

Alternative Currents

Winter 2006

A publication for Alternatives Federal Credit Union members

125 N. Fulton St., Ithaca, NY 14850 • 607-273-4611

Looking at 2005 From the Desk of Bill Myers, CEO

This year I sometimes thought of Alternatives as a training program rather than a retail institution. We endured eleven staff turnovers, and though I wish each person well in further education, growing family or retirement, we miss those staff that left. They are surely sharing the Alternatives philosophy wherever they go. This movement allowed us to promote six staff internally, as well as hire eleven new staff. Welcome all!

Alternatives received its fourth Community Development Financial Institution grant, a package of over one million dollars. We were also awarded the Credit Union Executive Society Golden Mirror Award for the Best Annual Report. More recently we garnered the Small Business Administration Top Lender Award for institutions under one billion dollars in the Southern Tier Region.

We certainly gave back to the credit union movement, hosting tours and offering our third Credit Path Seminar for Practitioners. Our Credit Path model of a continuous ladder of products leading to asset development has become a standard. It was not that surprising for me to recently hear a Senior Vice President of Citicorp and the Ford Foundation Economic Development Director refer to our Credit Path model.

We expanded our BillPay@Home with a FREE option, and late in the year, became the first local depository to offer Health Savings Accounts (HSAs). Mature programs like the Livable Wage were updated and continue to attract attention.

We have had multiple responses to increases in fraud and identity theft: We limited services to out of state members, instituted a controversial member identification program, the No Hat, No Sunglasses policy, and devoted attention to member education and warning.

We turned a corner in 2005, absorbing the expense of our new building and returning to profitability. A federal examiner commented to me that he liked our approach, but would prefer "innovation without risk." We are looking forward to more innovation in 2006, preparing ourselves for a core computer conversion, a massive move which will let us improve our operations dramatically. We plan to offer Credit Path training for local non-profits, and introduce a Credit Path computer game.

Recently, we mailed surveys to all our members. We hope all of you will respond to the surveys now in your hands. If you don't have one, you can pick one up in our lobby. This survey will give us significant insights into how our members progress along the Credit Path.

Start Your Business with a New IDA Program

Do you want to start or expand your small business? Individual Development Accounts (IDAs) have always helped individuals reach their goals through matched savings and money management information.

Now we're offering a Microenterprise Development IDA specifically for small business owners. In this program, savings will be matched 2:1 with a goal of purchasing a business asset.

In order to qualify, IDA participants must:

- meet income guidelines,
- must have a regular source of earned income,
- must be a resident of Tompkins or surrounding counties.
- All program participants take part in Money Wise®, a financial education course.

Alternatives also offers IDA participants the opportunity to take "Getting Down to Business," a small business development course offering "how to" business training.

This IDA Program used in conjunction with a microloan, can often be a path that builds credit and grows small business.

For more information contact **Chris** at **Ext 845** or **ccain@alternatives.org**.

FREE Tax Preparation Program: It's Our 4th Year!

Don't pay high fees to get your taxes prepared! Be sure you get every credit you deserve by having your taxes done for free at Alternatives' free tax preparation program. If you are married or have a child and make less than \$40,000, you may qualify for this free assistance.

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Member Services

Hard work by the Member Service staff brought about two new products in 2005.

We were pleased to be the first local institution to offer Health Savings Accounts (HSAs). HSAs enable you to pay for current health expenses and/or save for future qualified medical and retiree health expenses on a tax-free basis. We also began offering VISA Prepaid Gift Cards, and VISA Prepaid Travel Cards, a perfect way to protect yourself from fraud and identity theft as you travel.

The past year brought changes to our staff. Two long-time Member Service staff people were promoted to other departments, but our loss of Duke Bush and Greg Lee was definitely the Loan Department's gain. Hilary Mughloo, who took such good care of new members, left us to have her second baby. A priority during the last half of the year was training existing staff who filled open positions, and new staff, Rebekah Scott, Noelia Springston and Mohini Glanz so we can continue to meet all our members' needs.



*Melissa Pollack,
Member Service
Manager*

Consumer Loans

This year was a year of change. Staffing changes affected every position. Mary Ziegler took over as Director of Consumer Lending. Our two Consumer Loan Officers needed time off: Amy Smith for maternity leave and RuthAnn Noe for family medical leave. Amy Arsenault was hired to fill in temporarily. Greg, our Assistant Member Service Manager, was promoted to VISA Specialist and Alexis Heath was hired as Financial Counselor VISTA. We have put emphasis on training new staff to assure continued excellence in member service.

Amy Audetat, our VITA Site Coordinator and Financial Counselor, had a record breaking third year of Free Tax Preparation for low-income members, overseeing the preparation of over 900 tax returns! Amy and Alexis are also working together to expand our financial counseling program. They ran a training program for volunteer counselors to assist in the work of financial counseling during the busy tax preparation season.



*Mary Ziegler, Director
of Consumer Lending*

Mortgage Loans

2005 was a busy year! By the end of November we had already exceeded our goals for the year, granting 121 loans for 7.5 million dollars. We experienced a growing need for different home equity products due to the increased cost of housing. To meet this need, we expanded our home equity products to include a 100% Home Equity Loan and a Future Value Home Equity Loan based on improvements that will be made to the house after the loan is granted.

We were sorry to see two long-time dedicated mortgage staff leave us. Meredith Smith-Converse left to have her second child and Pat VanDusen retired after many years of fine service. The second half of the year we were busy training Duke, who we welcomed from Alternatives Member Services, and Janet Mara, as our Mortgage Loan Assistant.



*Carol Chernikoff,
Director of Lending*

Business CENTS

We did it again! Faced with another year of federal funding cuts, local member support, along with nationwide lobbying efforts, ensured our funding for another year. Thanks to all our members who assisted us in supporting the important work CENTS does in establishing strong locally owned small business.

Business CENTS introduced two new industry specific trainings this year. We put together a three-evening seminar in conjunction with the Daycare Council for daycare providers. We also offered a one-day Gourmet Food seminar in partnership with Cornell Cooperative Extension. These collaborative efforts leveraged our communities many resources.

We continued to offer our business planning course, Getting Down to Business, in two counties, Tompkins and Cortland, offering the course four times. This year we had a real diverse group of businesses and potential businesses: organic farmers, carpenters, computer consultants, artists, a record label, salons, barber shops, tourism businesses and a clothing designer. We also continued to meet with businesses one-on-one, helping with business plan preparations, marketing consulting, financial analysis and goal setting.



*Diane Goodman,
Director of Business
CENTS*

Year in

Review

Business Services

2005 was an extremely busy year that brought new programs and new awards to the Credit Union. Alternatives provided the underwriting, technical assistance and presentation to the Tompkins County Planning Department for its first two Tompkins County Rural Microenterprise. We also were approved by the US Small Business Administration to take part in their SBA Express Program, a process that saves businesses time and money by approving SBA Guaranteed Loans in-house and uses our own documents for closing. Alternatives was awarded the Top Lender in the Southern Tier, Small Community Lender category by the SBA, for institutions with less than \$1 billion in assets.

With Michael Culotta and Carias Chokuda leading the way, the Credit Union increased business loans with over 90 loans closed, totaling over \$3 million lent to local small businesses.



Patrick Woods,
Director of Business
Services

Individual Development Accounts

2005 was the year of the First Home Club IDA, a 3:1 match to help members buy their first home. Loan officers in the Mortgage Department were able to refer eligible members to this program as a creative solution for helping members realize their dream of owning a home.

Although matched funds played a vital role in the success of our IDA programs, it was the financial education component that was key to success. All of our IDA participants took the Money Wise® course. The knowledge they gained - how to organize expenses and debts, how to verify credit report history, how to set goals and track expenses - were key to realizing dreams of home-ownership.



Chris Cain,
IDA Coordinator

Student Credit Union

Our first elementary school branch opened at Cayuga Heights Elementary School. This was a tremendous success. Over 100 new savings accounts were opened with an average of over 50 deposits per week. Students wrote and sang a song about saving money. They also performed a skit to demonstrate the value of saving to other students. Whether it's \$0.10 or \$10.00, we found these students love putting their money away in the Credit Union each week.



Joe Cummins,
Community Develop-
ment Educator

Autumn saw the opening of the Beverly J. Martin elementary school savings club. By year's end we had over thirty students open new savings accounts and make more than ten deposits every week.

Students of the Lehman Alternative Community School sold organic milkshakes during lunch-time as a fundraiser for a trip to San Francisco for the National Federation of Community Development Credit Unions Annual Youth Conference.

A highlight of 2005 was the addition of a tool for assisting in planning for college. The College PayWay Educational Resource Center, found on our website at http://www.alternatives.org/student_loan.html, is a way of providing members with information, strategies and tools to help devise an education financing plan based on specific family needs.

Livable Wage

In early 2005, Alternatives updated the figure for a living wage in Tompkins County with the help of a wonderful intern from Cornell, Ali Holstein. The new annual figure, \$19,102, included a large jump in rent. Joining Leni Hochman, COO and Bill Myers, CEO at a well attended press conference were: Carolyn Peterson, Mayor of Ithaca; Linda Smith, Aide to New York State Assemblywoman Barbara Lifton; Jeff Furman, Board Member, Ithaca City School District; Tim Joseph, Chair, Tompkins County Legislature; Carl Feuer, Co-director of the Tompkins County Living Wage Coalition/Workers Rights Center. Alternatives' living wage figure is used as a benchmark by the City of Ithaca, County of Tompkins and many local employers as well as employees seeking to earn a living wage.

For more information:

www.alternatives.org/pr_livewage2005.html

Tax Tune-Up Seminar: Getting Ready for Tax Season

January is the start of a new tax year. By the end of January, W2s and 1099s are out, and we're all starting to think about tax returns. Join Leslie Ackerman, Business CENTS Educator and Amy Audetat, Tax Program Coordinator for an evening of Getting Ready for Tax Season. They will share information that will help you get organized for your tax season. Topics covered will be:

- what records you'll need,
- how to sort them,
- what the different IRS forms and schedules are for, and more

This seminar is for self-employed/small business owners.

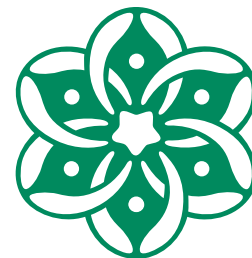
When: Thursday, January 19th

Time: 6:00 - 8:30 pm

Where: Alternatives' 2nd floor conference room

Cost: FREE

For more information, or to register, contact **Leslie** at **Ext 823** or leslie@alternatives.org.



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www.alternatives.org

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Fax 607-277-6391
Fortune Teller 607-273-4611 Ext 1
Check reorders 877-585-8777
Balance Financial Counseling 888-456-2227
Anytime LoanPhone 866-529-8722

Alternatives CU@Home on-line banking:
www.alternatives.org
e-mail: afcuh@alternatives.org

VISA, lost or stolen
800-991-4961 Credit
800-528-2273 Debit

Hours:
Tellers: Mon-Fri 9-3, Sat 10-1
Drive Thru: Mon-Fri 12-6, Sat 10-1
New Accounts, Loans: Mon-Fri. 9-5

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Jacqueline Bell	869
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Betty Henderson	805
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Bill Myers	817
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Anita Ocasio	857
Lenore Olmstead	870
Melissa Pollack	820
Reiley Schoen	814
Rebekah Scott	801
Deirdre Silverman	816
Amy Smith	813
Noelia Springston	804
Giuliana Taylor	848
Joe Welch	853
Brendan Wilbur	861
Patrick Woods	852
Mary Ziegler	819
Consumer loans	227
Mortgage rates	850
Student Credit Union	829

Your savings federally insured to \$100,000
NCUA
National Credit Union Administration,
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Free Tax Preparation Continued from page 1

For single people without children, the income limit is \$25,000. This year, the program will be opening January 21st and will offer hours Tuesday, Wednesday, Thursday and Saturday. Check our website, or call 273-4611 **Ext 843** for details.

We're still looking for volunteers for our program. If you would like to gain valuable tax preparation skills while fighting poverty in your community, give us a call! Free training and continual support provided. Clerical and financial education volunteer positions are also available. To sign up or for more information, please call **Amy** at **Ext 859** or email aaudetat@alternatives.org.

RoundOff®

The **Ithaca Community News** is our RoundOff recipient for the month of January. Ithaca Community News (ICN) is a free, twice monthly e-newsletter that includes, but is not limited to: events, labor news, health care news, peace activism, sustainability, education, and cooperative economic development. It was started by local activist Paul Glover in 2000 and is now in the hands of freelance journalist Elizabeth Bauchner. To subscribe, or learn more about what ICN publishes, please see <http://www.ithacanews.org>.

Does your non-profit or human service agency want to be our RoundOff recipient for a month? If you're interested contact Ellie at Ext 854 or ellie@alternatives.org.

Member participation in RoundOff is voluntary. RoundOff participation does not imply endorsement by Alternatives.

Art Gallery - WE NEED ARTISTS!

Are you an artist who likes to display your work? We're looking for member-artists to display their work in our lobby for a month in 2006. If you are interested, contact **Ellie** at **Ext 854** or ellie@alternatives.org.