



## Breaking Down Barriers To Financial Access



**Altru Credit Union**



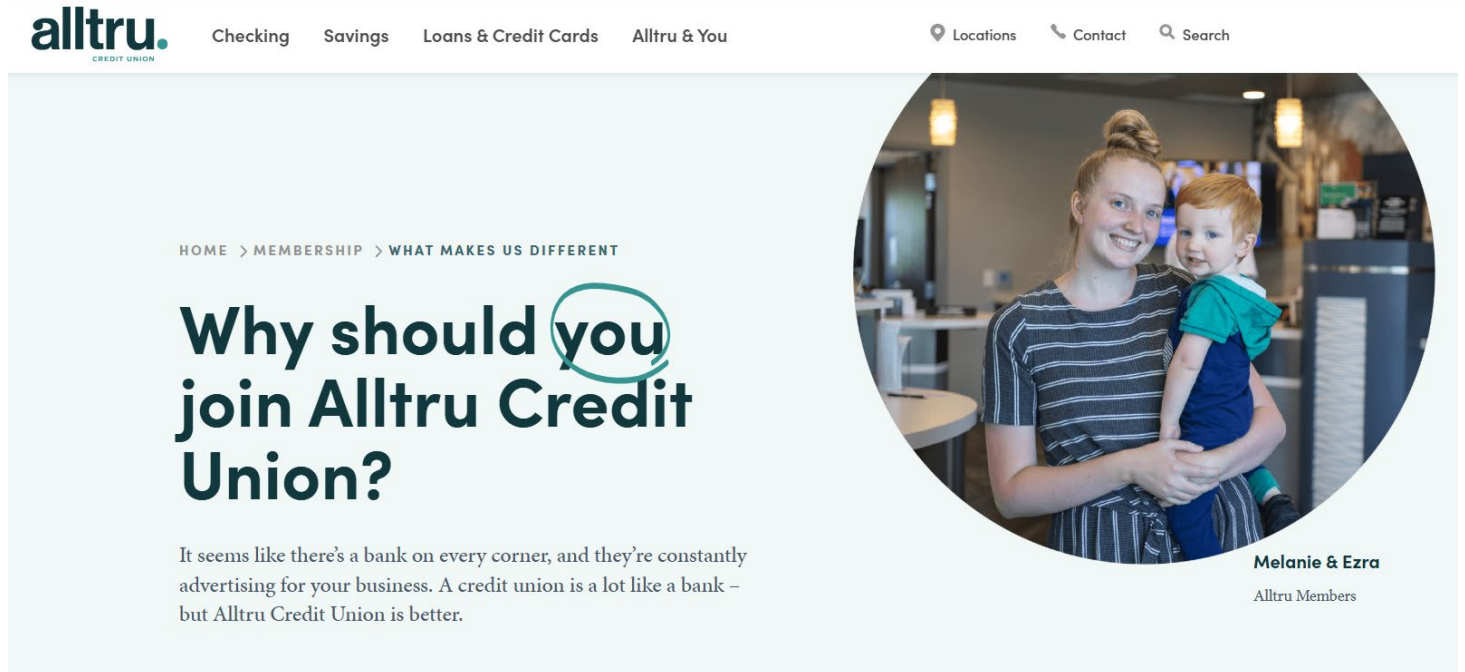
## Our Speaker



**Tracy Verner,**  
Community  
Development  
Manager, Alltru FCU

# About Alltru Credit Union

- Wentzville, MO
- Approx. \$364M in assets
- Over 40,000 members
- 123 FTEs
- 4 branches



The screenshot shows the Alltru Credit Union website. The navigation menu includes: **alltru.** CREDIT UNION, Checking, Savings, Loans & Credit Cards, Alltru & You, Locations, Contact, and Search. The main content area features a breadcrumb trail: HOME > MEMBERSHIP > WHAT MAKES US DIFFERENT. The headline reads: **Why should you join Alltru Credit Union?** with the word "you" circled in green. Below the headline is a paragraph: "It seems like there's a bank on every corner, and they're constantly advertising for your business. A credit union is a lot like a bank – but Alltru Credit Union is better." To the right is a circular image of a woman holding a child. Below the image is the caption: **Melanie & Ezra** Alltru Members.

## Guided by Equity & Curiosity

- Alltru is a CDFI
- **Mission-** To improve financial equity
- In 2023, the official poverty rate in City of St. Louis was **20.2%**, with 19.8% of the population living below the poverty level.
- In 2024, the credit union extended **more than \$37 million in loans** to individuals with credit scores of 659 and lower, and it **opened 5,412 accounts** for people within low-income census tracts.
- In 2024 **67%** of our loans were deployed in low-to-moderate income census tracts.

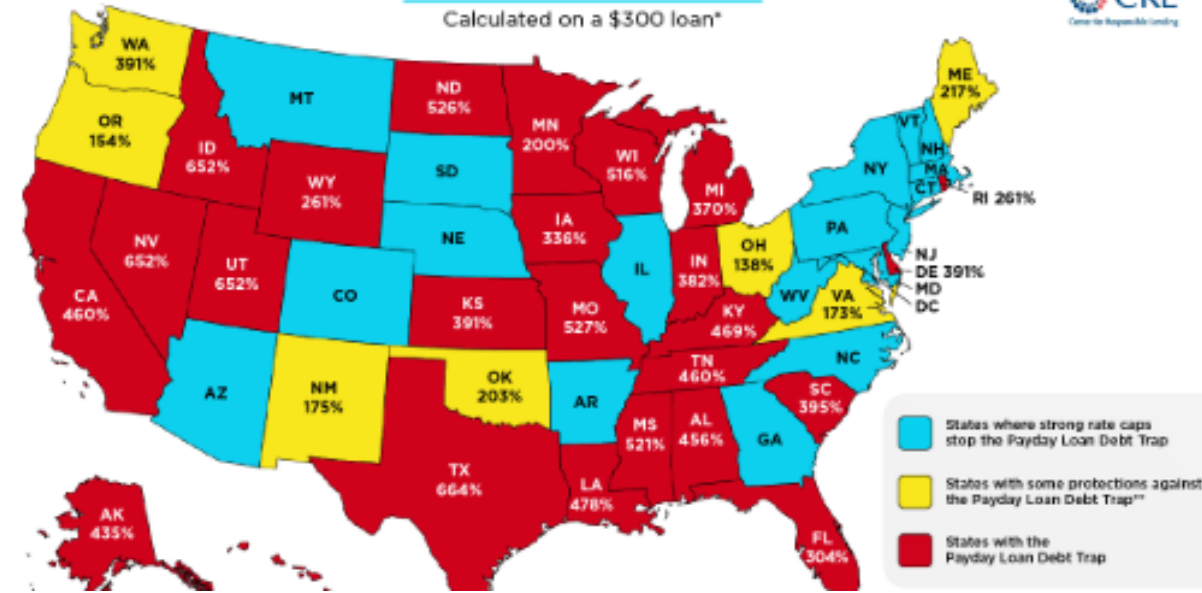


# The Challenge/Opportunity

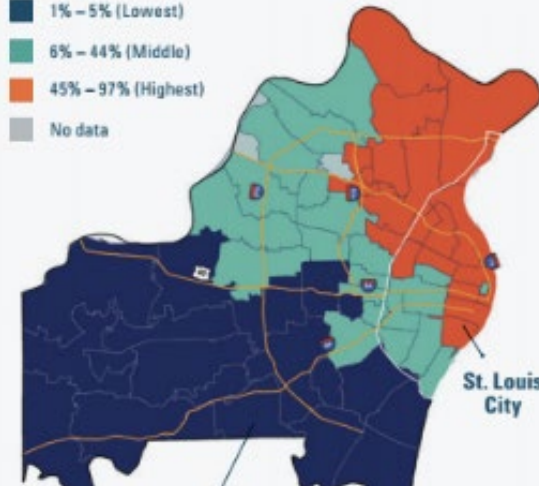
- Predatory lending in Missouri
- Discrimination/Redlining
- Many residents lack access to holistic financial services
- Without access to direct deposit, community members pay more to manage their money
- Without access to credit building, community members pay more in interest when they need to borrow money

## U.S. Payday Interest Rates

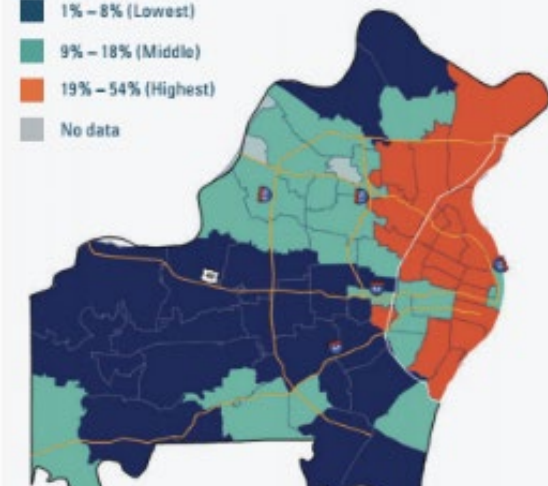
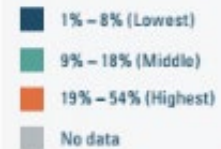
Calculated on a \$300 loan\*



A) The concentration of African American population  
Percent African American population by ZIP code




B) The concentration of poverty  
Percent of all residents living in poverty by ZIP code



## Using Curiosity to Find Solutions

- *Why are we saying no? What risk are we aiming to prevent?*
- *What are our barriers to entry?*
- *Is an industry standard like ChexSystems helping or hurting? Is it a barrier? Is it a solution?*
- **In 2014 Alltru turned off ChexSystems entirely.** *No more denying people accounts over old debts; instead, we are making access and inclusive service possible.*
- *When a borrower doesn't meet our lending guidelines what solutions could we offer? **What could we change?***
- *Nationally recognized **Credit Builder Loan***
- *Procedures prevent risk for **CU and borrower***



BEST CREDIT-BUILDER LOANS WITH AN INTEREST REFUND

 **Alltru Credit Union Credit Builder Loan**  
★★★★★ 195 User Reviews

[Learn More](#)

## Using Curiosity and Partnerships to Find Solutions

- Lower risk through partnerships
- Salary Advance Loan as a free Employee Benefit
- Safe, affordable emergency loans-  
*Keeping people away from high interest predatory loans and high interest credit card rates.*
- To date, we've deployed more than **\$188,000**  
Three loans have defaulted
- **Rate at a flat 15.99-** *Not based on borrowers Credit Worthiness*
- **Access = Opportunity,** We've also seen **credit scores go up** because *payday loans don't report to the credit Bureau, but we do.*



# Building Local Partnerships

JOB SEEKERS ▾ EMPLOYERS ▾ DONORS ▾

STLYOUTH JOBS

ABOUT ▾ MEDIA ▾

Investing in the Future of Our Workforce



# Partnerships Matter

- Workforce development programs
- Youth programs
- Job and Resource Fairs
- YWCA
- Municipal Programs



## Taking Action

- When STL Youth Jobs, a nonprofit dedicated to connecting young people to paid work, **reported 95% of its participants were unbanked**, our team worked to change that.
- We didn't just show up with Financial Education and pamphlets, we built a product for them: **checking accounts for youth ages 16 to 24 with no co-signer or initial deposit needed.**
- Most banks don't do it because they want a guardian responsible in case of fraud, but **we accepted the risk.**
- Within the first year of partnering with the program **the percentage of banked youth went from only 5% banked to 100%.**



# Taking Risk

- **Modifying Programs according to risk (Non-custodial Youth Deposit Accounts)**
- ATM withdrawal limits and deposit restrictions
- Check holds
- Access only provided after Financial Education Documents signed
- Automated graduation migration and access to rewards checking when available

Total STLYOUTHJOBS Accounts:		1,024
Total STLYOUTHJOBS Savings Balances:	\$	79,045.78
Total STLYOUTHJOBS Checking Balances:	\$	65,284.22
Total STLYOUTHJOBS CDs/IRAs Balances:	\$	10,086.13
Total Accts with EFTs Set Up:		687
Total Accts with Direct Deposit Set Up:		685
Total Direct Deposits (savings):	\$	126,779.44
Total Deposits other than Direct Deposits (savings):	\$	526,751.80

## Managing Risk

- **Do risk assessors understand the mission?** Account resolutions, Deposit Ops, Fraud
- Deposit procedures and training for Risk Management and Branch Staff
- Check holds when things don't make sense
- Risk Dept reviews all deposited items and external transfers daily
- **Communication** with internal departments and Community Partners/Program Leaders

## Managing Risk

- **Account Resolutions** - Have strong collectors in place who understand the mission
- More loans to borrowers in lower credit tiers have given a bit of a rise to our charge-offs= Interest and loan loss provision
- We see most charge-offs through our indirect lending program, not through our personal banker relationships.
- We currently have about \$312,000,000 in loans. Delinquency rate- 1.33% (60 days late)

# Tackling Major Needs in the Midwest

- Alltru's Downtown St. Louis Branch – *an area that claims 54% of the region's unhoused population*
- **About 50%** of unhoused people are working
- People living in shelters couldn't open accounts due to missing ID's or **proof of residency requirements**
- ID Program
- Letter of residence



## Best Practices for Others

- *If you see a need, and you're not meeting it, dig in. Ask **Community Leaders***
- Ask your organization **“Why are we doing it this way?”**
- *Impact doesn't require a lightning-in-a-bottle moment. It needs **passion, presence, and the right people at the table.***
- **Who are the right people?**
- At the end of the day, *any credit union can affect real change* for their communities, big or small. It comes down to **staying curious and not being afraid to ask the hard questions or of doing the hard work.**

# Q&A Discussion Period

# THANK YOU FOR WATCHING



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