

• SINCE 1989 •



Opportunities CREDIT UNION

We don't say no, we say when



Grand Opening, Winooski Headquarters, November 2010

ANNUAL REPORT 2010



From The President

As the economy and many of our fellow Vermonters continued to struggle through a difficult 2010, our staff reached out to our members with products, services and

financial education to help them weather their financial challenges. We are proud to report that Opportunities was actively making loans (over \$28 million in 2010) and that we lent out over \$58 million over the past 2 years. Many of our members took advantage of the lower rates and either bought or refinanced their homes. Others restructured debt and purchased or refinanced vehicles lowering their payments and putting money back in their pockets.

We launched several new products with rewards for saving and some small loan programs to help consumers and businesses needing to borrow smaller amounts. Where we find gaps in the financial market, we have worked with partners to develop products and programs that help borrowers and savers become financially stronger and get to their financial goals.

I would like to thank the Board, management and staff who dedicate their skills, time and attention to the needs of our members and who truly care about developing a stronger financial community.

We look forward to serving your needs in 2011!

Sincerely,
Cheryl Fatnassi

Board of Directors

- Oliver Gardner, Chair
- Cairn G. Cross, Vice Chair
- Shanna Ratner, Treasurer
- David Westbrook, Secretary
- Doug Boardman
- Jacob Bogre
- Paul S. Goldman
- Ellen Shapiro

From the Board Chair...

Opportunities Credit Union has had a very good year. We closed the year with positive earnings, strong key ratios and improved net worth.

Staff and management deserve recognition for their successful move to Winooski and the well-orchestrated opening. This project was on budget and on schedule. The move to Winooski has facilitated greater efficiency in operations, with no increase in operating costs.

OCU's strong balance sheet has allowed us to step up our lending when others have pulled back. Our home ownership and small business programs directly support economic recovery. Thanks go to our members and investors for their support of our important mission.

It has also been a year to build the credit union's infrastructure with improvements to our facilities, IT systems and staff training. As with any organization, the people make it successful and unique. The management team and staff deserve the highest praise for their dedication to the mission of Opportunities Credit Union.

I also want to recognize the dedication and accomplishments of the board of directors and the many committee members. Together, they monitor the work of OCU, give unselfishly of their time and expertise, and provide the guidance to keep us all on course.

My best regards,

Oliver J. Gardner, Chairman of the Board



BOARD COMMITTEES

■ Supervisory Committee

Garth C. Allen, CPA, Chair
Steve Bourgeois
John R. Gilligan
Peter H. Kreisel, CPA
Thomas G. Peterson
Katherine A. Picard

■ Credit Committee

Cheryl Fatnassi, Chair
Steve Bourgeois
Chuck Cherhoniak
Marie Dussault

■ Asset and Liability Committee

Steve Bourgeois, Chair
Cheryl Fatnassi
Mike Gretkowski
Sue Leonard
Tim Mashrick
Tricia Senzel, CPA

■ Finance Committee

Cairn Cross, Chair
Jacob Bogre
Cheryl Fatnassi
Erik Karpinski, CFA, CPA
Tricia Senzel, CPA

CDFI AWARD GRANTED

U.S. Senator Patrick Leahy, U.S Senator Bernie Sanders, and U.S. Congressman Peter Welch announced in August 2010 that Opportunities Credit Union was awarded a \$750,000 CDFI (Community Development Financial Institutions) grant. Supported by Senator Leahy, the American Recovery and Investment Act provided funds to assist expanded activities for affordable home ownership, micro-enterprise and consumer development.

We're in Winooski!

Senator Leahy Joins Ribbon Cutting For New Winooski Credit Union

A large crowd of bankers, credit union members, and Winooski officials joined U.S.

Senator Patrick Leahy and the Opportunities Credit Union board of directors at the opening of our newest office in downtown Winooski. Opportunities CEO, Cheryl Fatnassi, welcomed the crowd and thanked the City of Winooski, Hall Keen Developers, and all the



SARACCO PHOTO

contractors who facilitated the smooth transition. The City of Winooski was a founding depositor and member of Vermont's only community development credit union in 1989 so this was a homecoming event as well.

The new office is easily accessible by two CCTA bus routes and is just steps away from Chittenden County's only indoor bus station. With its new wheelchair accessible teller station, Opportunities Credit Union is a model business for the pedestrian friendly downtown Winooski development.

Senator Leahy praised the credit union for maximizing the return on its recent \$2 million dollar grant. The grant was awarded from the US Treasury as part of TARP (Troubled Asset Relief Program) in 2009.



SARACCO PHOTO

Board members (left to right) Cairn Cross, Doug Boardman, Jacob Bogre and Ellen Shapiro at the Grand Opening of our Winooski headquarters and branch.

Opportunities Credit Union has a mission to bring affordable financial services to low and moderate income Vermonters. Established 21 years ago with the support of the Burlington Ecumenical Action Ministry and the cities of Winooski and Burlington, Opportunities has grown to a \$33,271,684 financial institution with 10,300 members in 220 towns in

Vermont. Last year, Opportunities Credit Union lent over \$12,500,000 to small and micro businesses for expansion and job growth, provided over 5,700 financial counseling sessions and secured over \$161,800,000 for affordable home purchase and improvement loans.

Mission Statement

Opportunities Credit Union's mission is to build wealth, community and opportunity through a fair and affordable financial system.

BOARD NAMES CARYL STEWART PRESIDENT EMERITUS

The Board of Directors of Opportunities Credit Union honored their founder, Caryl Stewart, with the lifetime title; President Emeritus. Caryl Stewart founded Vermont Development Credit Union in 1989. As the Director of BEAM (Burlington Ecumenical



SARACCO PHOTO

Former President and lifetime President Emeritus, Caryl Stewart was honored at the Winooski Grand Opening event. Stewart is flanked by U.S. Senator Patrick Leahy (standing) and Chairman of the Board of Directors of Opportunities Credit Union, Oliver Gardner.

Action Committee), Stewart recognized the barriers to capital access among low income Vermonters.

With the support of the religious communities and the cities of Burlington and Winooski, this new community development credit union was capitalized and open for business. Caryl served as President of Vermont Development Credit Union and oversaw its name change in 2005 to today's Opportunities Credit Union. Caryl retired in 2008. Caryl remains active in the Association of National Community Development Credit Unions as a trusted advisor.

Many national programs were modeled after Caryl's visionary programs for home ownership and credit repair. Thank you, Caryl Stewart for your inspiration and years of service!

2010 Impact Statement for MoneySense

Our MoneySense department provided over 500 free financial education workshops to our members and to the community at large in Burlington, Winooski and surrounding communities. Personal financial counseling sessions were provided to over 300 people to assist them in everything from managing their money to saving their homes from foreclosure. Cutting edge programs were developed, including the Power Path program, which enabled financially insecure women to get a step up in building credit and meeting basic family needs. Our outreach to recent immigrants to the US was expanded, as we partnered with Vermont Refugee Resettlement Program to offer monthly Financial Empowerment workshops.

MoneySense – Total Served 2004 through 2010	
One-on-One Financial Counseling	4,069
Workshops and Financial Education	1,674
TOTAL	5,743

Member Moment

The Power Path program has had a significant impact on several women. The purpose of the program was to provide a foot up for women struggling financially. The goals were to improve their credit scores and to encourage savings. Average credit scores for most of the women were in the low 500 range. At the end of the program, the women who got Tracker Loans improved their score approximately 60 points. The women saved from \$5 to \$30 per month for 6 months. In total, \$2,750 was saved; truly a remarkable amount of money when the average monthly income per family was under \$500!



22-Year Impact Report

It is easy to measure our impact in numbers. What is more difficult to describe is the human impact that these numbers represent. We have served over 22,000 Vermonters.

CATEGORY TYPE	NUMBER	DOLLARS	IMPACT THAT THE PROGRAM HAS ON VERMONTERS
Affordable banking transactions	2,745,654	\$1,222,758,730	Affordable safe and secure local service
Affordable home mortgage loans	1,554	\$151,004,301	Affordable housing, wealth building alternatives to predatory lending with access to local service
Home and Energy Improvement loans	1,351	\$6,887,677	Quality housing, wealth building, energy saving alternatives to predatory lending
Small and micro business lending	819	\$12,516,553	Creating jobs, building community with local capital
Auto Loans	7,925	\$50,828,394	Reliable travel for work, medical, family needs, transition from welfare to work
Other Individual Development Loans	6,383	\$37,379,953	Building credit, gaining control of finances, alternatives to predatory lending, family emergencies, education
Total Impact	18,032	\$258,616,878	

The Independence Fund

The Independence Fund (Adaptive Equipment Revolving “Fund”) was established by the Vermont Legislature in 1990 to help address the adaptive equipment and technology needs of Vermonters with disabilities. While each of our member stories and needs are unique, their individual experiences are examples of the powerful, transformative impact of the fund. As a result of an identified gap and need, denture financing was added in 2009.

Independence Fund Board Members:

- Michael Richman, Chair
- Roger Buchanan
- Linda Dusablon, Chittenden Bank
- Phil Hammerslough, VABIR
- Amber Fulcher, Vermont Assistive Technology Project
- Harold Nadeau, VCIL

Statement of Income and Expense

For the Years Ending December 31, 2010 and 2009

	2010	2009
Interest income		
Loans receivable	\$ 1,217,808	\$ 1,208,404
Investment securities	133,422	158,710
Total interest income	<u>1,351,230</u>	<u>1,367,114</u>
Dividend and interest expense		
Share accounts	352,981	441,253
Notes payable	158,172	179,965
Total dividend and interest expense	<u>511,153</u>	<u>621,218</u>
Net interest income	840,077	745,896
Provision for loan losses	(73,085)	(327,497)
Net interest income after provision for loan losses	<u>766,992</u>	<u>418,399</u>
Non-interest income		
Loan and servicing fees	684,668	706,577
NCUSIF recapitalization	0	105,396
Other income	965,365	1,298,508
Total non-interest income	<u>1,650,033</u>	<u>2,110,481</u>
Non-interest expense		
Compensation and employee benefits	1,192,136	1,157,784
Occupancy costs	106,124	96,961
Operating expenses	724,825	953,834
NCUSIF stabilization expense	51,729	131,161
Impairment of corporate credit union capital shares	0	83,908
Total non-interest expense	<u>2,074,814</u>	<u>2,423,648</u>
NET INCOME	<u>\$ 342,211</u>	<u>\$ 105,232</u>

Statement of Condition

As of December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents		
Cash due from banks	\$ 893,450	\$ 446,258
Interest bearing deposits in banks	5,431,140	1,301,496
For Total Cash & Cash Equivalents	<u>6,324,590</u>	<u>1,747,754</u>
Certificates of deposit	6,370,050	7,383,000
Loans to members, net of allowance of \$219,156 and \$236,872 in 2010 and 2009, respectively	19,679,371	18,186,518
Accrued interest receivable	85,350	86,115
Accounts receivable, other	20,366	47,697
Prepaid expenses and other assets	366,024	329,305
Foreclosed real estate	0	344,876
Premises and equipment, net	243,721	35,640
National Credit Union Share Insurance Fund deposit	182,212	125,470
Total assets	<u>\$ 33,271,684</u>	<u>\$ 28,286,375</u>
Liabilities and Members' Equity		
Members' share accounts	\$ 13,739,956	\$ 12,350,606
Non-members' share accounts	12,164,555	9,187,740
Notes payable	350,000	800,000
Accrued interest and dividends payable	26,044	17,848
Accrued and other liabilities	105,383	141,906
Deferred revenue	819,412	905,152
Notes payable, secondary capital	3,841,000	3,000,000
Total liabilities	<u>31,046,350</u>	<u>26,403,252</u>
Members' equity		
Regular reserve	1,534,865	1,534,865
Undivided earnings	690,469	348,258
Total members' equity	<u>2,225,334</u>	<u>1,883,123</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 33,271,684</u>	<u>\$ 28,286,375</u>

Small Businesses Lending Increased in 2010

2010 was another strong year for the Small Business Lending Department. Opportunities Credit Union filled the void in available credit for small and micro businesses, created as a result of larger banks tightening credit standards and re-analyzing their risk tolerance.

The credit union worked hard to support Vermont businesses through its lending activity and community outreach; Greg Huysman, Small Business Lending manager, presented at many Vermont business venues in 2010. The consistent theme for him was making sure capital was available for businesses in need of expansion or businesses experiencing distress.

In 2010, Opportunities lent \$280,000 in SBA ARC loans for businesses that experienced a revenue reduction; \$219,175 was lent to start-ups and \$356,912 was lent for business expansion.

Small Business Lending Presentations Offered in 2010

- The "Access to Capital" Summit, Montpelier hosted by Farm Viability Program and VT Housing & Conservation Board
- The Co-Operative Summit-Burlington
- CEDO/SBA Winter Business Fair
- Micro Business Alliance
- VT Business Expo

What Others Are Saying...

"Opportunities Credit Union is a vital community institution. Greg has been instrumental in helping worthy small business owners or potential owners obtain the credit they need to succeed. Because the credit union has a mission to serve the community and is innovative, they work very hard to help business owners through the often complex world of lending."

Bernie Villemaire, Vermont District Office,
Small Business Administration



Helping Small Businesses Grow!

Sugarsnap is a six year old company that was ready to expand. Abbey Duke opened Sugarsnap in Burlington in 2003. The small food business managed its own Intervale farm, catering business, and retail outlet on Riverside Avenue. In 2010, Abby teamed up with Rob Smart, who brought 20 years experience in community-scale renewable energy experience and an MBA from the University of Washington. Together they approached Sandy Croft of VEDA (Vermont Economic Development Authority) with their vision of the future; second retail store, an expanded commercial kitchen, and a new line of preserved food products.

According to Smart, financing a food business required a lender willing to embrace both financial and community-based returns. VEDA lender, Sandy Croft, introduced Smart and Duke to Opportunities Credit Union. “We love it when we are able to help small businesses with missions that align with ours,” said lender Greg Huysman, “sometimes a creative company needs to work with a creative lender.” With commitments from VEDA and Opportunities Credit Union, Sugarsnap was able to attract multiple private investors. “It was vital for us to get support from the State of Vermont and a local credit union early,” said Smart.

Sugarsnap is proceeding with their expansion. “The combination of attractively priced loans and patient capital from our investors,” says Smart, “means Sugarsnap can expand its reach and maintain its reputation as a trusted source of the best food possible.”

Social & Community Investors

We have deep appreciation for all of our supporters and collaborating partners. Thank you to all our depositors and investors, who include:

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| Nalast | Merchants Bank |
| 1st Community Credit Union | Mercy Investment Services |
| A.D.P. Federal Credit Union | Musicians' Interguild Credit Union |
| Susan Allein And Richard Flanagan | National Community Investment Fund |
| Atchison Village Credit Union | National Federation of Community Development Credit Unions |
| Atlantic Federal Credit Union | New England Federal Credit Union |
| Barbara Kingsolver Trust | New England Federal Credit Union |
| Ben & Jerry's Foundation | Philip Nicholas, Jr. |
| Ben Cohen Charitable Trust | NMA Federal Credit Union |
| City of Burlington | Northcountry Federal Credit Union |
| Calvert Social Investment Foundation | Northgate Residents Ownership Corp. |
| The Cathedral Church of St. Paul | One Bank and Trust |
| Central Credit Credit Union of Florida | Opportunities Finance Network |
| Charter One | Parnassus Investments |
| Chittenden Solid Waste District | People's United Insurance Agency |
| Matthew Coll | Pittsburgh Federal Credit Union |
| Columbia Post Office Credit Union | Postal Family Federal Credit Union |
| Community Capital Bank of Virginia | Premier Bank |
| Community Economics, Inc. | Sandia Laboratory Federal Credit Union |
| Congregation of The Sister of The Incarnate Word | Self-Help Credit Union |
| Consumer Financial Services, LLC | Seton Enablement Fund, Inc. |
| Cornerstone Credit Union | Sisters of Charity, BVM |
| Cynosure Inc. | Sisters of Charity of Saint Elizabeth |
| Domestic & Foreign Missionary Society of the Protestant Episcopal Church | Sisters of The Presentation of The BVM |
| D. O. Youngstown Federal Credit Union | Sisters of St Francis of Philadelphia |
| Evangelical Lutheran CA | South Meadow Housing Associates |
| Edwart Everts | Southwest Airlines Federal Credit Union |
| Evslin Family Foundation | St. Lawrence Federal Credit Union |
| The F.B. Heron Foundation | Summit Credit Union |
| First Pioneers Federal Credit Union | TD Bank, NA |
| First Unitarian Universalist Church | Winfred Thomas |
| David Francis | Tides Foundation |
| Daniel Frazier | Union For Reform Judaism |
| Goldenwest Federal Credit Union | University Credit Union |
| Green Mountain Power | Ruth Uphold |
| The Jerry Greenfield RT | Michael Upton |
| Hartford Federal Credit Union | Vermont Teacher Diversity Scholarship Program |
| James Herce | Vons Employees Federal Credit Union |
| Anonymous | Vermont Community Foundation |
| Lois and Sandra Holbrook | Vermont Federal Credit Union |
| Michigan Catholic Credit Union | Vermont Housing Finance Agency |
| Key Community Development Corporation | Vermont State Housing Authority |
| Denise Lekowski | John Webster |
| Jeanne Lynch | Zia Trust, Inc. |
| Janis Mathews | |
| Cathleen Mckegney | |

The Year In Review: Member Moments



How Counseling Helped

Jessica came to see an Opportunities Credit Union counselor in May 2008. She was a single parent working on credit repair. Initially she was discouraged when we pulled her credit report because her credit scores were low. It would take much work for her to establish credit worthiness. She left her appointment, and the credit union did not hear from her for a year.

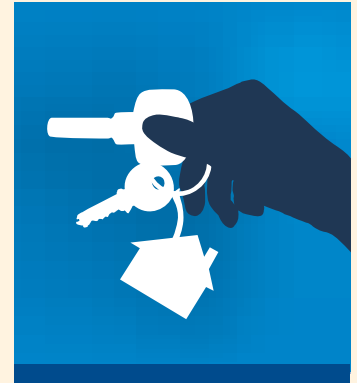
When she returned in 2009, she reported that she had used some of her income tax returns to begin to pay off her collection debt. Jessica said that she felt so good by paying off her collection debt that she could now imagine going down the asset path to consider home ownership.

In 2010, Jessica's counselor helped her open a Power IDA Matched Savings Plan. Her determination to save, with the help of new matched dollars, means that she now has the capacity to complete the re-payment of all her collection debt. No longer discouraged, Jessica is well on the path to financial freedom and home ownership.

Attaining the Dream of Home Ownership

When Rachel came to Opportunities Credit Union, she had left an abusive relationship and needed to rebuild her life and make a safe home for herself and her son. She had heard about the credit union and how it was a safe place for people in difficult situations. After working with the mortgage department, Rachel was able to buy her home with a conventional mortgage, which has been critical for her family's stability.

Darren and Helen live in rural Vermont and have four children. Because they are both employed, they knew they could afford a mortgage payment which would be cheaper than rent. The barrier to home ownership was Helen's poor credit. The Opportunities Credit Union mortgage department began helping Helen correct her debts and steered them to a Rural Development (RD) program. The RD expanded credit score program along with their personal credit re-building plan was what the family needed. As first time homebuyers, they were able to roll their closing costs into the mortgage, and they successfully purchased their home with no money down.



Direct Solutions to Many Problems

Matthew was unable to open a bank account anywhere because he had an outstanding loss with a major bank. We opened up a Power Payer account for him in 2008 so that he would at least have a safe place for his money. Because money was so tight, he was unable to put anything aside to pay off his loss with the bank. In 2010, he started saving money. When the member services team reviewed the Power Payer accounts in January, they suggested that Matthew contact his bank to ask them to consider a proposed payment. The bank agreed to accept his proposal, and his bankability has been completely restored with no further damage.

Anastasia had too many problems with her debit card, and Opportunities had to temporarily remove the privilege. While it was embarrassing, Anastasia came to see that using her card presented general financial difficulties that needed to be addressed. Member services helped her close on a Tracker Loan that is now improving her credit score. "Losing that card was the best thing that happened to me," Anastasia told our teller. "I am now managing my accounts, and I know exactly where my money is going. Thank you."

Sue was pleasantly surprised recently. Because of Tracker Loan payments, her credit score improved, and her car insurance was reduced. She did not realize the impact of her poor credit on this bill. Sue now has a few more dollars in her pocket at the end of the month, and she credits the member service team for their concern and knowledge.

We can't do it alone!

Our community network supports the work of Opportunities Credit Union in many ways. Grants, low interest deposits, and technical assistance go a long way in accomplishing our mission.

Thank you to our staff (shown at right) and the following organizations who provided this support in 2010!



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- Efficiency Vermont
- Elizabeth Steele
- Federal Home Loan Bank of Boston
- Gamper Fund
- National Credit Union Association
- New England Federal Credit Union
- National Federal of Community Development Credit Unions
- North Country Federal Credit Union
- Merchants Bank
- People's United Bank
- Sisters of Mercy
- Small Business Administration
- TD Bank
- U.S. Treasury CDFI
- Vermont Car Coach Project
- Vermont Economic Development Authority
- Vermont Federal Credit Union
- Vermont Network Against Domestic and Sexual Violence

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