

THE LIST

Credit Unions Follow Playbook During Pandemic

LIST: Aid to membership ramps up, especially for hard-hit industries.

By **AMY STULICK** Staff Reporter

Valley credit unions are expanding programs and launching new ones to retain members during the pandemic. Membership growth has slowed, yet deposits have picked up for some institutions as people save for lean times ahead.

Partners Federal Credit Union, sponsored by fellow Burbank company **Walt Disney Co.** and No. 4 on the Business Journal's list of credit unions, has had to double its member assistance program offerings to better assist



Janclaus

furloughed and laid off Disney employees, who make up 45 percent of the credit union's membership between offices in California and Florida.

Disney announced plans to lay off 28,000 workers in September.

Partners' membership growth has shrunk compared to previous years, from 10 percent to 2 percent this year. Deposits have increased, but its loan portfolio is seeing more delinquency and charge-offs

across the board, Chief Executive **John Janclaus** told the Business Journal.

"In short, it's been quite a blow to our membership," added **Jesse Lopez**, vice president of **Universal City Studios Credit Union**, in an email to the Business Journal. The entertainment credit union is No. 18 on the list. "A majority of our members are employed by or are relatives of the entertainment community; we've had a number of members laid off, furloughed or have lost their jobs altogether."

Universal Studios Hollywood cut more than 1,300 staffers and temporarily laid off more than 800 employees in L.A. County since July 1, according to previous reports.

Janclaus noted that any time the country experiences a recession, these behaviors are to be expected.

"What we're experiencing now is less than the last recession, believe it or not," Janclaus added, referring to the recession of 2007 to 2008. "We think that may change once stimulus money goes away or the duration of this recession as it continues. We're all looking at the election, we're all anxiously looking at new stimulus packages that could come out and help the economy."

"The other side of that coin is we're not seeing high levels of attrition, in my belief through an aggregation of all the different ways the (member assistance) program, the education component, that's really helping with value and it's retaining our membership," explained **Michael Terzian**, chief member service officer for Partners.



O'Connell

California Credit Union Chief Executive **Steve O'Connell** echoed Janclaus' sentiments on the 2008 financial recession, saying it was "more of a credit issue, a credit crisis," while what we're currently dealing with "is a health care crisis causing a financial event."

"The collateral our members have is much stronger than it was in 2008," continued O'Connell. "That's when there was a huge crash in the real estate market. ... Right now, people are still paying but they still have a lot of equity that they didn't have in 2008."

No. 2 on the Business Journal's list of credit unions, member-funded Glendale-based CCU does not cater to one specific industry adversely impacted by the pandemic.

"Have we seen members impacted by COVID? Yes, but not to the extent that some others may have, because we don't have a specific connection to any one particular industry that might be at high risk," added O'Connell.

Loan relief

Partners' program was implemented years ago to help members with natural disasters, earthquakes and wildfires in California and hurricanes in Florida.

About 72,000 of its members across the

country have been helped by its member assistance program. During the pandemic, the number of approved emergency loans expanded to "just north of 3,000," Terzian said, with each loan between \$500 and \$10,000. Terms vary by loan, but many have 0 percent APR and several months of loans repayment can be deferred.

Bridge loans have been popular, but Partners leadership told the Business Journal every member or household may need a different cocktail of financial assistance.

"Rates are low, so a lot of households have been able to take advantage of that," added Terzian. "Quiet growth in loan origination. Give your household a raise by lowering your mortgage."

Also, members have chosen to defer 115,000 loan payments since March, both consumer and home loans.

California Credit Union has deferred about \$350 million in loans, O'Connell said, which translates to roughly 10,500 loans; the institution waived about \$700,000 in fees.

"We went from essentially a zero delinquency, or half a percent delinquency to a 13 percent delinquency," explained O'Connell. "Of the 10,500 (loans), we have about 85 percent that have resumed regular payments."

CCU offers what they call "COVID personal loans" with low rates. CCU's allocation of \$60 million in PPP loans helped 600 small businesses, O'Connell said.

"That kind of access, that kind of personal care, is a hallmark of credit unions," added Janclaus.

THE LIST

CREDIT UNIONS

Valley-based; ranked by assets as of June 30

Rank	Credit Union • name • address • website	(\$ in millions; as of June 30)			Members	Profile • employees • branches • year founded	Top Executive • name • title • phone	
		Assets • 2020 • 2019 • % increase (loss)	Deposits • 2020 • 2019 • % increase (loss)	YTD Net Income (Loss) • 2020 • 2019				
1	Logix Federal Credit Union 2340 Hollywood Way Burbank 91505; logixbanking.com	\$7,193 \$6,140 17	\$5,826 \$4,821 21	\$32.3 \$66.7	208,697	753 16 1937	Ana Fonseca CEO, President (800) 328-5328	
2	California Credit Union 701 N. Brand Blvd. Glendale 91203; californiacu.org	3,562 3,204 11	3,042 2,659 14	1.0 13.6	164,157	545 25 1933	Steve O'Connell CEO, President (800) 334-8788	
3	Premier America Credit Union 19867 Prairie St. Chatsworth 91311; premier.org	3,058 2,786 10	2,725 2,471 10	4.6 12.0	115,632	335 21 1957	Rudy Pereira CEO, President (800) 772-4000	
4	Partners Federal Credit Union 100 N. 1st St., Suite 400 Burbank 91502; partnersfcu.org	2,097 1,812 16	1,843 1,569 17	1.7 6.6	180,682	399 13 1968	John Janclaus CEO, President (800) 948-6677	
5	Caltech Employees Federal Credit Union 528 Foothill Blvd. La Canada Flintridge 91011; cefcu.org	1,921 1,716 12	1,709 1,535 11	5.5 3.8	33,594	72 4 1950	Richard Harris CEO, President (800) 592-3328	
6	First Entertainment Credit Union 6735 Forest Lawn Drive Hollywood 90068; firstent.org	1,753 1,573 11	1,582 1,411 12	0.5 7.6	87,885	NA 10 1967	Frank Wasson CEO, President (888) 800-3328	
7	Farmers Insurance Group Federal Credit Union 2255 N. Ontario St., Suite 320 Burbank 91504; figfcu.com	1,228 987 24	NA 805 (100)	993.2 4.5	56,442	196 12 1936	Laura Campbell CEO (800) 877-2345	

NA - Not Available N/A - Not Applicable Note: Information for this list was provided by the National Credit Union Administration. Credit unions are ranked by total assets as of June 30, 2020. To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list,

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Researched by Joshua Niv

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