Business BY TED TAYLOR

O.U.R. On a Roll

Little credit union gets a big boost


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Most bankers, like bank robbers, are in it for the money, but the folks at O.U.R. Federal Credit Union in the Whiteaker neighborhood appear to be motivated more by public service — and by giving local low-income residents a first step up on the ladder to financial stability.

O.U.R. stands for Oregon, Urban and Rural. The institution is described as "half a credit union and half a social services agency" by longtime board member Larry Abel, whose day job is deputy director of Housing and Community Services Agency. Abel says HCSA and the credit union share many of the same clients: low-income people trying to build personal assets.

O.U.R. announced last week that it has received a $276,000 federal grant that will be used over the next three years to expand its financial services, computer system, education and outreach. The grant comes from the Treasury Department's Community Development Financial Institutions (CDFI) Fund, and is the second quarter-million-dollar CDFI grant to be won by O.U.R. in recent years.

The credit union is unique. It's owned by its 2,700-plus members and has no high-paid executives, no checking accounts, no credit cards, no online banking, no ATMs. Members stand in line to make deposits or withdrawals, and on certain days of the month, the line runs all the way out the door. The lines are friendly and chatty, and few people complain.

What the cooperative does provide, says CEO and President Loretta Moesta, are tools for people to take control of their personal finances: savings accounts, IRAs, personal loans, auto loans, small mortgages, refinancing of "predatory" loans, micro-enterprise loans, money orders, phone cards, etc. The institution is bilingual and serves many Latinos in the community.

"They have always been a unique credit union," says Bob Cassidy of the credit union's supervisory committee. "They financed most of the Saturday Market people until they got too large, some moving up to the Fifth Street Public Market and such. They were the ones that set up Burley Design bicycle shop years ago."

O.U.R. dates back to 1969 and has deposits of about $4.5 million from members and non-members, including deposits from other supporting agencies and financial institutions. By comparison, Oregon Community Credit Union has deposits of about $700 million.

"The whole purpose of the grant is for capacity building within the organization," says Moesta. "We needed to come up with exterior funds to support the programs that are needed within the lower income community."

She says $250,000 will "go towards operations, trying to expand what we are doing, and the balance is for technical assistance: technology improvement and educational opportunities for staff."

"This is a highly competitive grant," she says, "and not many credit unions or organizations that apply get it. We did so well on the first CDFI grant in building and growing and putting out our financial education classes, we're hoping this one will allow us to expand."

O.U.R. does not have its own ATM machines due to their high cost, but Moesta says she hopes to partner with other financial organizations so O.U.R. members can use their machines.

Another area for expansion is in the credit union's LifeLine Financial Education program, and the organization hopes to hire a full-time home ownership advisor. The home ownership program is also backed by an $86,000 grant from Housing and Urban Development.

"What makes all this different," she says, "is that we're dealing with people who have a desire, but are at point negative three" when it comes to credit and financial knowledge. Many of these people have fallen victims to what she calls "predatory" lenders: the more than a dozen payday loan, title loan and check-cashing businesses in the Whiteaker neighborhood that charge exhorbitant loan rates and hidden fees.

The existing LifeLine program helps people evaluate and understand the fundamentals of finance, credit building and budgeting. The expanded LifeLine program will "take people who have gone through the financial education classes, and step it up a couple of notches," says Moesta.

The grant will also provide additional lending opportunities in the more rural parts of Lane County. Right now the credit union serves mostly the neighborhood and metro area and expands only by word of mouth. The grant provides outreach and marketing money.

Cary Thompson volunteers on the Credit Committee at O.U.R. and says the grant will help the organization educate people for home ownership, and other moves toward financial stability.

"We look at character as well as credit scores" in evaluation loans, says Thompson. He adds, "We do a load of loans for Latinos."

Membership in O.U.R. has two requirements: residence in Lane County and involvement in some kind of human or health services agency over the past year. The latter requirement is loosely defined and can mean volunteering at an agency or school, being a recipient of services or even supporting Goodwill.

Current board members are William Goldsmith, John D. Craig, Larry Abel, Ralph Saltus, Louise Roberts, John Hubard, Marcos Bodart and Michael Sorondo. EW