

CDFI Credit Unions Serve Remote Rural Communities: Tongass FCU

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There are several small communities in Southeast Alaska that do not have access to financial services. Most of these communities are located on remote islands or not connected to the road system.



Recognizing the need for financial services in these underserved areas, Tongass FCU established a plan to create TFCU microsites. The markets that TFCU seek to serve include small villages and towns within our Southeast Alaska field of membership, with population sizes of 400 to 1,000 year-round residents. TFCU microsites are open three days per week, four hours per day. TFCU also provides an ATM in the community. The sites are operated by one to two employees.

In 2005, TFCU began offering financial services in Thorne Bay, a former logging town located on Prince of Wales Island with 500 residents. At the time, TFCU didn't realize that Thorne Bay would become a blueprint for future sites. Thorne Bay's community business association asked TFCU to establish the site and provided volunteers to assist.

TFCU's first space was located inside a sporting goods store that was in the lower level of the store owner's home. The cash was kept in the gun safe, and transactions were noted on paper. Since

then, TFCU has created a more sustainable model, hiring employees, using computers, and finding a permanent home in the City of Thorne Bay offices.

The Hydaburg microsite on Prince of Wales Island was opened in September 2019. TFCU partnered with a local school that provided a free office and a space for the ATM. The school in Hydaburg serves all grades and is the largest public building in the village. Hydaburg has never had local financial services or an ATM and is an hour drive from the nearest community with financial services, a TFCU branch in Klawock.

Hydaburg has approximately 400 residents. The new site has been especially beneficial in this community for elders who are unable to drive into Klawock and students learning about using financial services. The local tribe was the first organization to open an account with TFCU to demonstrate their support.

The second microsite was opened in Kake in December 2019. TFCU partnered with the local tribe to provide a free office space on the first floor of the tribal building and provided a space for the ATM in their local mini-mart. Kake is located on Kupreanof Island, 95 air-miles southwest of Juneau, the closest community with financial services. Kake has approximately 630 residents. In the first two weeks of services, TFCU opened 29 accounts. The grand opening was celebrated with locally made fry bread drawings for prizes, and transportation provided by the senior center van. Two Kake elders opened accounts that day.

Plans to open a microsite in the community of Hoonah in early 2020 were delayed due to the pandemic. The Hoonah Indian Association pitched in to complete physical upgrades needed to bring in equipment and teller stations, and, with considerations to travel and health and safety, staff was trained. The Hoonah microsite opened in summer of 2020.

TFCU is working to provide efficient services, using online and mobile banking to keep costs down. Community support and participation makes microsities sustainable. Partnering with the Hydaburg, Kake, and Hoonah communities ensure TFCU's long term sustainability and growth.