

Leominster Credit Union
Credit Committee Report
Annual Meeting
September 15, 2020

The Credit Committee serves the Board of Directors and the membership through its oversight of all lending activities. The Committee works with management in the development of lending products that help our members obtain credit at affordable prices and reasonable terms. The Committee also oversees lending and collection policies that guide our loan programs and procedures. Members of the Credit Committee, in addition to me, include Amedeo Bilotta, Nancy Graves, Joyce Leger and Rob Dellechiaie.

2019 was a good year in lending. We continued to service the lending needs of our members while attracting new members. We generated total loan volume of \$175 million, which surpassed 2018 volume of \$169 million. We had a great year in two categories, Home Equity Lines of Credit, we booked \$41 million in 2019 compared to \$30 million in 2018, and Indirect Loans we booked \$76 million, which was comparable with 2018. The lending portfolio grew \$6.8 million, from \$527 million in 2018 to \$534 million at year-end 2019; an increase of 1.3%. Our growth would have been higher, but we decided to sell lower rate first mortgages to Fannie Mae, totaling \$16.5 million, while also selling \$14.0 million in treasury loans. We realized nice gains on the sale of these loans.

We continue to have a high performing loan portfolio. Our overall delinquency is good, ending the year at 1.91% and our 60-day delinquencies ended at .55%.

While we are pleased with these results, we understand we must continue to improve our products and processes to ensure we are meeting the lending needs of our current and future members. To do this, we are always working towards keeping up with the ever-changing compliance and technology updates.

We had successful Mortgage Home Buyer seminars, with over 85 attendees in the spring and another 18 in the fall during the numerous sessions we offered. These educational seminars not only helped our members become more knowledgeable on the financing aspects of purchasing a home; but we also have realtors and attorneys speaking, in order to help educate the attendees on what to be aware of and what to expect during various stages of purchasing their first home.

When the Federal Employees shut down for a period during the year, we helped, by granting loans for our Government employed members at reduced rates and no payments for up to 90 days, as they transitioned through that difficult time.

As always, in 2020 we will strive to continue to find new and innovative ways to serve the lending needs of our members. The necessity to evolve is important as our members' needs are ever changing. After being in a rising rate environment the past two years, we anticipated rates to stabilize in 2019, however rates decreased through the year, with this our members have seen the benefit of lower initial loan rates in various products along with a reduction in their Home Equity Line of Credit rates.

However, we do feel that if we continue to provide quality products and services with timely turnaround time, we will be able to continuously meet our members' needs and grow our lending portfolio.