The mission of the National Federation of Community Development Credit Unions (Federation) is to help low- and moderate-income people and communities achieve financial independence through credit unions. The Federation’s Community Development Investment Program invests in member Community Development Credit Unions (CDCUs) to strengthen their financial position and expand their impact in low-income communities. Its investments help CDCUs offer innovative and responsible loan products and help consumers protect and build assets.

The Federation offers member credit unions Secondary Capital Loans, Non-Member and Nominee Deposits, Microenterprise Deposits, Predatory Relief and Intervention Deposits (PRIDEs), and a CDCU Mortgage Center. The Federation’s Secondary Capital Loans are subordinated, long-term debt in amounts up to $500,000, which are available to credit unions that have received a low-income designation from their regulator. The Non-Member and Nominee Deposits program enables CDCUs to increase lending to members, match deposits from other investors, and generate investment income. The Federation’s Microenterprise Deposits partially collateralize microbusiness loans to expand CDCUs’ microlending in local communities. Under the PRIDE program, the Federation makes risk-sharing deposits to help credit unions fight high-cost and predatory payday, tax refund, automobile, and mortgage lenders. With the CDCU Mortgage Center, the Federation purchases seasoned, performing mortgage loans from member credit unions to replenish CDCUs’ loan capital, thereby expanding lending in local communities.

In addition to financial products, the Federation offers technical assistance services, designed to help credit unions meet the increasingly complex challenges of managing a regulated Community Development Financial Institution (CDFI). Technical assistance is provided through training programs at national and regional conferences, through webinars and individual consultations on strategic planning, lending, compliance, operations, and accounting, and through product development and implementation. To date, the Federation has been awarded $14.5 million from the CDFI Fund, which has allowed it to better serve its CDCU members.

Kerr County Federal Credit Union

Kerr County Federal Credit Union (Kerr County) has experienced remarkable growth over the past 11 years. Founded in 1936 in the basement of a U.S. Department of Veterans Affairs (VA) Hospital to serve service members, their families, and the hospital’s employees, Kerr County has expanded to serve all residents of Kerr and Kimble Counties in south central Texas. These rural communities currently have over a 14 percent poverty rate.

In 2002, Kerr County’s membership started to grow quickly due to its community outreach efforts. By 2007, the credit union needed additional capital to meet the increased demand for its products and services. The Federation invested $375,000 in Kerr County, under its Secondary Capital Loan program. This investment was funded, in part, by CDFI Fund awards. Kerr County was able to leverage this investment to expand lending in its target market.

Since 2007, Kerr County has received various forms of financial and technical assistance from the Federation, including investments to expand the organization’s used car loan program. This support has helped Kerr County’s assets grow from $21 million to over $47 million. Likewise, its membership has increased to about 8,600 from 5,500 in 2007.