



 **FreedomFirst**  
*Where people bank for good<sup>®</sup>*

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 our members and our communities, bringing alive our mission, "Helping People Prosper—Helping Communities Thrive."

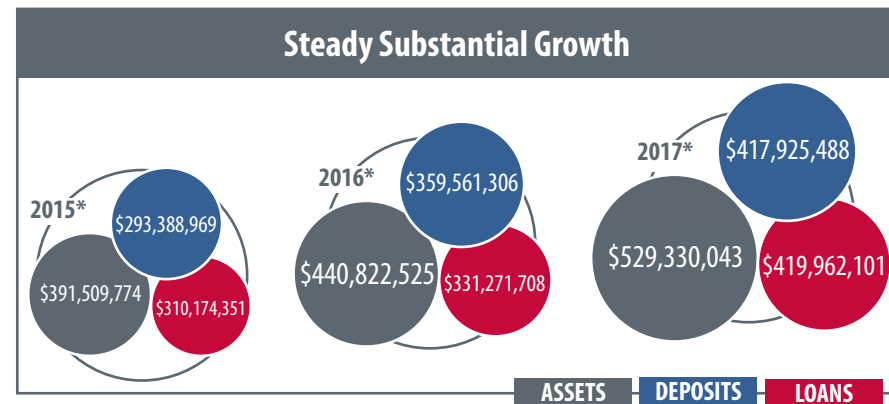
This report highlights our significant successes in 2016 and 2017 with a diverse range of new projects. We opened a new business banking branch in downtown Roanoke, launched award-winning impact banking programs, forged new community partnerships, developed innovative deposit and lending products, and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

Federally insured by NCUA.



\*Freedom First Data as of 11/30 of each year  
 Community Development related data in this report is for 2016-2017 only.



### 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.



For over **60 Years** we have been changing lives

with our **Impact** Banking Products & 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**



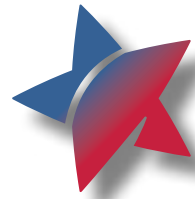
**Recognition**  
Freedom First was recognized by the MetLife Foundation and the Wall Street Journal in a documentary - "Multipliers of Prosperity", highlighting the exceptional commitment that Community Development Financial Institutions have and how they provide programs and products that are tailored to help individuals.

 *Freedom First gives me the tools that I need, and they are pointing me in the right direction.*  *~ Andrew L.*



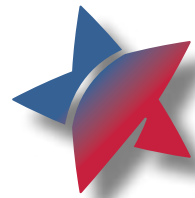
**72 / \$6,965,621**

**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.



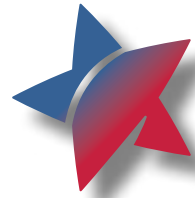
**164 / \$271,445**

**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.



**150 / \$66,377**

**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.



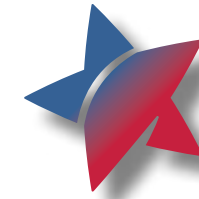
**16 / \$202,329**

**FHLB Set-Aside** - Assistance for veterans and low & moderate income households in understanding the path to home-ownership, from down payments, closing costs, and principal reduction for first-time or experienced home buyers, as well as money for qualified improvements and rehabilitation of homes.



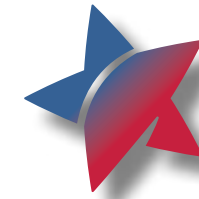
**109**

**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.



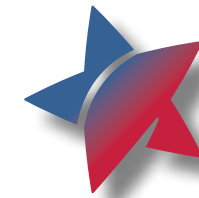
**1,456 / \$1,604,793**

**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.



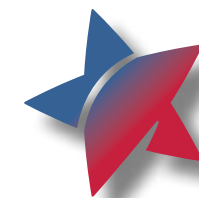
**44 / \$107,813**

**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.



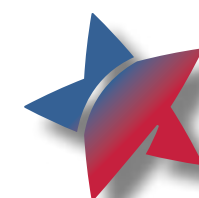
**136 / \$1,430,080**

**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.



**146 / \$634,023**

**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.



**69 / \$200,553**

**Workforce Development Loans** - This innovative workforce development loan program gives people the opportunity to acquire the skills necessary for living-wage jobs. We assist with financing in Healthcare, Welding, Truck Driving, CNA, and other certifications and licensures.

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



**\$11,280,705**

**Impact Banking Loan Portfolio** \*information is for accounts originated in 2016-2017  
Freedom First is also involved in many other initiatives like the American Dreamer Loan Program and BankOn Roanoke Valley.



**72**

affordable housing program recipients in 2016 & 2017

**\$6,965,621**

total in loans to low & moderate income members in 2016 & 2017

**\$351,756**

in total down payment assistance accessed by homeowners

### Affordable Housing Program




A mortgage loan program that overcomes conventional mortgage qualifying hurdles that some individuals may experience.



### CUNA Advocacy

The Credit Union National Association produced a documentary highlighting this program and tells the story of Erica Rosser, who benefited from Freedom First's credit counseling, was able to qualify for an auto loan, and is the first in her family to own a home.



 *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

Crashawnyia, 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 who 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)

**208**

people received financial education through Responsible Rides

**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.

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.



 *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.



# Opportunity Multiplied...

## START WITH

**\$530 Million Asset Portfolio**  
Consumer, Impact, & Business

## DEDICATED EMPLOYEES

**179 strong**  
including a committed 8-member  
community development team

## CDFI STATUS

**Enables Community Development**  
the largest CDFI in Southwest Virginia

## 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

## SERVING

**Over 52,000 members**  
mostly of low- to moderate-income

## 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

## ...it all adds up

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.

Every **\$1** invested with Freedom First

has a **multiplier** effect of **\$7**





127

number of Payday Relief loans in 2016-2017

\$849

average amount of loan

## Payday Relief

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

### 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\*

\*Source: Pew Research, The Economist



*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





**\$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 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





**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

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.



 *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





Freedom First  
*Enterprises*

## A Vision for the Future

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.*

## Awards, Recognition & Partners



### Alphonse Desjardins Adult Financial Education Award-2016

Named winner at the state level in the Adult Financial Education category for our **Pathways** program



### Louise Herring Philosophy-in-Action Member Service Award -2016

Named state 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 state 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 Trust*
- *LEAP for Local Food*
- *United Way NRV*
- *Warm Hearth Village*
- *Family Promise of Roanoke Valley*
- *This Valley Works*
- *Total Action for Progress*
- *Rebuilding Together*
- *Make a Wish Greater Virginia*
- *NRV Family Shelter*
- *Habitat for Humanity*
- *YMCA 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 Colors*
- *West End Center for Youth*



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