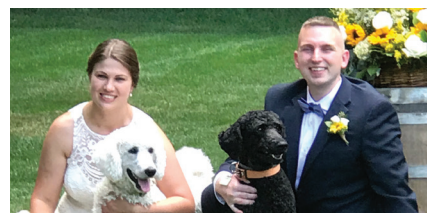




# UMASS FIVE

COLLEGE FEDERAL CREDIT UNION

## Report to The Membership: Year In Review 2020



# Our Focus Remains Unchanged: You



# Letters from Our Leadership

*In tough times, credit unions have long been known as the economy's financial first responders, and like all cooperatives, times like these are when our mission at UMassFive truly shines.*



During the past year, our mission provided the clarity needed to operate in a world turned upside down. It was quite simple, really: **Always put the interests of our membership first and make a positive difference in their financial lives.** That's not just a slogan we put on our website—it's ingrained in our culture and embodies the very fabric of the organization.

In 2020, though, our impact purposely went beyond the financial. At our hospital branches, we offered a sympathetic ear to the many nurses and other front-line staff who came to visit and share their struggles—as our branches were one of the few places where they could drop their game faces and decompress just a little. Meanwhile, the length of calls into our Contact Center increased by 25% as members shared their personal stories and took solace in a friendly voice on the line while they were cut off from friends and family due to COVID-19 restrictions. UMassFive employees even got to sewing masks during the personal protective equipment shortages.

The welfare of our community was ever-present on our minds. We ran coat drives for our friends at the local survival shelters; helped provide meals for hospital employees and first responders; provided scholarships to some deserving high school seniors; made donations to food banks; and raised a good deal of money for the UMass Cancer Walk and Run, among other worthy causes. There's certainly more to cover about all of our efforts throughout the last year, but I'll leave that for you to discover in the remaining pages of this report.

Let's get back to our mission. The need was great for many, and we helped where we could. We put millions of dollars into the hands of local businesses through the federal *Paycheck Protection Program* and were one of just a few local financial institutions who reached out to establish new connections with local businesses—extending to them the program's forgivable loans that they had been unable to obtain elsewhere, and welcoming them to the Credit Union.

We also granted payment deferrals on hundreds of loans for our members, placed a moratorium on certain fees, and waived over \$136,000 in other charges. Our members also got into the giving mood, donating over \$7,600 of their Buzz Point earnings to local charities.

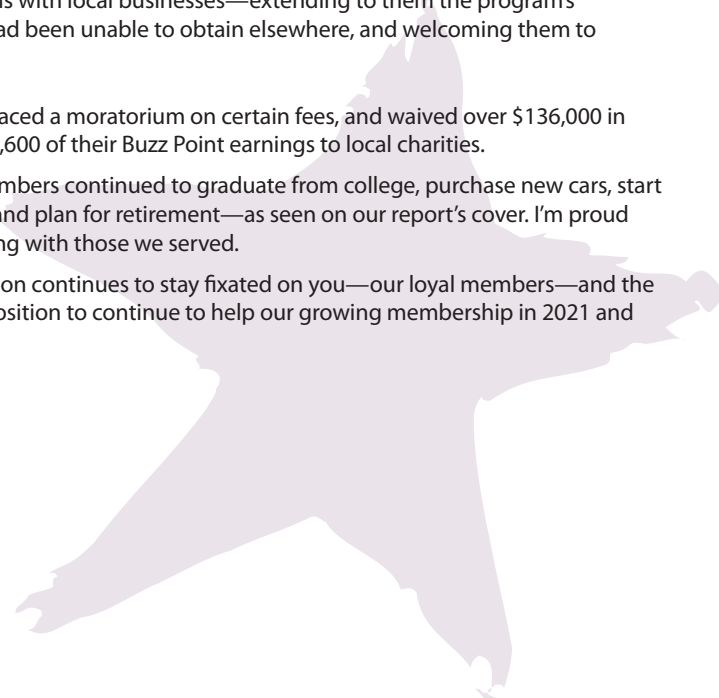
Amongst furloughs, layoffs, and the health risks the pandemic posed, our members continued to graduate from college, purchase new cars, start new jobs, adopt pets, get married, buy homes, plant gardens, have children, and plan for retirement—as seen on our report's cover. I'm proud that the Credit Union was able to support these life events, and celebrate along with those we served.

No matter what the future may bring, we take solace in the fact that our mission continues to stay fixated on you—our loyal members—and the communities that we all share. UMassFive remains financially strong and in position to continue to help our growing membership in 2021 and well beyond.

Sincerely,

A handwritten signature in black ink that reads "Richard Kump". The signature is written in a cursive, slightly slanted style.

Richard Kump, President/CEO



## *In a year like no other, I am pleased to report on behalf of the Board of Directors that UMassFive continues to be a strong, healthy financial institution.*



Despite the many challenges of the past year, we closed the book of 2020 standing with record assets totaling over \$599 million, and the knowledge that the Credit Union is well-positioned to weather any impact created by the pandemic.

Since our founding over 50 years ago, the Credit Union's sole purpose of operation has been to provide financial solutions and guidance to our members, sponsor groups, and community. Our financial stability is critically important, as it allows us to keep focused on delivering these to you—our key stakeholders. While much has changed during the course of this past year, the credit union cooperative structure and people-helping-people philosophy have only become more significant.

When speaking of people helping people, I would be remiss if I did not start with our dedicated employees; quite simply, we would not have made it through 2020 if it weren't for your willingness, flexibility, and continued focus on serving our members.

As situations evolved, so too did the roles that many of our employees played in assisting those we serve. From adhering to new safety protocols, to working in different departments as demand necessitated, to shifting to remote work locations—our staff worked tirelessly to ensure that we never skipped a beat in helping our members. Working through so much uncertainty, your enthusiasm for the culture here at UMassFive and going above and beyond for those we serve is truly commendable. I speak for the entire Board of Directors and Management team when I say that words cannot do justice to the gratitude we feel for your efforts.

I would also like to express my sincere appreciation to the entire Board of Directors, our President and CEO Rich Kump, and the Senior Management team for helping lead the Credit Union through one of the most tumultuous years in memory. This includes a special thank you to long time board member, and one of UMassFive's founding members: Michael Sullivan, who elected to weather this storm with us prior to retiring in 2021. I am immensely proud of how we collectively embodied our member-first mission in every decision that was made, each and every day. As we look forward, we continue to focus on member financial education and furthering our efforts related to diversity, equity, and inclusion in order to ensure that we are truly a financial institution that every single member can count on.

While we've certainly seen very difficult economic conditions before, we are aware of how particularly unequal the current events are being felt across demographics. With the creation of our Diversity Task Force, we will be keeping a close eye on how we can play a positive role in the financial recovery for all the people and businesses who live and work alongside us in the Pioneer Valley, and beyond.

The Credit Union also remains focused on how we can bring increased convenience to our members with our investments in technology and emphasis on staff development. No bigger example of this can be found than with the internal core system upgrade project that was completed at the end of 2020. We are confident this new system, and subsequent staff training on how to best leverage it, has set us up for successful and sustained advancement of UMassFive across our six physical branches and full-service Contact Center, all while allowing us to continue providing excellent service to our membership now and well into the future.

Thank you for your continued trust and commitment to our financial cooperative.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Harrison".

Robert M. Harrison, Board Chair

## 2020 Board of Directors



### BOARD MEMBERS FROM LEFT TO RIGHT, TOP TO BOTTOM –

**Sam Killings:** *Asset/Liability Management Committee Chair, Diversity Task Force, Executive Committee, Human Resources Committee, Technology Planning Committee | Retired Internal Auditor & Assistant Controller for Research Accounting, UMass Amherst*

**Karl Kowitz:** *Board Vice Chair, Asset/Liability Management Committee, Executive Committee, Nominating and Corporate Governance Committee | Capital Project Manager in Facilities Management, Smith College*

**Ruth Yanka:** *Board Secretary, Asset/Liability Management Committee, Credit Risk Management Committee, Executive Committee, Nominating and Corporate Governance Committee | Executive Director, A&F Operations in Administration & Finance, UMass Amherst*

**Robert Mishol:** *Credit Risk Management Committee Chair, Human Resources Committee Chair, | Retired Bursar, UMass Amherst*

**Michael Sullivan:** *Credit Risk Management Committee, Human Resources Committee | Retired Controller & Director of Finance, UMass Amherst*

**Jacquie Watrous:** *Technology Planning Committee Chair, Human Resources Committee, Supervisory Committee, | Executive Director, Administrative Systems in Administration & Finance, UMass Amherst*

**Amy Proietti:** *Asset/Liability Management Committee, Nominating and Corporate Governance Committee, Technology Planning Committee | Coordinator of Financial Aid, Greenfield Community College*

**Curt Shumway:** *Asset/Liability Management Committee, Credit Risk Management Committee | Managing Partner, RLS Properties, and Chief Operating Officer, Hampshire Hospitality Group*

# Going Above & Beyond

*In 2020, the dedication of our employees really shone through. As we adapted to social distancing and initiated new ways to best serve you safely, we knew that our members couldn't just press pause on many of the important financial decisions in their lives. Despite closed branches, changes in hours of operation, national postal service delays, and limited capacity, our employees understood that our members still had deadlines to meet.*

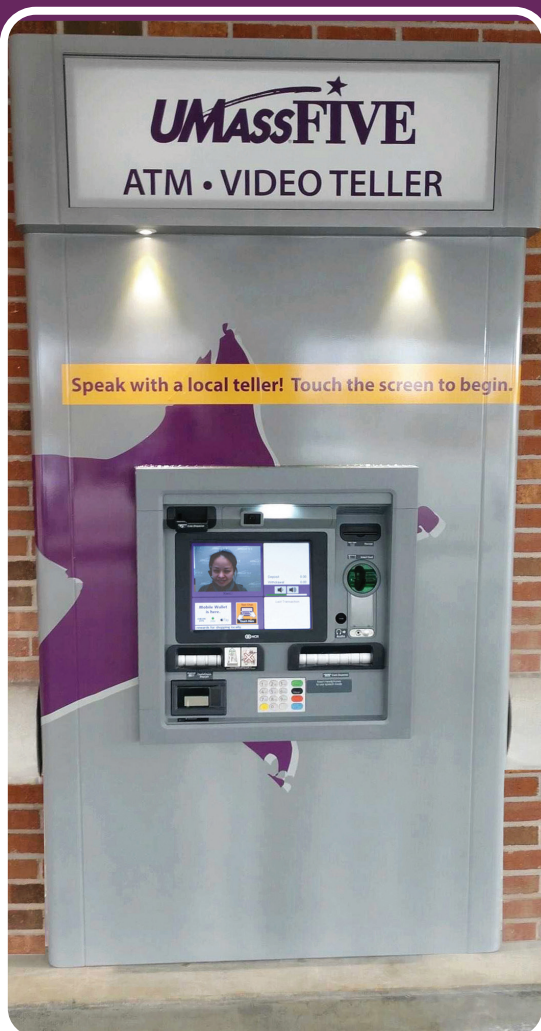
When these situations arose, so did our employees who worked extra hours to process loans, learned new roles to assist with increased demand, and even drove to meet members to deliver necessary paperwork in time for closings. Their personal dedication to more than just getting their job done positively impacted the lives of our members who were counting on us to lead the way through previously uncharted territory. We are lucky to have such an amazing team of employees.



At UMassFive we pride ourselves on our company culture, which is doing our jobs in your best interest. We don't just offer banking products, we train our staff to find solutions for each member's unique financial situation and needs.

*Over the past year, we've had to continuously evolve to ensure that we could provide the services our members needed every day throughout a constantly changing economic landscape, and face the challenges that came along with necessary social distancing.*

- We were able to move our **workshops to a virtual format**, which allowed us to reach even more of our membership. This enabled our members to brush up on their financial knowledge from home, or anywhere else.
- In the summer, we launched a campaign called **"Double Your Deposit,"** encouraging members to use our mobile app to make a deposit. Ten lucky members' deposits were selected and doubled. In total, we gave away an additional \$3,446 to our members as a thank you for safely taking advantage of our remote banking options!
- In November, we upgraded our entire internal operating system to better serve you. This **Core Upgrade** was planned for before the onset of the pandemic, and with our dedicated employees and member patience we were able to have a successful upgrade that offers our cooperative even more tools to better serve you now, and into the future.
- COVID-19 restrictions required that we limit the number of members and employees allowed within our physical branches at the same time. In order to do so, and still serve our members' needs, we began offering advance appointment slots for transactions that required one-on-one attention. To keep the time on hold with our Contact Center to a minimum, and in order to ensure quick service, we launched an **online form to register for an appointment**.



## Video Tellers— *Remote Banking with a familiar face*

*Members rapidly began taking advantage of our remote offerings as social distancing limited in-person service.*

**13,527**  
Transactions in 2019

**23,873**  
Transactions in 2020

UMassFive has been working over the past few years to increase awareness of the convenience of our Video Tellers. With the pandemic came a sharp increase in the usage of our Video Tellers, as the remote option—facilitated entirely through our equipped ATM machines—allowed members to perform transactions with a live, local teller from a safe distance.

Due to the increased demand in Video Teller Services, we expanded our department, equipped more of our ATMs with this feature, and had employees from other departments step in and help to create a better experience for our members.

# Giving Back To Our Members

*We always work hard to make sure that our members have a rewarding experience banking with us, but this past year, we realized that our communities needed more support than our standard rewards rates and Co-op point accruals.*

- We **deferred over 1,000 loans** for our members who suffered an economic hardship due to the pandemic.
- We offered an emergency personal loan program to our members in need, temporarily lowering the rate on all personal loans up to \$2,000.
- We encouraged members in need to take advantage of **GreenPath Financial Coaching**—a complimentary service UMassFive offers that includes assistance in creating and managing debt management plans.
- Committed as always to answering questions and providing financial guidance to our members throughout the ongoing economic uncertainty, we began encouraging members to reach out for **one-on-one phone consultations**. Our knowledgeable staff continues to provide this service to help our members better understand what options are available to them for their unique situation.
- We offered **payment deferral** for up to 3 months on all qualified consumer loans. Members could submit their requests through an easy to fill out web form.

# The Co-op Advantage



*While staying at home meant keeping your loved ones safe, we also were aware that it meant fewer and more purposeful trips to the store—and if you were counting on the rewards rate that comes with our Co-op Advantage checking, the minimum transaction qualification may have suddenly felt out of place in present times.*

A number of members contacted us with the concern that their dividends would suffer from responsibly staying home, and so we responded: each month we evaluated the average number of transactions our members were achieving with their debit card, compared it to last year's activity, and reduced our transaction requirements as necessary to make sure they were fair.

**10,323**

Fees Waived with  
Co-op Points

**\$136,783**

Total Dollar Amount of Fees  
Waived in 2020 with Co-op Points

# Giving Back to Our Communities

*This past year was challenging for everyone, so UMassFive felt that it was important to continue our tradition of contributing to the positive efforts taking place in the communities we serve.*

While we continued to support the community initiatives that we typically are a part of, we doubled down on our community support by finding ways to participate in new initiatives as urgent needs arose in response to the COVID-19 pandemic.




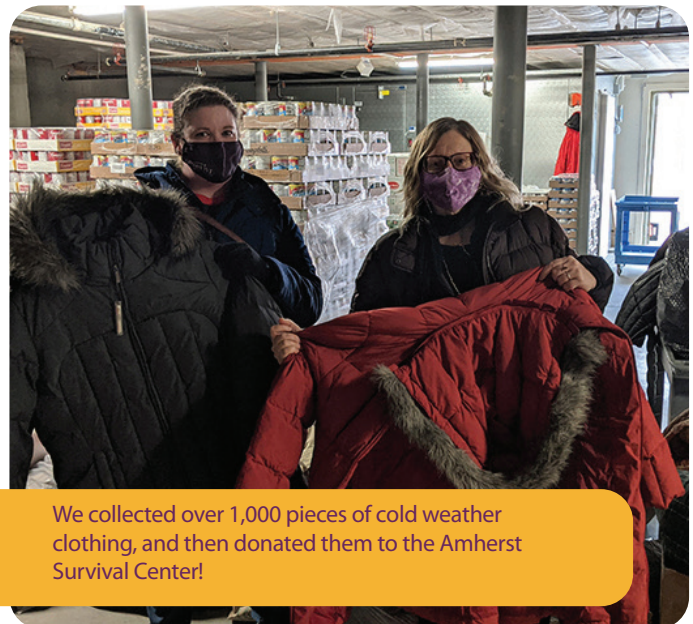
We provided local hospital workers and first responders with lunch in partnership with Hampshire County Heroes and the Log Cabin Restaurant in Holyoke.



UMassFive employees participated (virtually) in the UMass Cancer Walk and Run.



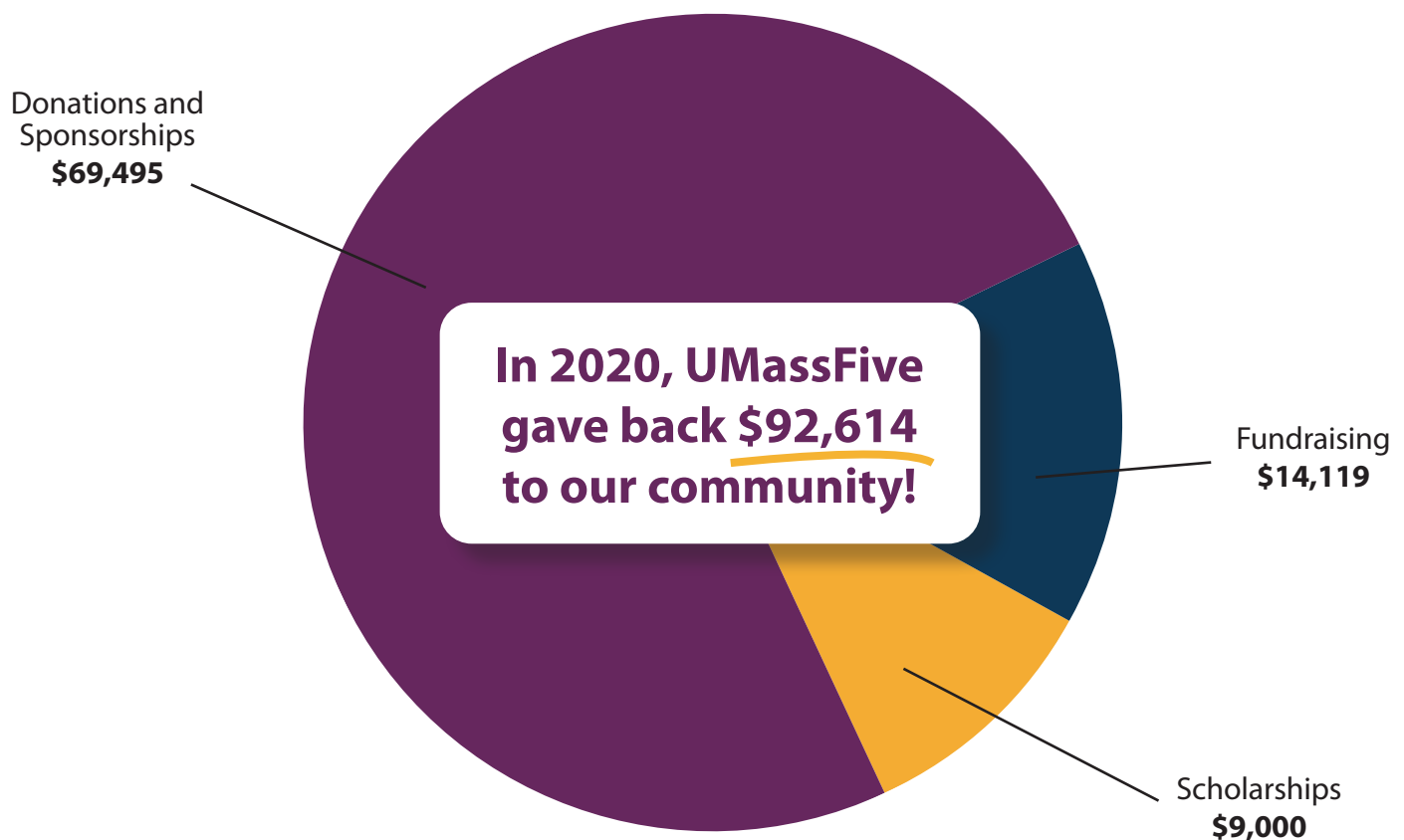
 UMassFive employees participated on our very first WillBike4Food Team!



We collected over 1,000 pieces of cold weather clothing, and then donated them to the Amherst Survival Center!



# Giving Back Breakdown



## Community organizations we supported in 2020:

Amherst Microgrants to Small Businesses  
Amherst Chamber of Commerce  
Amherst Survival Center  
Brightside for Families and Children  
Cancer Connection  
Center for New Americans  
Children's Advocacy Center of Hampshire County  
Children's Advocacy Center of Franklin County and North Quabbin  
Community Involved in Sustaining Agriculture (CISA)  
Dakin Humane Society  
Food Bank of Western Massachusetts

Forbes Library  
Greater Northampton Chamber of Commerce  
Greenfield Community College Foundation  
Hampshire County Heroes  
Hampshire County Young Professionals  
Jones Library  
Mercy Hospital Emergency Room  
Northampton Community Arts Center  
Northampton Community Revitalization Fund  
Northampton First Night  
Northampton Summer Concert Series

Northampton Survival Center  
Orchestra in the Orchard  
Pioneer Valley Habitat for Humanity  
Springfield Boys and Girls Club  
Town of Hatfield 350th  
Transperformance  
UMass Alumni Association  
UMass Cancer Walk and Run  
UMass Center for Multicultural Advancement  
UMass Medical Center Emergency Room  
UMass Museum of Contemporary Art  
United Negro College Fund  
Worcester County Food Bank



In 2020, our members chose to donate a total of **690,750** Buzz Points to local charities.

**That is equal to \$7,675!**

**buzz  
POINTS™**

# Savings for Your Future

*This past year challenged us to reconsider how we were helping our members prepare for the unexpected. One of these changes we made was re-envisioning and re-naming our savings accounts: Goal Savings and Base Savings—to help encourage faster accumulation of emergency savings and help our members keep track of their progress.*

## Base Savings:

The simplest way to ensure that most of our members would benefit from this vision was to set our sights on the account that every member already had. We renamed the basic savings account that houses your \$5 share of the cooperative as Base Savings—your base to build upon—and gave it an enhanced interest rate on the first \$500 deposited to make building your emergency savings easy.

## Goal Savings:

Our secondary savings account became our Goal Savings account this year. This helped our members better organize their funds to save up for specific investments. Whatever you're looking forward to, these accounts are intended to give you a clearer picture of the finish line. Members are able to rename this account to reflect their unique aspirations. We also removed the minimum balance fee from this type of account so that there will not be any roadblocks on your journey towards your goals.



# Simplified Repayment for Student Debt



*In partnership with Credit Union Student Choice, UMassFive is proud to offer a student loan refinancing solution for members facing multiple student loans or higher interest rates from other private lenders.*

We know our members may be juggling multiple student loan payments from multiple lenders and we are happy to have a solution that may save them money. After launching our brand new student loan refinancing product in 2020, we helped our members consolidate or get a better rate on their private student debt.

**20**

Student Loans Refinanced  
through UMassFive in 2020

**\$815,026**

Amount of Private Student Loan  
Debt Consolidated for Members

# This year, and every year, we are here for our business members.



*When the pandemic struck, and we learned the Small Business Administration would be offering loans to help support our economy, UMassFive quickly sought out the necessary documentation and application steps to become affiliated with the SBA as an approved lender of their loans.*

Our Commercial Services team worked many late nights and early mornings to obtain this affiliation, and prepare UMassFive for rollout in time for the program launch. We are proud to welcome many new business members as the result of our successful rollout of the first wave of PPP loans in 2020. We look forward to continuing to support these businesses and help with their future success.

**56**

PPP Loans

**\$2,324,300**

Amount Loaned to Local Businesses

**UMASS FIVE**  
Commercial Services Division

Commercial Lending Team lead by:  
Business Expert Jeffrey Simpson, CFA

# UMASSFIVE

Financial & Investment Services  
Available through CFS\*



**Dana Graham**  
Financial Advisor,  
CUSO Financial Services, L.P.



**Cooper Cerulo**  
Financial Advisor,  
CUSO Financial Services, L.P.



**Aimee Marden**  
Financial Advisor,  
CUSO Financial Services, L.P.

**112**

New FIS  
Clients

**\$166,869,359**

Total Dollar Amount Managed by our CFS\*  
Financial Advisors

*Our CFS\* Advisors pivoted to virtual appointments to better serve our members in terms of added social distancing, and to make their services more widely available.*

Our advisors continued to assist members as financial uncertainty challenged many existing plans. They tackled tasks such as retirement plan rollovers for those who changed jobs following a layoff, and created some reassurance with new financial plans for members whose life situations drastically changed in 2020. They also continued with business as usual—helping members with retirement planning, and offering alternatives to traditional savings products as the new low-rate environment affected dividends.

\*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the Credit Union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. UMassFive College Federal Credit Union has contracted with CFS to make non-deposit investment products and services available to Credit Union members. For specific tax advice please consult a tax professional.

# A Letter From Our Supervisory Committee

*The Supervisory Committee is charged with protecting UMassFive College Federal Credit Union's members' interests and ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements.*



To meet this responsibility, the Supervisory Committee employs accounting and other qualified firms to perform necessary audits, account verifications, and risk assessments under its supervision. In 2020, the committee engaged the accounting firm of CliftonLarsonAllen (CLA), Certified Public Accountants, to conduct the annual financial audit and ongoing internal audit and compliance functions. As a result of the most recent Annual Financial Audit, UMassFive College Federal Credit Union received an unmodified opinion that our financial statements conform to generally accepted accounting principles.

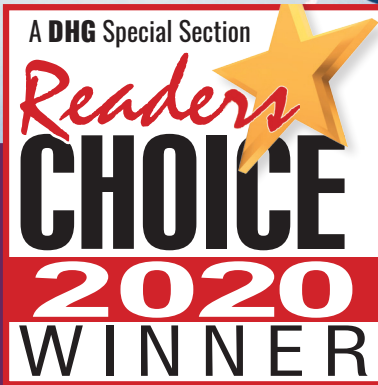
Beginning in 2016, the Supervisory Committee contracted with CLA to begin a more comprehensive internal audit program. This work continued in 2020, with various reports presented throughout the year by CLA to the Supervisory Committee on the findings of their work, much of which centered on regulatory compliance and whether adequate internal controls were in place for various functions and processes.



**Pictured from left to right:** **Ellen C. Rutan**, Chair | Retired Comptroller in Financial Services Mount Holyoke College; **Shane Conklin**, Volunteer | Associate Vice Chancellor, Facilities and Campus Services, UMass Amherst; **Jacqui Watrous**, Director | Executive Director, Administrative Systems in Administration and Finance, UMass Amherst; **Michael Ford**, Volunteer | Assistant Controller, Smith College; **Stephen Nigro**, Volunteer | Controller, Amherst College.

# Statement of Finances

Statement of Financial Condition (unaudited)		December 31 2020	December 31 2019
<b>Assets</b>			
Cash and Cash Equivalents	\$	58,768,643	\$ 18,811,476
Investments		117,843,494	66,295,271
Loans to Members, Net of the Allowance for Loan Losses		385,429,227	402,318,535
Accrued Interest Receivable		909,282	1,503,102
Property and Equipment		6,936,236	7,421,943
National Credit Union Share Insurance Fund (NCUSIF) Deposit		4,793,558	4,269,441
Other Assets		25,016,134	17,728,809
<b>Total Assets</b>	<b>\$</b>	<b>599,696,574</b>	<b>\$ 518,348,577</b>
<b>Liabilities and Members' Equity</b>			
<b>Liabilities</b>			
Members' Shares	\$	543,036,269	\$ 467,093,845
Accrued Expenses and Other Liabilities		3,853,928	2,431,680
Borrowed Funds		-	-
<b>Total Liabilities</b>		<b>546,890,197</b>	<b>469,525,525</b>
<b>Members' Equity</b>			
Retained Earnings, Substantially Restricted		52,591,913	49,011,242
Accumulated Other Comprehensive Income (Loss)		214,464	(188,190)
<b>Total Members' Equity</b>		<b>52,806,377</b>	<b>48,823,052</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$</b>	<b>599,696,574</b>	<b>\$ 518,348,577</b>
<b>Statement of Income (unaudited)</b>		<b>2020</b>	<b>2019</b>
<b>Interest Income</b>			
Interest on Loans to Members	\$	17,566,253	\$ 19,940,736
Interest on Investments & Cash Equivalents		2,547,560	1,803,912
<b>Total Interest Income</b>		<b>20,113,813</b>	<b>21,744,648</b>
<b>Interest Expense</b>			
Dividends on Members' Shares		2,930,637	3,842,783
Interest Expense		290	58,997
<b>Total Interest Expense</b>		<b>2,930,927</b>	<b>3,901,780</b>
<b>Net Interest Income</b>		<b>17,182,886</b>	<b>17,842,868</b>
Provision for Loan Losses		1,926,227	1,141,008
<b>Net Interest Income After Provision for Loan Losses</b>		<b>15,256,659</b>	<b>16,701,860</b>
Non-Interest Income		6,774,239	4,852,457
<b>Income Before General &amp; Administrative Expenses</b>		<b>22,030,898</b>	<b>21,554,317</b>
<b>General and Administrative Expenses</b>			
Salaries & Benefits		9,216,635	8,603,743
Operations		9,233,592	8,614,163
<b>Total General and Administrative Expenses</b>		<b>18,450,227</b>	<b>17,217,906</b>
<b>Net Income</b>	<b>\$</b>	<b>3,580,671</b>	<b>\$ 4,336,411</b>



# Thank You Members!



Thank you for voting for us year after year as the Valley's favorite credit union.

*We couldn't do it without you!*



## Cover Photos:

Pictured on the cover are submissions from our members when asked what moments brought them positivity and joy despite a challenging year. There were so many wonderful photos of life events, new hobbies, and togetherness that we couldn't include them all, but we are happy to share a few—as well as the sentiment that **being there for you throughout all of these moments was what made our year bright, too.**

(L to R; top to bottom) Submissions By: Johanna Zalneraitis, Rebecca Dahlinger, Susan McGlew, Wiliesha West, MaryLou DeFilippo, Melissa Klepacki, Willow Johansmeyer, Taylor Robbins, Karla Roman, Cheryl Mathis, Jackie Boivin, Annie Barbour, Brenda Pilachowski, Noah Schmitt, Andrew Held.