and technology.

*Pictured from left to right, top to bottom:* **Ellen C. Rutan**, Chair, Comptroller in Financial Services Mount Holyoke College; **Shane Conklin**, Associate Vice Chancellor, Facilities and Campus Services, UMass Amherst; **Jacqui Watrous**, Executive Director, Administrative Systems, in Administration and Finance, UMass Amherst **Michael Ford**, Assistant Controller, Smith College; **Stephen Nigro**, Controller, Amherst College;



## Statements

Statement of Financial Condition (unaudited)	2019	2018
<b>Assets</b>		
Cash & Cash Equivalents	\$ 18,811,476	\$ 14,298,426
Investments	\$ 66,295,271	\$ 59,837,277
Loans to Members, Net of the Allowance for Loan Losses	\$ 402,318,535	\$ 382,188,526
Accrued Interest Receivable	\$ 1,503,102	\$ 1,646,203
Property & Equipment	\$ 7,421,943	\$ 7,840,947
National Credit Union Share Insurance Fund (NCUSIF) Deposit	\$ 4,269,441	\$ 4,130,093
Other Assets	\$ 17,728,808	\$ 15,436,026
<b>Total Assets</b>	<b>\$ 518,348,577</b>	<b>\$ 485,377,499</b>
<b>Liabilities</b>		
Members' Shares	\$ 467,093,844	\$ 435,553,890
Accrued Expenses & Other Liabilities	\$ 2,431,680	\$ 1,392,936
Borrowed Funds	\$ 0	\$ 5,001,840
<b>Total Liabilities</b>	<b>\$ 469,525,524</b>	<b>\$ 441,948,666</b>
<b>Equity</b>		
Retained Earnings, Substantially Restricted	\$ 49,011,242	\$ 43,998,566
Accumulated Other Comprehensive (Loss) Income	\$ (188,190)	\$ (569,733)
<b>Total Members' Equity</b>	<b>\$ 48,823,052</b>	<b>\$ 43,428,833</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 518,348,577</b>	<b>\$ 485,377,499</b>

Statement of Income (unaudited)	2019	2018
<b>Interest Income</b>		
Interest on Loans to Members	\$ 19,940,736	\$ 18,303,581
Interest on Investments & Cash Equivalents	\$ 1,803,912	\$ 1,407,108
<b>Total</b>	<b>\$ 21,744,648</b>	<b>\$ 19,710,689</b>
<b>Interest Expense</b>		
Dividends on Members' Shares	\$ 3,842,783	\$ 3,155,001
Interest Expense	\$ 58,997	\$ 40,804
<b>Total</b>	<b>\$ 3,901,781</b>	<b>\$ 3,195,804</b>
Net Interest Income	\$ 17,842,868	\$ 16,514,885
Provision for Loan Losses	\$ 1,141,008	\$ 897,300
<b>Net Interest Income After Provisions for Loan Losses</b>	<b>\$ 16,701,860</b>	<b>\$ 15,617,585</b>
Non-Interest Income	\$ 4,852,457	\$ 5,427,293
<b>Net Income Before General &amp; Administrative Expenses</b>	<b>\$ 21,554,316</b>	<b>\$ 21,044,878</b>
<b>General &amp; Administrative Expenses</b>		
Salaries & Benefits	\$ 8,603,743	\$ 8,063,037
Operations	\$ 8,614,163	\$ 8,814,287
<b>Total</b>	<b>\$ 17,217,905</b>	<b>\$ 16,877,324</b>
<b>Net Income From Operations</b>	<b>\$ 4,336,411</b>	<b>\$ 4,167,554</b>
NCUA Impairment & Premium Assessment	\$ 0	\$ 0
<b>Net Income After NCUA Impairment &amp; Premium Assessment</b>	<b>\$ 4,336,411</b>	<b>\$ 4,167,554</b>



At UMassFive,  
we are:

community-driven,  
member focused,  
and dedicated  
to bringing you  
the best  
banking experience.

When you bank with us, you can expect to save money and be rewarded—we are after all, a co-operative, which means we work for *you*.

Celebrating  
our best  
decade yet.



Thank you  
for making us  
your choice.

UMassFive's  
Field of  
Membership

Amherst College • Hampshire College • Smith College  
Mount Holyoke College • University of Massachusetts  
& over 50 other select groups. See more at [umassfive.coop](http://umassfive.coop)

