

Press Release

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Credit Unions Ready To Help Members With Budget Cuts Woes

Washington, DC — The debate on the debt ceiling has ended but the impact of budget cuts has just begun. As Congress hashes out details on where to make cuts, credit unions are readying to help members who may suffer as a result of reductions in student lending, housing programs, or defense funding.

From student lending assistance to interest-free advances on direct deposit pay, many credit union executives say they are trying to get the word out that they will put members first as budget cuts are implemented.

“Do we stand on the sidelines and say this isn’t our problem? Or is there a more cooperative approach?” says Chip Filson, president of Callahan & Associates, who hosted a webinar on Monday called Contingency Planning & Lessons for the Future. “Let’s avoid the concept that it’s someone else’s problem to solve. We can be a part of the solution.”

Northwest Federal Credit Union (\$2B, Herndon, VA) proactively reassured its members that the credit union would “be there” for them. The credit union announced it would offer an advance to members a direct deposit payment as a 30-day non-interest loan. Similarly, both TDECU (\$1.7B, Lake Jackson, TX) and Hanscom Federal Credit Union (\$919.5M, Hanscom AFB, MA) said they would provide similar short-term financial boosts to their members. TDECU offered the same interest-free loan to its members with the only criteria being to just be a member in good standing. “The main thing is trying to get the word out that we’re here for you,” says Gary Lanier, vice president of TDECU.

Scott Post, senior vice president of strategy and delivery at Hanscom, says the credit union benefited from preparing to help members threatened by furloughs earlier this year. The credit union, which caters to federal government and military personnel, offers a “Life Line” interest-free line of credit in the amount one month’s salary and a skip-a-pay on non-mortgage loans on a case-by-case basis.

Gerrienne “Winky” Burks, CEO of Northwest Federal, told members the credit union would stand ready to assist them while there’s still a lot of uncertainty with the budget. “Northwest Federal stands committed to fulfilling our mission of being a lifetime financial partner by making a positive difference in the lives of our members.”

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About Callahan & Associates

Callahan & Associates is a Washington, DC-based firm specializing in financial publications, software development, strategic planning, and investment management for credit unions. Visit www.callahan.com to learn more.