

FOR IMMEDIATE RELEASE
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Natco wins \$776,500 in second coveted U.S. Treasury CDFI grant

Natco Credit Union (Natco) was chartered in 1944 to serve the employees of the National Automated Tool Co. Today, Natco serves people who live or work in the following Indiana Counties: Wayne, Fayette, Randolph, Henry, Rush, Union, and Franklin. Membership is also available to any industrial worker within a 25-mile radius of Richmond, and family members of an existing member.

Natco's mission is "helping people live better lives," and its vision is "to strengthen community through economic empowerment, one step at a time." Natco is a financial lifeline to the lower-income, working-class consumers living in the communities it serves.

Many of the consumers Natco lends to are credit-challenged. According to Prosperity Now¹, Indiana consumers have one of the highest rates of bankruptcy in the country: 4.4 per 1,000 people, compared to the national average of 2.9. To alleviate these and other problems, Natco will use the 2017 CDFI grant award to expand its affordable used-auto loans to lower-income and credit-challenged consumers. Natco aims to reduce the stress of car buying when members get preapproved and go to shop for their next vehicle. Through a relationship Natco has, members have access to search the inventory of thousands of vehicles – all of which come with a free Carfax report, a certified limited warranty, and a 12-month roadside assistance policy. Natco's predatory lender alternative auto loan program allows members to purchase a quality vehicle with a payment that works for their budget. This is extremely important for consumers who live paycheck to paycheck and can't save for unexpected expenses such as car repairs.

Natco will also use the grant award to grow its low-fee/low-rate Secured Credit Card program. The secured card allows members to enjoy the same benefits as those members with standard credit cards. This credit card offers no annual fee, a competitive interest rate, no fees on balance transfers or cash advances, a 25-day interest-free grace period for purchases, customized alerts, and access to account information through the credit union's credit card app. This product is valuable to many with credit and income challenges, as it helps to control debt escalation and provides a safe tool for credit building.

This is not the first time Natco has been recognized with a grant by the U.S. Treasury for its work to assist lower-income, working-class consumers. In 2012, Natco was recognized with its first U.S. Treasury CDFI grant award for \$313,606. This grant award was used to create the

¹ <https://scorecard.prosperitynow.org/data-by-location#state/in>

Natco Community Empowerment Center (NCEC). The purpose of NCEC is to serve the lower-income, asset-poor people living in Wayne and Fayette counties. At the Center, consumers can be connected to immediate needs resources. The NCEC staff helps people improve credit through education and budgeting, assists with resume preparation and mock interviews, and conducts training sessions. In 2016 alone, 12,158 consumers were served directly by the NCEC.

“When it comes to putting people before profits and finding unique ways to financially serve hardworking, working-class Americans, Natco is a national best practice,” said Scott Butterfield, principal of the credit union consulting firm Your Credit Union Partner. “It’s simple: each time Natco helps someone with a lower income and credit challenges gain access to an affordable (and reliable) used-auto loan, or opportunities to build credit, it helps that consumer improve credit and retain or improve their job and have a better quality of life. What they do matters.”

“We worked with Your Credit Union Partner to develop a strategy for our grant application,” continued Natco President and CEO Cynthia Duke. “Several years ago, we recognized the common challenges in our community: credit challenges, lower-income, and limited access to affordable loans. Providing lending solutions at a fair rate and working with each member individually, we are able to find solutions that put people on the path of financial stability.

“Our staff continually looks for opportunities to share information about our loan alternatives. We are excited that this grant will allow us to reach more people with our predatory lender alternative solution. Basic transportation is challenging for many. This can have a ripple effect when someone purchases an inexpensive vehicle without a warranty, and then it breaks down. The result becomes that they can’t afford the repairs and risk not being able to get to work. Our goal is to help members get reliable vehicles with payments they can afford.”

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