


# 2016

## Annual Report

# Pursuing Excellence





“ In our pursuit of excellence at the Credit Union, we strive to continually improve our products and services to provide relevant member centric solutions for you. We also strive to maintain a balanced score card approach to performance...While the pursuit of excellence never ends, it does lead to meaningful accomplishments.”

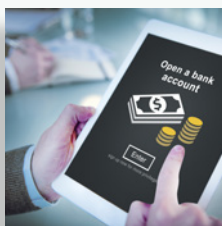
*William L. (Chip) Lusk, Jr.  
From the Message to Members*

2016 Annual Report  
Pursuing Excellence



## Need to Open a New IDB-IIC FCU Account, But Don't Have Time to Visit our Branch? No Problem...

### Opening an Account is Now a Click or Finger Tap Away!



With IDB-IIC FCU Express Accounts, you can now easily and securely open a new share savings, share draft or share CD account from anywhere using your computer.

Once open, you can add funds to your new account online too, from another IDB-IIC FCU account, another U.S. financial institution, or a Visa or MasterCard.

The best part? The entire process should only take about 10 minutes. You can even save your application and return later to finish it if you need more time. And rest assured, personal assistance via phone or email is always available.

[Become a Member](#)



[Open a Secondary Account](#)



# Contents

CEO's Message **7**

Board of Directors Report **11**

Credit Committee Report **13**

Supervisory Committee Report **15**

IDB-IIC FCU Financials **19**

Board & Committees **22**

Staff **24**

“

The Credit Union was recently recognized as the 4th best performing credit union in the United States for the year ended December 31, 2016.

”





# Message to Members

## Pursuing Excellence

**William L. (Chip) Lusk, Jr.**

Chief Executive Officer

*“The ancient Greek definition of happiness was the full use of your powers along lines of excellence.” – U.S. President John F. Kennedy*

For those of you who know me well, one of my favorite questions to ask new acquaintances is, “What makes you happy?” For me, it is the simple things in life that make me happy. From a personal point of view, I love the smell of coffee in the morning. I love the feeling of finishing a tough workout. I love to watch my kids achieve their goals. And, I love date nights with my wife.

When it comes to work, my happiness is also derived from the simple things, such as accomplishing goals and objectives, as well as working with an amazing team who has passion and respect for helping our members and each other.

As noted by President Kennedy, the common theme of happiness is excellence.

In our pursuit of excellence at the Credit Union, we strive to continually improve our products and services to provide relevant member centric solutions for you. We also strive to maintain a balanced score card approach to performance. In this regard

and on behalf of our Board of Directors and our team of employees, I am humbled and honored to share some exciting news. The Credit Union was recently recognized as the 4th best performing credit union in the United States for the year ended December 31, 2016.

S&P Global Market Intelligence annually publishes a list of the 50 best credit unions in the United States. The ranking includes all credit unions reporting more than \$500 million in total assets and a net worth ratio of at least 7.0% as of year end. For comparative purposes, our rank as of December 31, 2015 was #29, still very strong. And, we were the only credit union based in the District of Columbia on the list both years.

“ Profitability and financial strength were improved in 2016 over 2015 – our net income and capital ratio were \$4.7 million and 11.83%, respectively, for 2016...”

In addition to this recognition, some of our highlights for the past year include:

- Online account applications were introduced to enable our members to establish share and deposit accounts through an electronic channel – now members may open accounts from anywhere in the world;
- Payment solutions were improved by reissuing debit and credit cards with EMV security chips, as well as adding Apple Pay to enable electronic debit card payments from your iPhone;
- Travel notifications were simplified with a user friendly button on our website’s homepage;
- Membership onboarding program was formalized beginning with a professional video introduction of the credit union followed by scheduled, methodical communications with new members to provide education regarding the products and services throughout their first year of membership;
- Fund raising efforts were established to align member behavior with relief support for earthquake damage in Ecuador and, most recently, fire destruction in Chile and flooding in Peru and Colombia;



- Profitability and financial strength were improved in 2016 over 2015 – our net income and capital ratio were \$4.7 million and 11.83%, respectively, for 2016, compared to \$4.3 million and 11.68%, respectively, for 2015; and
- A special dividend in the amount of \$500,000 was declared by our Board of Directors for members of record as of December 31, 2016 and paid on March 31, 2017.

Our performance is a reflection of (1) our strong membership base, i.e. the employees, consultants, and retirees (and the family members of each group) of the Inter-American Development Bank and the Inter-American Investment Corporation), (2) our dedicated and hardworking employees of the Credit Union, and (3) our loyal Board of Directors who inspire and hold accountable the Credit Union management.

Now, as we turn our attention to 2017 and beyond, we pledge to continue to improve the products and services of the Credit Union so that it will remain the best possible financial institution available for its members. We hope that you agree that IDB-IIC Federal Credit Union is a great place to bank and that you will encourage your family members to join our member owned cooperative to take advantage of our strong savings rates, our low mortgage rates, and our convenient online banking solutions.

While the pursuit of excellence never ends, it does lead to meaningful accomplishments. And, accomplishments lead to happiness. To that end, thank you for your trust, your business, and your support of our Credit Union. We look forward to future accomplishments together.



**William L. (Chip) Lusk, Jr.**  
Chief Executive Officer

“ A special dividend in the amount of \$500,000 was declared by our Board of Directors for members of record as of December 31, 2016 and paid on March 31, 2017. ”



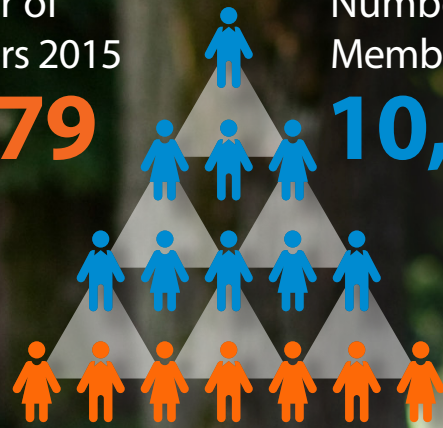
# Members

Number of  
Members 2015

**9,879**

Number of  
Members 2016

**10,984**



Growth



**11.18%**



# Board of Directors Report

## **Juan Manuel Fariña**

Chair

Directors are volunteers elected by the members for a term of three years. The Board of Directors meets monthly to provide general direction and oversight of the Credit Union in accordance with the Federal Credit Union Act and the Rules and Regulations of the National Credit Union Administration.

## **The Board of Directors**

### **Juan Manuel Fariña**

Chair

### **Maria Valeria Zemborain**

Vice-Chair

### **Christian Gomez**

Treasurer

### **Caroline Mariz**

Secretary

### **Sandra Darville**

Assistant Treasurer

### **Jorge Roldan**

Assistant Secretary

### **Sergio Ardila**

Member

### **Guillermo Collich**

Member

### **Anne Marie Lauschus**

Member



# Loans

The credit union disbursed  
**825 loans**  
for a total amount of  
**\$103.4 million**





# Credit Committee Report

**Jorge Aguirre**  
Chair

**Francisco Rojo**  
Vice Chair

**Monica Velasquez**  
Secretary

**Andrea Raimondo**  
Member

**Patricia Nalvarte**  
Member

**Yoel Alveo**  
Alternate

**Ruben Doboin**  
Alternate

**Daniel Fonseca**  
Alternate

**Paulo Martelli**  
Alternate

**Maria Valeria  
Zemborain**  
Alternate

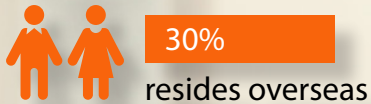
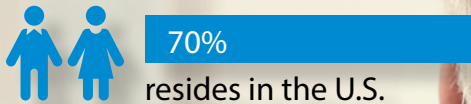
The Credit Committee is made up of five members elected for two-year terms, and five alternates designated by the Board of Directors. A group of at least three of these members meets once weekly to review, in a confidential manner, loan requests that exceed the lending authority of Credit Union management or are exceptions to Credit Committee guidelines. The financial capacity and credit history of each applicant are analyzed to assure that loan payments will not overburden the member's cash flow and that the best interests of both the member and the Credit Union will be served. The Committee offers alternative financing options to help members solve their financial problems.

During 2016, the Committee held 39 meetings, analyzed 107 cases, and approved 105 loans totaling \$40,639,668. In addition, management approved 720 loans totaling \$62,717,302 under the lending limits established by the Committee and approved by the Board of Directors.

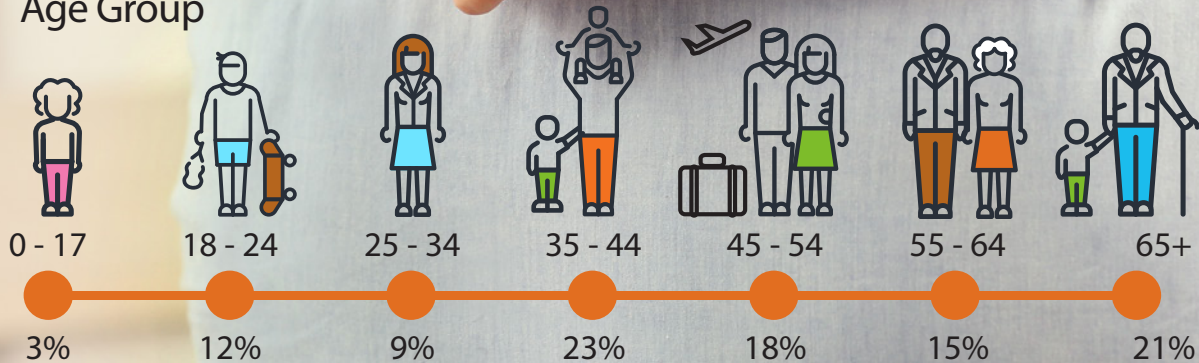
*The Credit Committee would like to express its appreciation for the consistent support and thorough presentations it received from the Credit Union management and staff.*

# Membership Demographics

## Location



## Age Group





# Supervisory Committee Report

**Martin  
Corredera S**  
Chair

**Martin  
Guozden**  
Vice-Chair

**Ignacio  
Barragan**  
Secretary

**Ken Foley**  
Member

**Francisco  
Reyes**  
Member

The five-member Supervisory Committee, appointed by the Board of Directors, is responsible for overseeing the agreed-upon internal audit procedures and annual external audits, and for monitoring compliance with the regulatory requirements of the National Credit Union Administration (NCUA). This includes selecting auditors, verifying member accounts, reviewing internal controls, responding to member complaints, and recommending procedural improvements.

## In 2016 the Committee

- Provided a risk-based, ongoing review of compliance with Credit Union policies and procedures, which includes an annual inspection of internal controls, cybersecurity, and financial condition of the Credit Union.
- Continued its engagement with Clifton Larson Allen, the Credit Union's internal auditors, to perform monitoring procedures including an arbitrary review of new loans and new investments to ensure conformity with lending and investment policies, as well as monitoring the compliance of other Bank Secrecy Act and Anti-Money Laundering (BSA/AML) policies.
- Engaged DeLeon & Stang, Certified Public Accountants and Advisors to perform the annual audit the financial statements of the Credit Union as of December 31, 2016.

*The Supervisory Committee appreciates the trust and cooperation it has received this past year from the staff, Directors, and members of the Credit Union.*

## Resources

**14**

Seminars offered

**4**

Webinars offered

**530**

members attended

## Call Center

**12,900**

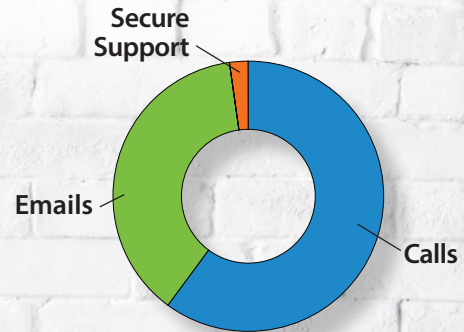
Calls

**8,162**

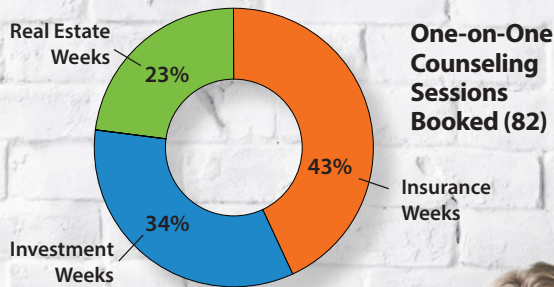
Emails

**484**

Secure Channel Emails



 **210**  
Skype Users

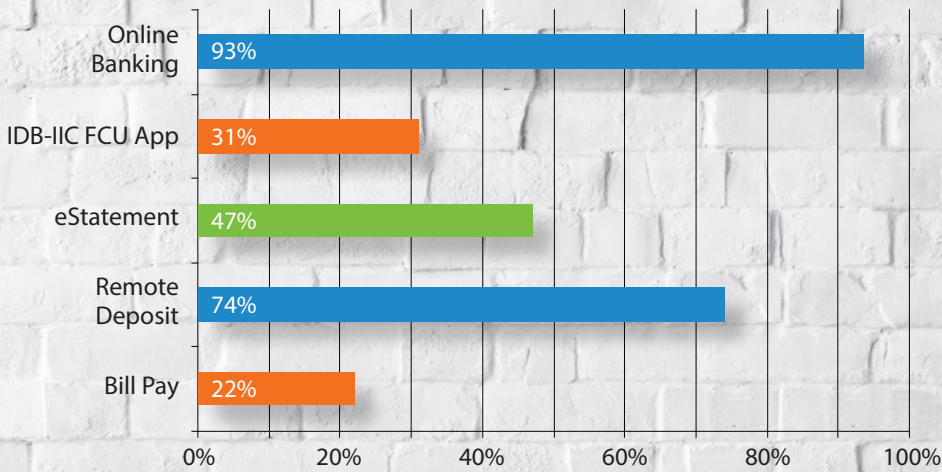


- Insurance Weeks: 34 (43%)
- Investment Weeks: 28 (34%)
- Real Estate Weeks: 20 (23%)





# Internet Banking Penetration Rates



**9.73/10**

10 being excellent

Service  
Satisfaction  
Rating





## Feeling Low About Your Credit Card's High Interest Rate? Great News:

The IDB-IIC Visa Interest Rate Starts as **Low as 7.55%!**\*

That may be one of the lowest credit card interest rates you'll find anywhere, empowering you to use your Visa for everything from vacations to everyday purchases with confidence.

Our Visa also features EMV chip technology for enhanced fraud protection. It protects your personal and financial information by creating a unique code for each chip transaction when used at a chip-enabled terminal.

And don't worry, whether you check out using Chip technology or by swiping, you can use your low-interest IDB-IIC Visa around the world wherever Visa is accepted.

Our Visa also features low fees, a 24/7 bilingual member service center, automatic payment options, and more!

So ditch those high-rate credit cards and apply online for your IDB-IIC Visa today!

[Apply today for your IDB-IIC Visa](#)

\*Rates are based on creditworthiness, so your rate may differ. Rates are subject to change daily; for the latest rates, visit our website at [www.idbcredit.org](http://www.idbcredit.org). Other restrictions may apply.



# Financial Statements

## Independent Auditor's Report

Supervisory Committee and Board of Directors  
IDB-IIC Federal Credit Union  
Washington, DC

We have audited the accompanying financial statements of **IDB-IIC Federal Credit Union** (the Credit Union), which comprise the statements of financial condition as of December 31, 2016 and 2015, and the related statements of comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements

that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

[FINANCIAL STATEMENTS \(PDF\)](#)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **IDB-IIC Federal Credit Union** as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**DeLeon & Stang, CPAs**  
**Gaithersburg, Maryland**  
**April 24, 2017**



# Ready to Buy a New Home or Refinance Your Current One?

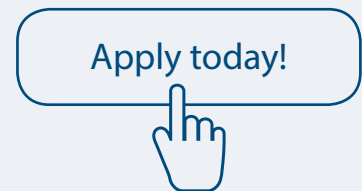


## Check Out Our Low Mortgage Interest Rates!

We offer our members some of the most competitive rates around. For instance, you could get a 7/1 ARM for as low as 3.047% APR\*

Our 15-, 20- and 30-year fixed-rate loans are also highly competitive. Plus, we offer a quick and easy online application, fast approval, and personalized help for all your mortgage and refinancing needs.

At IDB-IIC FCU, we're invested in your home financing needs, so call one of our knowledgeable mortgage loan officers today and see how easy it is to get a great rate!



\* The Annual Percentage Rate (APR) is variable and is based on the highest Prime Rate published each day in the Western Edition of The Wall Street Journal Money Rates Table (the "Index"), plus a margin. This sample APR (Annual Percentage Rate) applies to a 7/1 ARM Conforming and Jumbo with a maximum term of 180 months and a loan-to-value ratio of 80%. We offer other low rates and convenient terms. Rates are subject to change daily; for the latest rates, visit our website at [www.idbcredit.org](http://www.idbcredit.org). Other restrictions may apply.

# Senior Management & Volunteers

## Executives

**William L. (Chip) Lusk, Jr.**

Chief Executive Officer

**Cindy Morgan**

Chief Financial Officer

**Marco Paredes**

Chief Lending Officer

**Maria Eugenia Garcia-Lopez**

Chief Operating Officer

## Board of Directors

**Juan Manuel Fariña**

Chair

**Maria Valeria Zemborain**

Vice-Chair

**Christian Gomez**

Treasurer

**Caroline Mariz**

Secretary

**Sandra Darville**

Assistant Treasurer

**Jorge Roldan**

Assistant Secretary

**Sergio Ardila**

Member

**Guillermo Collich**

Member

**Anne Marie Lauschus**

Member

## Credit Committee

**Jorge Aguirre**

Chair

**Francisco Rojo**

Vice Chair

**Monica Velasquez**

Secretary

**Andrea Raimondo**

Member

**Patricia Nalvarte**

Member

**Yoel Alveo**

Alternate

**Ruben Doboim**

Alternate

**Daniel Fonseca**

Alternate

**Paulo Martelli**

Alternate

**Maria Valeria Zemborain**

Alternate

## Executive Committee

**Juan Manuel Fariña**  
Chair  
**Maria Valeria Zemborain**  
Vice Chair  
**William L. (Chip) Lusk, Jr.**  
Secretary  
**Christian Gomez**  
Treasurer  
**Caroline Mariz**  
Member

## Supervisory Committee

**Martin Corredera S.**  
Chair  
**Martin Guozden**  
Vice-Chair  
**Ignacio Barragan**  
Secretary  
**Ken Foley**  
Member  
**Francisco Reyes**  
Member

## Finance Committee

**Christian Gomez**  
Chair  
**Sandra Darville**  
Vice-Chair  
**Cindy Morgan\***  
Acting Secretary  
**Guillermo Collich**  
Member  
**Daniel Fonseca**  
Member  
**Paulo Martelli**  
Member  
**Gregorio Pokorny**  
Member  
**Caroline Mariz**  
Member  
**Francisco Ramon Ruiz**  
Member  
**William L. (Chip) Lusk, Jr.\***  
Member  
**Maria Eugenia Garcia-Lopez\***  
Member  
**Marco Paredes\***  
Member

## Member Services Committee

**Sergio Ardila**  
Chair  
**Jorge Roldan**  
Vice-Chair  
**Maria Eugenia Garcia-Lopez\***  
Secretary  
**Christian Gomez**  
Member  
**Javier Garcia Gomez**  
Member  
**Javier Leon**  
Member  
**Mike Gerasimos**  
Member  
**Maria Valeria Zemborain**  
Member  
**Anne Marie Lauschus**  
Member  
**Caroline Mariz**  
Member  
**William L. (Chip) Lusk, Jr.\***  
Member  
**Marco Paredes\***  
Member

\* Non-voting Member



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