



## **Full Statement of the USPS FCU Chairman as Delivered at the 2015 Annual Meeting (2014 Annual Report Statement)**

Hello and good afternoon US Postal Service Federal Credit Union members.

My name is Charles McCullough. I am chairman of the Board of Directors. On behalf of my fellow board members and USPS FCU staff, thank you for taking the time to attend this year's annual meeting. Before I review the events of this past year, I also want to take a moment to thank you and my fellow board members for trusting a 36-year-old to lead a \$200 million-dollar credit union. According to staff, that makes me the youngest leader of a credit union of this size in the United States. This fact hasn't been a detriment. With the leadership of the other board members and staff we've done wonderful things despite the US financial crisis. Thanks to good leadership, we are offering new online banking tools and we opened a new branch in San Fernando, California to provide you more in-person customer service options throughout the United States.

Leadership can be hard to define, and it means different things to different people. In the transformational leadership model, leaders set direction and help themselves and others to do the right thing to move forward. In the past year, the US Postal Service Federal Credit Union exemplified leadership in transforming many products and services to better meet your financial needs.

As a member you are part of an institution that is driven to build your personal wealth by putting its earnings toward giving you higher savings rates and lower loan rates. USPS FCU does this because it's the right thing to do. That's the truth that makes credit union membership, products, and services a superior option to a bank whose profits go to a select few shareholders.

For the past 81 years USPS FCU has offered postal employees, associated groups, and their families financial services that meet their unique needs. That modest beginning in 1934 of seven postal workers pooling their savings of \$100 has resulted in tens of thousands of USPS FCU members receiving loans totaling nearly \$1 billion. Currently over \$100 million is outstanding in member loans. The source of funding for those loans is your pooled savings, which at year-end amounted to roughly \$177 million.

Savings accounts are necessary to fund loans. This require you and other credit union members to exercise personal financial leadership by having well-funded savings accounts. It also requires members with loans to make payments on time. These acts of personal financial leadership provide opportunities for more members to borrow and ensure the credit union does not have to dip into reserve funds.

USPS FCU leads with the understanding that it is an organization of people that maximizes member prosperity along with credit union profits. For this reason the credit union continually seeks new services and products that will help you better manage and retain your hard-earned money.

During the past year, USPS FCU made significant improvements to the lending process. With loan delivery through e-signatures and technology upgrades to the lending platform, staff reduced the time needed to approve loans by 50%. Motivated to develop loan programs that will positively impact all members—especially those with less-than-favorable credit—USPS FCU converted the 1% rate savings on vehicle recapture loans into a permanent program. The credit union also inaugurated a new student loan consolidation program that will better enable members to enjoy the benefits of higher education.

Leading you towards a more prosperous future also means providing you easy access to financial information in a manner you can understand. For this reason the credit union enhanced the monthly account statements so that it's easier for you to manage your money. For the web-savvy member, the new USPS FCU website launched this spring. Now the information you need most is more convenient to find. With the new Virtual Branch feature you have 24/7 online banking options all in one place and just a touch away. Best of all, when you are on the go you can now access the USPS FCU mobile app on your tablet.

You might be surprised to know that many of these new financial offerings were born of ideas that members gave to the USPS FCU board and staff. Continue to share your ideas with us. The credit union will continue to meet your needs.

As we look toward the year ahead, I ask you to remember that as members you are not just beneficiaries of the credit union's financial strength, you are leaders of it. As such, you have the duty to hold us accountable for offering services that further your financial wellness. There are many ways to contribute. Volunteer to be on a marketing focus group. Share an idea to improve services with a branch manager. Tell a board member about a financial product that would be helpful. You might even consider sitting on the credit union Supervisory Committee or running for the Board of Directors.

As the ultimate leader toward your own financial wellness, you have the ability to help the credit union better help you and all members prosper. The ways to do this are as numerous as they are simple. Enroll in direct deposit. Have a healthy savings account. Regularly use your USPS FCU debit/credit card. Look to USPS FCU for your next loan. Encourage others to become members.

The 22,000 members of the US Postal Service Federal Credit Union can be proud of the direction it is headed. USPS FCU is successfully leading its membership to a stronger financial future and becoming a stronger organization itself. I am confident we all will continue to move forward together.

Again, thank you for trusting us—a 36-year-old, great board members, and a terrific staff—to lead this credit union. Since coming to the board in 2009, it has been an honor every day to serve you.