



CY·FAIR
federal credit union

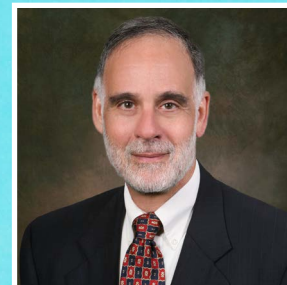
The year of the lemon.

2020 ANNUAL REPORT





Cameron Dickey
President/CEO



Chuck Brandman
Board Chairman

There's really only one way to honor both the lives of those we lost and the courageous essential workers who risked their own well-being to help: to live well – with kindness, sincerity, and a focus on raising our community up in any way we can.

Of lemons and lemonade.

Introduction.

What is there to say about 2020 that we haven't already said? If you'll forgive the pun, our 20/20 hindsight is full of loss, uncertainty, infrastructure failures, and... lemon after lemon.

There's really only one way to honor both the lives of those we lost and the courageous essential workers who risked their own well-being to help: to live well – with kindness, sincerity, and a focus on (re)building our community. With that in mind, we ask: **How are you? How are you really?**

From our perspective, we, at Cy-Fair Federal Credit Union saw the same patterns we've recognized in our community for years. What we've noticed is this: Your resilience didn't just happen. It's become part of who we've always been. Since Cy-Fair's founding in 1956, we've weathered six hurricanes, 2 tropical storms, and at least 18 major flooding events. Throughout Harris County, we're still working to rebuild after the devastating effects of Hurricane Harvey.

Just when we thought we'd seen it all, 2020's global pandemic threatened us yet again... Yet through the devastation, we've watched and walked alongside as our communities came together in new and surprising ways. We've survived again – together.

We instituted programs in 2013 as part of our 10-year "Community Only Better" plan, we believed they would lead to future growth and strength for our neighborhoods. What we now realize is that our investment – in education, local non-profits, and beyond – has bolstered our community's ability to come together and serve in ways we never imagined.

The relationships we forged almost a decade ago have blossomed – allowing our Credit Union to continually serve Harris and Waller Counties - no matter what lemons we face.

Even during the worst of the pandemic, members brought their money to us as economic storms raged. We've experienced positive net income despite one of the most difficult years in our history. Because of our members, our net worth remains strong.

On behalf of our board, our Chairman, Chuck Brandman, and the staff at Cy-Fair Federal Credit Union, thank you. It's a privilege to serve this community. Even though we've all suffered loss, I am so proud of the efforts our members have taken to help and support each other through this challenging time. Know that we are here for you - ready to help with financial support, a ready ear to listen, and a glass of lemonade.

After a year like 2020, we've proven we can, if nothing else, make excellent lemonade.

Taking care of each other.

COVID-19 response.

As a Federal Credit Union, we understand that taking care of business means taking care of each other. We ask our members, “How are you?” because we really want to know. After all, members are more than clients. Together, we’re co-owners of a healthy financial institution. When one of us succeeds, we all succeed.

In 2020, nothing – from our health to the affects of the pandemic on our jobs – was certain. Cy-Fair FCU was poised and ready to lend a hand to members, some of whom simply needed a little relief to get to the next month. Others needed to concentrate on their family, not their mortgage. Some needed to rethink their loans – and no one really needed extra fees.

Relief Loan

Low interest loans meant that members affected by the pandemic didn’t have to choose between paying bills and keeping food on the table. Our relief loans were lifesaving for members during job furloughs or long stretches of unemployment. In addition to this, Cy-Fair FCU made loans for 4,124 members totaling over \$64 million for a wide range of purposes, including home, auto and other personal needs.

Skip-A-Pay with Fee Waived

Members have always had the option of skipping up to two payments in any 12-month period. During the pandemic, we made it even easier for people to take advantage of this program by waiving the processing fees.

Debt Transfer at 0% for 12 Mo.

In 2020, our popular Day & Night Credit Cards gave members a unique way to save. Members could transfer debt to their card – with absolutely no interest for a year. While interest payments normally fund operating costs at Cy-Fair FCU, during this difficult time, we know our members needed to keep more of their hard-earned money.

Auto Loan Refi Discount

We helped members get a financial break in 2020 by refinancing over \$9 million in auto loans and saving our members thousands of dollars.

Waived Fees-ATM Transactions

During 2020, Cy-Fair FCU waived ATM transaction fees. We know it’s just a small thing, but it’s another way we wanted to serve our members through a difficult time.

PPP Loan Through SBA

We are here to support our small businesses because they enrich our communities and offer unique services that you just can’t get any place else. In other words, our local ‘Mom & Pop’ shops give our region a distinct identity. During the pandemic, 100 businesses throughout Harris and Waller Counties received over \$2 million in funded loans through CFFCU. It’s our way of investing in – and making sure our members thrive.

Business as usual... as possible.

Keeping the wheels turning.

As a licensed Federal Credit Union, Cy-Fair is a member of NCUA. Members never need fear that their deposits are safe. Throughout the global pandemic, the question was never about the security of members' accounts; it was about uninterrupted access to accounts and services.

Cy-Fair FCU remains committed to taking the necessary precautions to keep members and staff safe. While it wasn't exactly business as usual, we were able to provide members with uninterrupted support throughout periods of quarantine and lockdown.



Car-side Service

We take customer service as seriously as social distancing. We provided car-side service throughout the pandemic to let members know it's business as usual – even in the parking lot.



Additional Staffing for Calls

Due to increased call volume resulting from lockdowns, we brought in additional staffing to ramp up the number of member service representatives managing phone calls in our call center throughout the pandemic.



Member Outreach Calls

Throughout 2020, we reached out to members. It felt good to talk, to find ways to serve, and of course, to connect.



Digital Services 24/7

We took extra steps to make sure everyone understood how to manage their finances online, and where to get extra help when needed. These included additional customer service reps, targeted marketing materials, and video chat-enhanced functionality on our mobile app.



Continuous Messaging

How did Cy-Fair announce our lobby closures, changes in hours, and ways to get help when needed? We messaged members at every touchpoint:

- Drive-thru ITMs
- Website
- Articles
- CFFCU Live (video app)
- Online/Mobile Banking Alerts

To protect our members and staff, we followed all CDC-recommended re-opening guidelines and precautions, including:

- Plexiglas Dividers
- Social Distancing
- Frequent Disinfection of High-Touch Areas
- Regular Daily Cleaning and Professional Deep Cleaning
- Easy Appointment Scheduling



CFFCU Live

A safe, convenient way to manage finances, we launched our interactive video banking solutions app in September 2020. Remotely speak face-to-face with a local CFFCU representative for a broad range of banking services using any mobile device with video/audio capabilities.

Included Services:

- Account Inquiries
- Transfers (One-time & Automatic)
- Check Ordering
- Direct Deposit Set-up
- Debit Card Management (Order, Block, Report Fraud, Set Limits, Notify of Travel, and more)
- Online Banking Assistance
- Appointment Scheduling
- Title Request
- Account Opening & Management
- And more!

9AM – 5PM Monday through Friday
9AM – 1PM Saturdays

Employee unity.

In the mix.

Employees are the heart and soul of Cy-Fair FCU. We value their contributions, and prioritized key programs to keep our staff engaged throughout 2020 and the global pandemic.

- Cy-Fair kept employees up-to-speed on the latest COVID developments via video conference meetings and additional internal communications.
- We honored employee contributions to the community with a thank you video and a special profile on our website.
- We shared weekly highlight stories about employees who provided exceptional member service throughout the pandemic.
- A successful Work-From-Home program allowed employees a safe way to serve our members.

Thank you to CFFCU Employees!

You really pulled together during a challenging year. You respected and adapted to frequent changes. You went above and beyond to serve our members.

We experienced the lowest employee turnover in 5 years - a sign that you felt engaged, appreciated, and eager to help. We know it wasn't easy, but you took lemons - and made the most delicious lemonade. We appreciate you.

Sincerely,

Your Cy-Fair FCU Family

Emerging on the other side.

In the mix.

Looking back on 2020, our community's resilience is evident. We're poised and ready to continue supporting our schools, helping our business owners, and serving members with better ways to build sustainable futures.

As schools began to open, Cy-Fair FCU was more determined than ever to support our teachers with our **Extreme Classroom Makeover** Competition. Initially, we sought three winners, but because we had so many creative entries, we added a few runners up.

Congratulations to our winners!

Extreme Classroom Makeover winners of \$500

- **Tyran Alfred** – Cy-Springs High School
- **Hector Veronica-Gutierrez** – Cook Middle School
- **Lorena Carter** – Holmsley Elementary

Extreme Classroom Makeover runners up of \$150

- **Cassandra Revella** – Cy-Lakes High School
- **Richarda Outley** – Campbell Middle School
- **Liliana Orozco** – Reed Elementary Center

Building a better tomorrow.

Virtual Grand Opening: Real-world excitement.

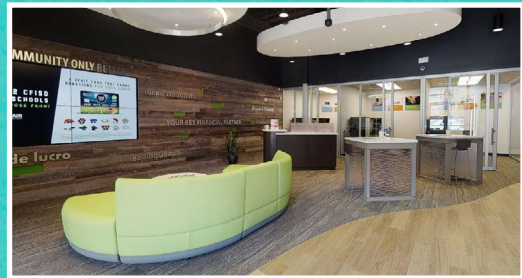
When it comes to serving members, Cy-Fair FCU won't let anything stop us... not even a global pandemic.

Our new Financial Center at 9915 Barker Cypress Road brings our full menu of financial services to the Boardwalk at Towne Lake. It is an exciting addition to a vibrant region, full of a variety of restaurants and shops.

Full of modern, sustainable design and technology, the Towne Lake location was designed with members in mind. The Financial Center features a tech bar with charging stations and WiFi. Comfortable seating with a large video wall provides a great spot to relax and enjoy complimentary refreshments. Private conversation areas allow our financial consultants to review personalized solutions. Innovative ITMs in the lobby include a sizeable video screen that connects members via video chat with a local credit union associate,

providing face-to-face teller service. Of course, in-person team members are always on hand in the lobby to answer questions, familiarize members with the changes, and assist with financial needs.

Despite the pandemic and requisite restrictions, Cy-Fair FCU threw a virtual Grand Opening event that made a real impact. As Cy-Fair FCU's first new construction in 13 years, current members, new members, and well-wishers showed up (online) in spades to help us celebrate. Members who wished to meet in person simply scheduled an appointment, where all safety precautions – including social distancing, masks, and maximum limits – were observed.



9915 Barker Cypress Rd

DURING THESE FESTIVITIES, A LOT HAPPENED:

12,079	87	50	8	30
People took our virtual tour	New Savings Accounts	New Checking Accounts	Business Accounts	New Loans

Jones Road Transformation.

In August, Cy-Fair FCU completed the renovations of our anchor Financial Center at 9601 Jones Road. While the completion of the project seemed a monumental task during the pandemic, the importance of this renovation extends beyond the front door. The re-investment will sustain and lift the entire Jones Road area, adding value to the adjacent properties, businesses, and community for decades to come.

The new, two-and-a-half-story "tower" entrance creates instant visibility and brand identity. The new interior supports a fresh 21st Century Banking Model – a consultative approach that combines the best in personal service and technology.

Introducing Z-Checking

Cy-Fair launched an exciting new account. Z-Checking offers a high dividend rate, refunds of up to \$15 in ATM fees, with no minimum daily balance requirements, overdraft protection, and a low opening balance of just \$25. Upon introduction of this account, new Z-Checking accounts combined for a total of \$517,841 in deposits.



9601 Jones Rd

Making our communities sweeter.

Hispanic members prepare for a bright future.

Our members deserve “inclusión”. In 2019 we received the **Juntos Avanzamos designation** for our commitment to the Hispanic community. We were just getting started. On June 26, 2020, we launched a fully translated **website in Spanish**. Cy-Fair FCU en Español allows our Spanish speaking members full access to all products and services in their primary language.

We participated in several **Hispanic Community Events**. In June, we co-sponsored a seminar with Texas en Español entitled, “**How to Go Forward After a Financial Crisis.**” We celebrated **Hispanic Heritage Month** in September with a virtual seminar about financial success. We partnered with the **Hispanic Star Houston** in October to fill and distribute hygiene bags to low-income Hispanic Neighborhoods.

Semimonthly financial wellness webinars entitled, “**Feria Virtual Financiera**” covered topics covering financially successful businesses, home loans & home equity, eliminating debt, and creating credit. Seminars featured local business leaders and Cy-Fair FCU experts.

Global Good Platinum Credit Card

We stand with everyone who wants a better life and access to affordable financial services. In July, we announced a new credit card partnership with the World Council of Credit Unions (WOCCU) to provide **financial support for projects in developing countries worldwide**. For every transaction over \$5, a portion of transaction proceeds is donated to WOCCU projects.

The WOCCU supports financial markets in emerging economies. It supports financial inclusion, supports financial institutions, provides regulatory support, and more. Since 2015, Cy-Fair FCU has partnered with WOCCU and the Worldwide Foundation for Credit Unions to provide financial support for not-for-profit financial cooperatives in Latin America, Kenya, the Philippines, Venezuela, Senegal, and Cuba. This support wells up from a belief that the credit union mantra, “**People Helping People**” is powerful wherever your born, wherever you live.

The Global Good Platinum rewards members with a low APR, Platinum card benefits, generous rewards program, and 0% balance transfers.

Harris County's 5 largest ethnic groups are:

- 32.1%** White Hispanic
- 28.9%** White Non-Hispanic
- 18.7%** Black/African American
- 9.52%** Other (Hispanic)
- 6.99%** Asian

Source: Datausa.io

STATEMENT OF CONDITION

ASSETS

Cash & Cash Equivalents	\$52,487,709
Securities	\$37,812,419
Loans	\$200,911,068
Allowance for Loan Loss	(\$1,627,739)
Property & Equipment, Net	\$11,703,549
Other Assets	\$13,204,855

TOTAL \$314,491,861

LIABILITIES AND EQUITY

Accrued Expenses & Other Liabilities	\$1,869,208
Member Shares	\$287,743,385
Equity	\$24,879,268

TOTAL \$314,491,861

STATEMENT OF INCOME

INCOME

Loan Interest	\$9,526,467
Securities Interest	\$544,041
Non-Interest Income	\$4,787,882

TOTAL \$14,858,390

EXPENSES

Provision for Loan Loss	\$1,773,540
Operating Expenses	\$11,704,515
Dividends	\$1,154,226

TOTAL \$14,632,281

NET INCOME \$226,109

We've changed. We've grown. And we're not done yet.

We can't sugar-coat the fact that 2020 was a lemon of a year.

As a nation, we mourned the loss of loved ones. We struggled to make ends meet. We faced financial hardships, forced separation, and months of isolation. We had to find workarounds for just about every daily task that used to represent "business as usual..."

Through it all, Cy-Fair FCU never lost hope, and never lost faith in – or our commitment to – our members.

It's always a privilege to be a part of our member's stories. This year, those stories were full of enormous consequences – all due to a tiny, microscopic virus. It hardly seems fair. Yet we are in it together. We will face the days to come with stronger bonds, better ways to help each other, and an invigorated commitment to our members' financial wellness.

Over the past year, we not only completed a renovation at our flagship branch on Jones Road, but also, we added a new branch at Towne Lake. We continued to support education, offering scholarships to seven outstanding high school seniors. We supported six teachers in our Extreme Makeover: Classroom Edition, found new and exciting ways to connect with our Hispanic Members. We combined effective technology with ways to continue personal service to members via improved security at our

Interactive Tellers, more ATMs, Live-chat functionality on our app, and more.

In 2021, we'll continue the work we began with our 10-year vision. We'll not only support our members, our schools, and the Cypress-Fairbanks community, but we'll continue to look for ways to champion financial inclusion near and far through our partnership with the World Council of Credit Unions.

Despite the lemons, we're just getting started. As pandemic conditions improve, we will analyze the lessons we've learned throughout this challenging year to make up for lost time, continue to build community, and create a brighter - sweeter resilience – together.





Board of Directors

Chuck Brandman, Board Chairman

Gale Parker, Board Vice Chairman

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