

year down

And we're just
getting started

2009 Annual Report



REALTORS[®]
Federal Credit Union

It started with

You



Report of the Chairman and President and CEO

The year started with America's newest credit union in the midst of a herculean effort to build REALTORS® Federal Credit Union from scratch and open our virtual doors in time for REALTORS® Midyear Legislative Meetings & Trade Expo. That meant assembling and transitioning the National Association of REALTORS® (NAR) Credit Union Task Force into a functioning credit union Board of Directors, assembling and educating the credit union's Supervisory Committee, hiring staff, shaping our brand, selecting and securing vendor contracts and developing, configuring and integrating technology with over thirty partners. We did it! The first-ever totally virtual credit union opened on May 1, 2009 and was unveiled at NAR's Midyear.

Like any start-up company, we had a few growing pains. There were no existing business models for us to reference when developing the world's first (and still only) virtual credit union. We've learned many valuable lessons this year and with each member interaction, we're getting more educated about what our members need. We remain focused on continuous improvement of our member service experience.

In an effort to create awareness among REALTORS®, your credit union was extremely active throughout 2009 at NAR events as well as numerous state and local association and large broker events. While NAR is The Voice for Real Estate®, REALTORS® FCU is the trusted financial partner for trusted real estate professionals who now have a credit union to call their own. "Welcome to YOUR Credit Union!" is the mantra that we carry to the field and we developed a Member Spotlight initiative and social media marketing presence to create a venue for members to share their stories and stay connected. At REALTORS® FCU, members can experience a common bond and uncommon benefit and our members are our best marketing ambassadors.

At the end of 2009, total assets exceeded \$38.7 million, our loan portfolio exceeded \$23.2 million and our membership exceeded 3,900. We're proud to be a safe, sound and secure source for deposit and borrowing needs and we strive to be the first choice in our members' minds. REALTORS® FCU is sensitive to the work habits and lifestyles of busy real estate professionals. This understanding delivers real partnership as our members can avoid many of the problems they face when dealing with other lenders.

Your credit union will continue to evolve — all for the better. Each change and every activity is designed to enhance the value of your REALTORS® FCU membership. We're very proud of the credit union we have built and the reputation we're earning each day. 2010 is off to a great start and we look forward to another exciting year as we continue to fulfill our mission to guide our members to securing financial independence.

We sincerely thank our members and staff for their dedication and loyalty. We also want to recognize the dynamic, visionary leadership provided by our Board of Directors; and the oversight provided by our Supervisory Committee.



Thomas A. Glatt
President and CEO



Mike Brodie
Chairman

Welcome to YOUR Credit Union! Where You (and your money) Belong.

With the launch of REALTORS® Federal Credit Union in May of 2009, REALTORS® now have a banking resource that was designed specifically with their needs in mind. REALTORS® FCU is the first virtual credit union, founded by the National Association of REALTORS® (NAR), America's largest trade association which represents over 1 million members involved in all aspects of the residential and commercial real estate industries. REALTORS® FCU is sensitive to the work habits and lifestyles of busy real estate professionals, most of whom are independent contractors compensated by commissions. As a proud partner in NAR's REALTOR Benefits® Program, REALTORS® FCU offers customized products & services to meet the unique financial and cash flow needs of REALTORS®.

Why a credit union? A not-for-profit structure means we put people over profit and we're member-owned and member-operated. Members experience real partnership at REALTORS® FCU, because earnings accrue to benefit members, not stockholders. This along with a partnership with NAR means we are an integral partner in the financial success of our members. NAR is The Voice for Real Estate® and REALTORS® FCU is the trusted financial partner for trusted real estate professionals.

Announcing a New NAR Member Benefit

As a proud partner in NAR's REALTOR Benefits® Program, REALTORS® FCU closely collaborated with NAR to develop ongoing communications announcing the launch of a new credit union to serve real estate professionals. We're also proud to have achieved "Preferred Partner" and "Approved Vendor" status with several state associations and Keller Williams Realty. Beginning in May through December of 2009, REALTORS® FCU supported over 30 national, state and local real estate association and broker expos and conventions to help raise awareness about the new benefit of credit union membership.



One Year Down (and we're just getting started)

In 2009, the credit union experienced strong membership, deposit and loan growth. This success emphasizes the importance we place on investing in technology, systems, processes and service providers to improve the efficiency and functionality of our service delivery and enhance our members' experience. Additional investments in products, services, programs and staffing demonstrate our ongoing commitment to serving the immediate and future financial needs of our membership. We're well positioned and well prepared for growth.

You

make us possible



Our Mission Statement

To be an innovative, secure and responsible financial services provider to REALTORS® and through unique understanding and real partnership, guide our members to securing financial independence while supporting NAR's mission and benefitting the greater community.

A Convenient Alternative to Big Box Banking

A virtual credit union offers real advantages. Busy real estate professionals deserve the freedom to manage their finances online anytime, from anywhere without a branch. Our virtual branch is always open, always ready and is supported by a 24-hour Member Care call center. With convenient and secure 24-hour online access, our virtual branch offers personal and business services (currently business deposits), federally-insured deposits, fewer fees and highly competitive interest & dividend rates on a variety of savings, investments and loans. Members also enjoy innovative technology and a full suite of online services such as online membership, account and loan applications, check deposits using a scanner and an ATM Locator.

Freedom Loan Helps Make the Holidays More Affordable

REALTORS® FCU understands that the holidays can be financially challenging, especially in a tough economy. During the 2009 holiday season, our Freedom Loan offered up to \$5,000 cash at a great fixed rate and the option to make no payment for 90 days. More than 360 members took advantage of our Freedom Loan that delivered more than \$1.7 million in personal loan financing during tough economic times. The Freedom Loan helped members avoid the high interest credit card debt trap and expressed how REALTORS® FCU practices responsible lending that is consumer-friendly.

SimpliCD Helps Simplify Investments and Maximize Growth



In 2009, REALTORS® FCU launched a certificate of deposit program that enables our business account holders to easily manage multiple certificate investments while maximizing federally insured deposit coverage. This turnkey program combines the safety of certificate investing with the advantages of competitive rates and consolidated reporting. SimpliCD is an example of our commitment to help simplify money management.

Working to Build Success Together

In an effort to help associations and other real estate organizations enhance their benefits package and the value of their membership or affiliation, REALTORS® FCU developed a Partner Program. For helping to promote the benefit of credit union membership with free marketing tools, our Partners can earn exciting financial and promotional incentives. This program was developed for rollout in early 2010 and we look forward to working to build success together, one Partner at a time.

You

belong where you bank

We're here for

You

Connecting With Our Members

Because we're virtual, we miss out on daily face-to-face interactions with our existing and future members. We enjoy connecting with our online community of over 1,600 Facebook fans and over 870 Twitter followers. Social networking helps us maintain ongoing dialogue and keeps our online community informed about financial issues and what's happening at their credit union.



We're Here for REALTORS® *(take it from our members)*



David Tangvald
Member since
August 2009

We understand the value of members sharing their unique story about their experience with their credit union. Several individual and business members have participated in our Member Spotlights. Why did you join? What do you look for in financial services provider? How is your relationship with REALTORS® FCU different? Our members answer these questions and more. Visit REALTORSFCU.ORG and read our Member Spotlights to understand why REALTORS® FCU is the trusted financial partner to trusted real estate professionals.

We're Here for You *(in good times and bad)*

Our members understand that REALTORS® FCU is a secure foundation upon which they can build a stable financial future. 2009 was a tough year for many. When our members needed us most, REALTORS® FCU was able to fulfill its mission to guide our members to securing financial independence. Total membership grew to over 3,900 and assets exceeded \$38.7 million at the close of 2009. Through the cooperative resources of our membership, we helped our members in difficult economic times by delivering more than 870 loans providing more than \$23.2 million in affordable financing to our members who trust us with over \$28 million in deposits. We're also proud to have made the American dream of home ownership more affordable for many members. After all, REALTORS® deserve to achieve the same benefit of home ownership they help their clients achieve every day. We attribute our success to the loyalty of our members and the passionate dedication of our staff and volunteers.



REALTORS® are having a cash flow problem. We're coming off of three very bad years. Members are struggling just to make ends meet. We are turning the corner in our market and it's great to have a credit union who can offer our members the help they may need to finance a new car, buy a computer or fix up their office. It's a great comfort to our members.

Christine Todd, NVAR's CEO and association executive for over 30 years.

STATEMENT OF FINANCIAL CONDITION*

ASSETS	2009
	<i>(May through December)</i>
Loans to Members (Net)	22,993,411
Cash On Hand	13,430,732
Investments	17,300
Accrued Interest Receivable	94,990
Property and Equipment (Net)	356,272
Deposit in NCUSIF	-
All Other Assets	1,880,038
Total Assets	38,772,743
LIABILITIES AND MEMBERS' EQUITY	
Accrued and Other Liabilities	292,739
Dividends Payable	-
Total Liabilities	292,739
MEMBERS' EQUITY	
Members' Shares	28,874,399
Regular and Contingency Reserves	9,605,605
Total Members' Equity	38,480,004
Total Liabilities and Members' Equity	38,772,743

STATEMENT OF OPERATIONS*

OPERATING INCOME	2009
	<i>(May through December)</i>
Interest on Loans	240,658
Interest on Investments	26,273
Other Income	59,491
Total Operating Income	326,422
OPERATING EXPENSES	
Employee Compensation & Benefits	2,860,902
Travel and Conferences	179,973
Office Occupancy	196,475
Office Operations	95,480
Education and Promotion	332,333
Loan Servicing	8,760
Professional and Outside Services	1,412,948
Provision for Loan Losses	234,357
Miscellaneous	43,920
Total Operating Expenses	5,365,148
Net Operating Income	(5,038,726)
Dividends	96,810
Net Operating Income (after Dividends)	(5,135,536)
Non-Operating Income	5,000,000
Net Income	(135,536)

*Credit Union formed in May, 2009

Report of the Supervisory Committee



Benny McMahan
Chairman

The Supervisory Committee monitors the operation of the Credit Union to ensure that the best interests of our members are always being served. To this end, we oversee the accounting functions and make certain that all procedures, laws and regulations are followed. The Committee also handles inquiries from individual members and the National Credit Union Administration (NCUA) concerning application of policies, procedures and regulations. To help us conduct a thorough examination for 2009, the Supervisory Committee utilized the services of an independent accountancy corporation, LarsonAllen LLP, to perform a detailed audit of the Credit Union. In addition, the NCUA performed regularly scheduled federal examinations. Both audits are prescribed by law and used, in conjunction with sound management, to assure safe and accurate operational practices. Based upon our reviews, we are pleased to report that your Credit Union is being operated in a safe and sound manner and that the financial statements accurately reflect the Credit Union's financial condition. Likewise, we are confident that the policies established by your Board of Directors are being effectively maintained to serve and protect the Credit Union and its members.

Board of Directors



(Top row from left): Russell C. Salzman, Jeff Barnett, Dean Wickstrom (served partial term), Mike Brodie, Dale A. Stinton, Mary C. Antoun, David C. Charron, Don Asher
(Bottom row from left): Thomas A. Glatt, Alan Yassky, James Helsel, Bob Goldberg
(Not pictured): David S. LeCraw, Richard Rosenthal

Supervisory Committee



(From left): Benny McMahan, Christina P. Clemans, Beth L. Peerce, John Fridlington, David S. LeCraw (current Director)
(Not pictured): Martin Edwards



REALTORS[®]
Federal Credit Union

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REALTORSFCU.ORG

We're here for you

*Printed with soy-based inks on eco-friendly paper.
Please recycle.*

