COMMUNITY IMPACT REPORT
2016-2017
Freedom First has achieved yet another milestone—reaching over $500M in assets in 2017. This put us amongst just 538 credit unions across the country—a significant number considering there are 5,812 credit unions nationally. Our products and services continue to serve to our members and our communities, bringing alive our mission, “Helping People Prosper—Helping Communities Thrive.”

This report highlights our significant successes in 2016 and 2017 with a diverse range of new projects. We opened a new business banking branch in downtown Roanoke, launched award-winning impact banking programs, forged new community partnerships, developed innovative deposit and lending products, and more.

As socially conscious leaders of the Roanoke and New River Valleys, we ensure that every initiative holds the promise of success for the community. We leverage our strong relationships with nonprofits, businesses, and government organizations to provide a full spectrum of services to every community member.

We hold a vision of creating local economic vitality through our core impact areas: affordable housing, transportation, financial education, impact banking, and community revitalization. Our partnerships and outside funding move us toward realizing this vision as a whole community.

Thank you,
Paul Phillips—President & CEO, Dave Prosser—SVP Community Development, Tim Cerebe—VP Community Development, Allison Wolf, Anna Beard, Courtney Campbell, Ellen Conner, Jeremy Waldoch, and Kimberly English

For over 60 Years we have been changing lives

Federally insured by NCUA.

Affordable Housing
Freedom First believes that the path to homeownership is a possibility for many. Through our Affordable Housing Loan program, a dedicated mortgage loan team navigates the mortgage loan process and provides hope to those that may not qualify to buy their dream home through traditional channels due to problems like divorce, student loan debt, or other extenuating life circumstances.

Transportation
We partnered with local area nonprofits and car dealers to offer Responsible Rides*, an award-winning auto buying program that goes above and beyond a simple auto loan product. Low- to moderate-income earners can access reliable auto loan financing, financial education, and vehicle maintenance training so they are not only able to purchase a car, but keep it.

Financial Education
We take pride in our award-winning financial education program. Pathways, a new program implemented in 2017, is a method of delivering financial counseling and coaching that allows us to track and analyze data to tailor counseling and coaching to meet the unique needs of each member. We have also established a partnership with local businesses to aid their employees with financial counseling.

Impact Banking
In 2017 we added a Payday Relief Loan program to our suite of impact products and services. Other key services we cover through impact banking include credit building and workforce development. Our commitment to personal and financial empowerment is paramount to our success in creating economic vitality in our region.

Community Revitalization
At the heart of our business is a purpose and passion to give back to the community. We provide commercial financing for developers to purchase and rehab old and unused buildings for commercial and residential use. We not only host an annual Community Impact Day for all of our employees to volunteer in our Valleys, we also offer student scholarships, community grants, and other initiatives targeting people who are unable to access traditional financial services.
A Veteran’s Story

“When you first get out of the military and become a civilian again, it now becomes a matter of “I’m on my own now.” How am I going to continue to get money coming in so that I can continue to make my cell phone or car or insurance payments? It’s a little bit of a struggle when you first get out. The financial struggles I was having was mainly just acquired debt. Do I put food on the table for me and my son or do I pay this bill? It’s just simple things like that, just general life that can come and spiral you out of control. If you don’t continue to work on it or pay attention to it, the list just gets bigger and bigger and more and more difficult to get out of. Freedom First gives me the tools that I need, and they are pointing me in the right direction. It’s not that they just said, “Here’s the information you need...bye”. It’s, “Here is the information you need. We are going to check up on you at least once a month.” Every time I get something paid and I get that receipt in the mail it is a very uplifting and stress-relieving feeling.”

~ Andrew L.

excerpt from Multipliers of Prosperity, A documentary by the Wall Street Journal and MetLife Foundation
5 Pillars for community development

Borrow & Save - When traditional loans and saving opportunities are out of reach, Borrow & Save offers loans up to $5,000. Half of the funds are held in a savings account until the borrower pays down the other half. Borrow & Save builds credit while teaching the benefits of saving.

Credit Builder - Having a low credit score may mean one cannot get a loan, or a lender could charge high interest rates, making repayment difficult. Credit Builder helps borrowers develop a habit of making regular payments on time while increasing credit scores.

Individual Development Account - Members secured $54,500 in matched savings funds through a partnership with nonprofits and foundations. This matching savings plan helps low-income individuals who want to save for a home, start a business, or pay for their education. Financial counseling is provided to program participants.

Impact Banking Loan Portfolio *information is for accounts originated in 2016-2017

Freedom First served over 52,000 members, over 4,300 through Impact Banking Products & Services

Affordable Housing - A non-conforming mortgage loan program that overcomes many conventional mortgage qualifying hurdles and includes financial education that helps to secure down payment assistance.

Micro Loans - We offer unsecured loans up to $3,000 to help break the debt cycle - whether for vehicle repairs, home maintenance, education costs, or debt consolidation.

Payday Relief Loan - When cash is needed between paychecks, hard-working individuals may seek loans from predatory payday lenders that charge extraordinarily high interest rates. Our Payday Relief program offers loans at reasonable interest rates.

Responsible Riders - An award-winning auto buying program for low- to moderate-income earners, including education classes on finances and budgeting, as well as car maintenance.

Track 2 - A "second chance" loan review for borrowers who do not qualify when using traditional underwriting standards. These loans can be used by those who find themselves in unique circumstances - divorce, death, or medical reason - that may warrant customized underwriting, as well as consideration of alternative credit sources.

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My dreams are coming true. My family, they are proud of me. It makes me feel good that I beat the odds. ~ Erica R., home and auto owner
136 new car owners in 2016 & 2017

$1,430,080 total in loans in 2016 & 2017

238 current loans in Responsible Rides Portfolio as of 12/31/17

$1,831,442 total loan amount in Responsible Rides Portfolio as of 12/31/2017

$345 average increased savings account balance of Responsible Rides members

50 number of female single parents who now have a reliable car

149 number of children whose parent(s) now have a reliable car

Responsible Rides®
An award-winning auto buying program for low- to moderate-income earners, including education classes on finances and budgeting as well as car maintenance.

Freedom First Impact Story
Crashawnya, also known as CeCe (featured on facing page), was referred to Freedom First from Impact Living Services. She is a beacon of how impact products such as Responsible Rides can make monumental changes in people’s lives. CeCe, a foster child, now works, owns a car, and is attending college to pursue an Accounting degree.

Partners
Freedom First Credit Union, Total Action for Progress (TAP), New River Community Action, Support to Eliminate Poverty (STEP, Inc.), and local area car dealers

Auto Purchase and Education
Our full-time, in-house coordinator has streamlined the lending process for borrowers, coordinates vehicle maintenance classes at our West End branch education room, and travels regularly to meet with Franklin County residents. Responsible Rides is the perfect auto loan program for those who cannot qualify for a loan at a reasonable interest rate. Responsible Rides has transformed lives, enabling people to own their own car and have a reliable means to get to work.

I now have transportation, a job, and have established a solid footing - financially and emotionally. Thank you Freedom First Credit Union.  🌟🌟 ~ CeCe M.
3,831 people received financial education.

450 classroom-style settings served 3,313 participants.

812 one-on-one counseling sessions served 518 individuals.

9,385 views for Money Mondays Minute on Facebook Live (2017).

812 people received financial education through Responsible Rides.

208 people received financial education through the Affordable Housing Program.

142 people received financial education through the Affordable Housing Program.

Financial Education & Counseling
Activities, programs, and initiatives designed to improve the economic well-being of our local community and its citizens, including free financial education.

Seeing my credit score rise and seeing my debt lowered has really just made me proud because it shows both of my kids that hey, I’ve done it. ~ Shannon P.

With CUNA-certified financial counselors on staff, Freedom First helps borrowers receive financial education tailored to their individual situations. Our West End branch education room is used by neighborhood organizations to promote smart money practices, and our Money Mondays Facebook Live has been very successful. With the addition of Pathways and GreenPath our award-winning financial education program is poised to reach even greater heights.

GreenPath Partnership
GreenPath assists more than 200,000 people each year by helping them to take control of their finances. GreenPath is a nonprofit provider of budgeting and financial education services that partners with credit unions.
For over 60 Years we have been changing lives with our 5 Pillars for community development:

**Opportunity Multiplied...**

**START WITH**
- **CDFI STATUS**
  - Enables Community Development, the largest CDFI in Southwest Virginia
- **SERVING**
  - Over 52,000 members, mostly of low- to moderate-income
- **DEDICATED EMPLOYEES**
  - 179 strong, including a committed 8-member community development team
- **ONLINE, MOBILE, MORE**
  - 10 Branches, plus state-of-the-art online and mobile systems
- **AWARD WINNER**
  - National & State level recognition for innovative community impact products and programs

**HELPING**
- A Multitude of neighborhoods, partners, schools, nonprofits and local businesses

**GIVING**
- $290,906 through scholarships & event sponsorships

**GRANTING**
- $60,000 to 16 nonprofits in grant awards to improve local communities

Every $1 invested with Freedom First has a multiplier effect of $7

Profits are reinvested in community revitalization projects like our West End Branch, and opportunities are created for low- to moderate-income members through programs and products like free Financial Education, Responsible Rides, Payday Relief Loans, Career Development Loans, and Borrow & Save. We are focused on opportunity for all. Profits are also returned to members in the form of higher rates on deposits, lower rates on loans, and fewer fees. We strive to foster community good in our Valleys by giving back in big, small, and caring ways.
Roanoke
581
South

In simple ways I was able to help guide people on a path that they could ultimately set and accomplish their life goals. ~ Anna Beard, Community Development Personal Banker

Payday Relief
A program to break the debt cycle from predatory lenders. An affordable loan with substantially lower interest rates and regular, monthly payments.

127
number of Payday Relief loans in 2016-2017

$849
average amount of loan

A Feel-Good Story—Robin P.
Robin qualified for a Payday Relief Loan at Freedom First. She had heard about our impact banking products and set up a financial education appointment. Robin is a single grandmother that has taken on the custody of her grandchildren, and she turned to a payday lender to cover the cost of the custody legal fees. Using her alternative credit history and a glowing reference from her employer, Freedom First approved the Payday Relief Loan and to date she has perfect pay history. Robin also decided to switch all her other financial accounts to Freedom First.

The Pitfalls of a 318%+ Loan
Installment or Payday loans can be deceptively expensive. Customers are pushed by predatory lenders to renew their loans over and over again. The practice of payday lending is slowly being regulated out of existence, but it’s unclear where low-income Americans will find short-term loans instead. Every 90 seconds $67,000 in new payday loan debt is issued in the USA. Roughly 2.5 million American households use payday loans each year. Payday lending is a $40+ billion industry.

“People have to manage their money better. It’s not easy, but it’s possible.”

In simple ways I was able to help guide people on a path that they could ultimately set and accomplish their life goals. ~ Anna Beard, Community Development Personal Banker
Community Investment
An award-winning grants program, scholarships for area students, and an ice cream truck that fosters community harmony.

Giving Back One Scoop at a Time
In 2010, Freedom First purchased an ice cream truck for the sole purpose of giving out free ice cream at community and nonprofit events. Manned by volunteer employees and members of the executive team, Scoop has become a recognizable symbol of friendship and a community partner. In 2016 alone, Scoop attended 32 festivals and events, visited 61 nonprofits and 17 businesses, and distributed over 32,000 units of ice cream. We are invested in our communities in many ways—big, small, cool, and delicious.

Giving Back
Scoop attended Cones for Cops and visited local firehouses, area schools, churches, the Salem Kite Festival, National Night Out, the West End Walk, and area businesses and nonprofits, like the Blue Ridge Autism & Achievement Center, Grace Life Baptist Church Awanas, and many more.

By you partnering and investing with us, we are able to pay that forward in our community. We look at this as a values-based banking concept.

~ Dave Prosser, SVP Community Development

$19,000 in scholarships to area students
$60,000 in Community investment grants
$201,906 in community investment through event sponsorships
$24,000 spent on Scoop, our ice cream truck
52,000 units of ice cream over 2 years
Community Impact Day

Employees take part in a day of service in our valleys by volunteering at local area nonprofits.

2016 - A partnership with Make-A-Wish Greater Virginia
In 2016, Freedom First employees held a fundraiser that included yard sales, bake sales, and friendly internal competitions to raise funds for a good cause. This culminated in making wishes come true for two children in our member area.

2017 - A partnership with local Veterans
In 2017, Freedom First employees maintained a yearlong focus on helping vets. Fundraising benefited American Legion Post #3 and other veterans groups. In addition, a plastic bag recycling drive aided in producing a park bench for the Legion in partnership with Trex Corporation.

7,244
employee hours spent in volunteering over 2016 & 2017

$18,000
amount raised by employees for Make a Wish Greater Virginia in 2016

$4,200
amount raised by employees for American Legion Post #3 in 2017

Community Impact Day is one of my favorite days at Freedom First. We get out into the community to serve, and it shows.

~ Jeremy Waldoch, Community Development Program Coordinator
To further our mission, a new non-profit entity was formed in 2017. Freedom First Enterprises (FFE) will support community development with the primary purpose of assisting low- and very low-income consumers with alternative financial services. The core principles of this entity will be to operate as a loan fund, a financial provider, a capital provider, a fundraiser, and an economic development driver in the Appalachia region. To start, Freedom First Enterprises will focus on financial education to help unbanked individuals be successful members of the financial mainstream, and on payday lending alternatives.

Donors can deduct contributions they make to FFE under Section 170. FFE is also qualified to receive tax deductible bequests, devises, transfers or gifts under Sections 2055, 2106, or 2522. Organizations exempt under Section 501 (c) (3) are further classified as either public charities or private foundations.

A Vision for the Future

Awards, Recognition & Partners

### Alphonse Desjardins Adult Financial Education Award - 2016
Named winner of the state level in the Adult Financial Education category for our Pathways program

### Louise Herring Philosophy-in-Action Member Service Award - 2016
Named club level winner and honorable mention at the national level (CUNA) for our Workforce Development Loan Program

### Louise Herring Philosophy-in-Action Member Service Award - 2017
Named club level winner and honorable mention at the national level (CUNA) for our Affordable Housing Program

### Dora Maxwell Award for Social Responsibility - 2017
Named state level winner for our Community Impact Day

### CUNA Advocacy - 2016
Freedom First was recognized for successes with our Affordable Housing Program in a documentary produced by the Credit Union National Association

### Wall Street Journal & MetLife Foundation - 2017
Picked from one of only a handful of programs from around the globe, Freedom First’s financial education programs were highlighted in a documentary Multipliers of Prosperity, produced by the WSJ & the MetLife Foundation

We are proud to partner with many well-known local, regional, and national organizations. Some of our partnerships include:

- Bank On Roanoke Valley
- Blue Ridge Literacy
- Children’s Trust Roanoke Valley
- Family Promise of Greater Roanoke
- Family Service of Roanoke Valley
- Habitat for Humanity in Roanoke Valley
- Healthy Roanoke Valley
- Renovation Alliance
- STEP, Inc.
- Total Action for Progress

Some of our Board of Directors and employee-involvement initiatives include volunteering on boards of:

- Children’s Court
- LEAP for Local Food
- United Way R天鹅
- Warm Hearth Village
- Family Promise of Roanoke Valley
- The Valley Works
- Total Action for Progress
- Rebuilding Together
- Make a Wish Greater Virginia
- RV Family Shelter
- Habitat for Humanity
- YWCA Gainsboro
- Blue Ridge Literacy
- Council of Community Services
- Rescue Mission
- Family Services of Roanoke Valley
- Mental Health America
- Roanoke Refugee Partnership
- Transitional Options for Women
- Local Cohorts
- West End Center for Youth