

ALTERNATIVES FEDERAL CREDIT UNION

ITHACA, NEW YORK

The mission of Alternatives Federal Credit Union (Alternatives) is to build wealth and create economic opportunity for underserved people and communities. Since its inception, Alternatives has provided over \$250 million in mortgage, business, and consumer loans to borrowers largely outside the parameters of bank lending standards. Through its Credit Path model, Alternatives has integrated education, deposit, loan, and development services to help thousands of people outside the financial system become successful savers, borrowers, homebuyers, and small business owners.

As a designated, low-income community development credit union and a certified Community Development Financial Institution (CDFI), Alternatives offers a full range of products and services designed specifically to meet the needs of its target low-income population. This includes savings and checking accounts, certificates of deposit, IRAs, Individual Development Accounts, health savings accounts, youth credit union branches in local schools, ATMs, remote banking via telephone and internet, and consumer, mortgage, and business lending.

Alternatives also offers development services, including free tax preparation, housing counseling, microenterprise development, financial education, and financial counseling. Business loan sizes are typically less than \$20,000, reflecting the importance of supporting small business entrepreneurs who would otherwise be denied credit or limited to high-cost forms of credit. The credit union works effectively with a variety of public and private partners to implement needed services for low-income households.

Alternatives' development services have long been a hallmark of the credit union's success. Through its Business Community Enterprise Networking and Training Services (CENTS) program, Alternatives provides pre-and post-loan technical assistance, workshops, business plan development, and one-to-one counseling.

To date, Alternatives has been awarded \$4.3 million in awards from the CDFI Fund. A recent award enabled Alternatives to upgrade its core technology solution, allowing it to offer members convenient access through electronic delivery channels, while also providing loan loss reserves for an innovative consolidation loan and education program targeted to consumers with high levels of consumer debt.



THE PIGGERY

With help from Alternatives, Ms. Heather Sanford was able to build a business, which began with the purchase of a single pig on Craigslist. Today, The Piggery maintains a 70-acre, pasture-fed pig farm, as well as a popular butcher shop in Ithaca, New York. Ms. Sanford and her husband received technical assistance from Alternatives' Business CENTS program and financing from the credit union.

Initially, the business received a loan from Alternatives to purchase their first delivery van. Later, they received financing to take over the operation of a local coffee shop. When the adjacent restaurant failed, The Piggery received a \$60,000 loan from Alternatives in 2011 to purchase equipment to convert the space into a combination deli and butcher shop that provides a retail outlet for their farm-raised products.

As a result, the Sanfords expanded their business from 35 pigs in 2008 to 253 pigs and 17 additional employees just three years later. All employees are paid a living wage, as measured by Alternatives' biannual study of the cost of living in Tompkins County. And, with products sourced entirely from local farms, the success of the Piggery has had a ripple effect throughout the community.

CONTACT

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Alternatives BY THE NUMBERS

(2012)

- NUMBER OF JOBS CREATED OR RETAINED: 99
- NUMBER OF BUSINESSES ASSISTED: 227
- TOTAL DOLLAR AMOUNT LOANED: \$17.6M
- FOUNDED IN 1979
- CERTIFIED AS A CDFI IN 1995

CDFI
COALITION
WWW.CDFI.ORG