



FOCUS e-newsletter: Partnerships & Outreach  
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### Helping State CUs to become LIDs

Contributed by Annette Moore, NCUA Consumer Access Analyst

National Credit Union Administration (NCUA) staff partnered with a trade association to help more than a dozen state-chartered credit unions get their low-income designation (LID). Most recently, in April, two credit unions received the designation through this partnership.

The partnership began with Annette Moore, a Consumer Access Analyst with NCUA's Office of Consumer Protection (OCP) and John Trull, Director of Regulatory Advocacy for the Northwest Credit Union Association (NWCUA). The NWCUA is the credit union league for credit unions in Oregon and Washington. Shortly after NCUA notified qualifying federally chartered credit unions in July of 2012 that they met the requirements for the designation, Mr. Trull and NWCUA set a goal to help eligible state chartered credit unions in the Northwest receive the LID, too.

NWCUA wanted any qualifying state chartered credit union to have an opportunity to accept secondary capital and, where appropriate, grant MBLs above the statutory cap applicable to federally insured credit unions without low-income designation. It also wanted to make sure small credit unions had access to OSCUI's services. As a result, it created an action plan with three key components:

1. Identify the eligible state charters.
2. Educate the potentially eligible charters on the benefits of the designation.
3. Understand the process for getting low-income designated and how best to help credit unions.

After completing research and preliminary work to determine eligibility, NWCUA realized it needed a point person at NCUA to help qualify the credit unions. "Fortunately, we were put in touch with Annette Moore, who is detail-oriented and committed to helping credit unions through the process," said Trull. "Annette took the time to walk me through the low-income designation process and sent me a detailed e-mail with information on exactly what a credit union needs to do to get the designation."

The simplest method for qualifying a credit union, Moore told Trull, is to send an AIRES download containing each member's address information (street, city, state and zip code) to NCUA's OCP whose staff can analyze the data via its system. NCUA uses geographic data ranging from the county, to census tract levels to determine the income level associated with where a member lives. The most common method of qualifying is documenting that more than 50 percent of a credit union's members reside in an area meeting the qualifying income threshold. Additionally, members enrolled as students in post-secondary and high school qualify for as low-income.

Trull contacted credit unions he believed would qualify, based on the above, and the partnership with Moore quickly began to bear fruit. One of the best examples is Cutting Edge Federal Credit Union in Portland, Oregon. Brady Howe, Cutting Edge's CEO, began working with Trull three days before OSCUI's grant deadline. "When I asked John how long he thought it would take, he said he thought we could get it done in less than a day," Howe said. "At the time, I really didn't think that was possible.



But we got our designation in 90 minutes, and we were able to apply for the grant in 10 minutes. A month later, we received a grant to help us with our CDFI certification.”

“Annette has been an outstanding partner with the Association,” says Trull. “Each time we have pursued a low-income designation, Annette has demonstrated the same operational efficiency and speed that most people wouldn’t expect from a federal agency. I believe Annette has helped improve the overall perception of NCUA in the Northwest.”

Including the two state chartered credit unions that received the LID earlier this year, nine state chartered and 23 federal credit unions in the Northwest have accepted the LID since the agency began informing credit union officials of their eligibility.

**For additional information about the benefits of the LID, read the *Low Income Designation Fact Sheet*. For questions regarding the LID, contact the OCP at 703-518-1150 or [DCAMail@ncua.gov](mailto:DCAMail@ncua.gov). For questions about Trull’s use of CUNA’s Project Zip Code to identify potential qualifying credit unions in his state, contact him at 503-350-2209.**