

Oak Trust Credit Union A Breed Apart

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Oak Trust Credit Union. Member. Supplier Sponsor. All-around great place to borrow and save money. I met with the colorful, passionate and ultra-knowledgeable Jim Dean, President and CEO to discuss being a lender in the throes of an ever-constrictive legislative environment, running a business in the western suburbs of Chicago and why no one seems to understand credit unions.

A credit union is a community-based non-profit financial institution established for and run by its members. Each customer is a member and is thereby entitled to a "share" of the organization voting on important policy decisions and volunteer board of leadership. Originally started as a concept in Germany in the very early 1900s credit unions quickly were established as a way for industry groups and their employees to receive basic financial services when deemed "unserviceable" by the major banks at the time. This became a crucial socio-economic function in the wake of the Great Depression in the 1920s and 30s. In this country credit unions gained favor first in New England and then spread throughout the U.S. among industry groups (teachers, public employers, pilots to name a few). In the case of Oak Trust Credit Union, 1963 marked its inception as the financial services arm of the robust Printing Industry of Illinois Association.

"As a financial institution, credit unions have always been generally misunderstood by all but those in the know; however, they are sometimes described inaccurately in the press and not taken seriously as a viable lending option," Jim elaborated. "About 1/3 of the U.S. population belongs to a credit union and our members demographically boast an annual income of around \$75,000, are an average of 43 years of age, hold a college degree and are gainfully employed." Credit unions do not report profits to shareholders, but, like an Association I know well, return extra benefits, discounts and services to the membership instead. Typically credit unions offer more favorable loan terms, do not sell loans they originate and can often pay a better than average rate of return on savings instruments. In fact, savings and financial education are the original tenets of why credit unions came to exist.

Oak Trust Credit Union gets to know their membership personally and, though required like any financial institution to remain

profitable and solvent, is not beholden to shareholders or outside investors of any kind. This makes the proposition different when setting lending policy and fee structures. "We are essentially a cooperative of individuals lending to each other, so we have a vested interest in remaining fair and affordable to our members.

For example, you may have read in the news lately about many banks changing their fee structures, raising credit card rates, altering terms and enhancing penalties for overdrafts in the wake of tightening lending standards," Jim explained, "Oak Trust Credit Union has

maintained a reasonable and competitive credit card rate and kept their fee structure largely unchanged during the same turbulent time. Also, a bank holding a note on a delinquent borrower is often reluctant and even completely unwilling to renegotiate terms or try and work out a repayment plan. The managers at the credit union and I consistently work to find a way to help the member on an

individual basis make it through a difficult time with dignity. This could mean a 3-month breather from payments, a restructuring of debt; anything is on the table when working with our members."

There is broader applicability within Oak Trust Credit Union's mission and since it is chartered to expand its membership through affiliation, almost anyone can join within its western suburban geography, or any employer anywhere can bring credit union services onsite as an employee benefit – for free.

As a Supplier Sponsor, Oak Trust Credit Union has connected with a number of companies to bring the broad services to employee populations. "For an HR Manager, our services are a free employee benefit, and they can begin to address the growing and statistically proven issue of low-productivity related to financial stress," Jim said, "with furloughs, layoffs and reduction of pay and benefits, employees are grappling with mounting debt and daily financial stress – and furthermore, their bank is probably not very sensitive to their woes – they are just a number." By having a credit union available to provide affordable checking, savings, reasonable loan terms and even financial counseling and education, an employer can make a direct impact on morale and hopefully the productivity of their company.

Now that's something you can "bank" on. ●



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