



2023

Texas Tech Credit Union Annual Report



The new Operations campus located in southwest Lubbock was completed February of 2023.





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ON THE COVER:
Texas Tech Credit Union's
newly redesigned website
launched in November 2023.

REPORT OF THE CHAIRMAN AND CEO



Ronald Phillips, J.D.
Board Chairman



Chris Hutson
Chief Executive Officer

As we reflect on the journey of Texas Tech Credit Union over the past year, we are proud to present the results in our 2023 Annual Report. Despite the various challenges we encountered, our collective efforts have built a stronger institution, reinforcing our commitment to excellence and innovation in serving our members.

Throughout 2023, our membership continued to expand, nearing 34,000 individuals. Your trust and backing have played a pivotal role in shaping the success and influence of our credit union across Texas. The impact of the work you all undertake in the communities and industries we serve cannot be overstated.

For credit unions nationwide, 2023 posed one of the most demanding rate environments on record. Despite rising rates leading to reduced overall loan demand, it proved beneficial for members seeking yield on deposits. Texas Tech Credit Union successfully met its objectives of rewarding members while safeguarding the financial strength of the organization. To our Board of Directors and our Supervisory Committee members, we extend our heartfelt gratitude for your unwavering leadership and foresight. Your guidance has been indispensable in navigating the challenges of the past year and positioning our credit union for sustained growth and prosperity. Likewise, we extend our appreciation to our dedicated team of over 120 employees, whose unwavering commitment to our members continues to propel our credit union forward.

In 2023, we celebrated numerous milestones and achievements that underscore our dedication to member service and value creation:

Milestones achieved in 2023 include:

- Membership expanded to nearly 34,000 members.
- We commenced offering full-service banking to members in Abilene, Texas, through our merger with Abilene FCU in February 2023.
- Total assets increased to \$386 million.
- We maintained competitive rates for mortgages, consumer loans, and deposits.
- Loans outstanding rose to \$315 million.
- Deposits grew to \$336 million.
- We originated close to 1,000 mortgage loans totaling \$237 million in production.

Looking forward, our commitment to enhancing member experience remains unwavering. We continue to invest in cutting-edge technology and innovative solutions, ensuring that our members can access our services conveniently and securely, anytime and anywhere. Our focus remains on prioritizing member needs and delivering value at every interaction.

We are proud to present our 2023 Annual Report, which encapsulates our achievements and underscores our commitment to members. Thank you for your trust and support. Your confidence in Texas Tech Credit Union inspires us to aim for even greater heights as we strive to fulfill our vision of meeting needs and creating value.

Ronald Phillips *Chris Hutson*

Our field of membership represents one of the brightest sources of growth across Texas.



We recognize and support the following membership groups:

Students attending the following schools:

Texas Tech University | Texas Tech Health Sciences Center

Employed by or retired from the following school or school district:

Texas Tech University | Texas Tech Health Sciences Center | Lubbock Christian University | Lubbock Cooper ISD | Floydada ISD | Frenship ISD | Idalou ISD | Lockney ISD | Lorenzo ISD | Lubbock ISD | Memphis ISD | Motley County ISD | New Deal ISD | New Home ISD | O'Donnell ISD | Patton Springs ISD | Post ISD | Ralls ISD | Roosevelt ISD | Shallowater ISD | Slaton ISD | Southland ISD | Spur ISD | Tahoka ISD | Turkey-Quitaque ISD | Wilson ISD

Member of, or employed by or retired from:

Texas Tech Alumni Association | Mount Zion Baptist Church in Abilene

Employed by or retired from one of the following employers:

Children's Home of Lubbock | South Plains Electric Cooperative | Central Plains Center | Floyd County and Floydada | Lynn County Hospital District who work in Tahoka | Lynn County | Garza County | City of Tahoka | City of O'Donnell | City of Abilene | Texas Tech Credit Union | West Central Texas Council of Governments who work in Abilene | Governmental units who are members of the West Central Texas Council of Governments that are not eligible for another employee type credit union in the region | Abilene Transit Management, Inc. who work in Abilene | Kincaid Auction Service House, Inc. who work in Abilene | Lawrence Hall of Abilene who work in Abilene | Terminix who work in Abilene | West Texas Glass, Inc. who work in Abilene | Central Appraisal District of Taylor County | Nolan County Central Appraisal District who work in Nolan County | Western Marketing, Inc. who work in Tye | ACME Sign & Plastics Company who work in Abilene | Hanner Chevrolet who work in Baird | Armstrong Electrical Supply who work in Abilene | Levrets Office Machines who work in Abilene | EBAA Iron, Inc. who work in Eastland | AT&T who work in Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hockley, Kent, Lamb, Lubbock, Lynn, Motley, Terry, or Yoakum County

Persons who live, work, worship, or attend school in, and businesses and other legal entities located in an underserved area of:

Taylor County | Mitchell County

BOARD OF DIRECTORS



Ronald Phillips, J.D.
Chairman



Will Armstrong, Ph.D.
Vice-Chairman



Kim Turner, CPA
Secretary



Russell Dabbs, Ph.D.



Dale Duhan, Ph.D.



Eric Fisher, CPA



Vince Fell



Kay Rhodes



Rick Rodriguez



Texas Tech Credit Union and Raider Red

Texas Tech Credit Union has been a proud sponsor of the Raider Red program since 2012.

SUPERVISORY COMMITTEE



Chris Smith
Chairman



Eric Gossett



Mindy Patterson



Dottie Durband, Ph.D.

EXECUTIVE TEAM



Chris Hutson
Chief Executive Officer



Eric Lundberg
Chief Operating Officer



Monty Long
Chief Financial Officer



Brian Jackson
Chief Information Officer



Sarah Daghistry
Chief of Staff

We're your first purchasing



Haden Lipham
NMLS# 1644599

Whitney Chaney
NMLS# 1213629

Alex Ramirez
NMLS# 1752626

Larissa Cable
NMLS# 525982

From setting a budget to closing the deal, Texas Tech Credit Union's mortgage experts are here to guide you through every step of the process.

First step toward owning a home.



Tom Couture
NMLS# 842717

Kali Arredondo
NMLS# 2331602

Brett Dunlap
NMLS# 446649

Bert Rogers
NMLS# 338237



Get started in minutes
by scanning the code or visit
[texastechfcu.org/home-loans](https://www.texastechfcu.org/home-loans)

 Equal Housing Lender | Federally insured by **NCUA**

REPORT OF THE CFO



Monty Long
Chief Financial Officer

As of December 31, 2023, the assets of your credit union totaled \$386 million. At an annual growth rate of 12.6 percent, this outpaces the average growth rate of 4.1 percent for all credit unions for the year. These financial results also include the effects of the merger with Abilene FCU which was completed in February 2023. Through this combination we added \$12.4 million in loans and \$25.5 million in total share deposits among an additional 3,000 members. We are excited about the opportunities this merger will bring in the years ahead as we expand our presence and grow our membership in the Abilene market.

Total loan balances grew during 2023 by almost 12 percent to end the year at \$315 million. This growth rate is also in excess of the industry average of 6.7 percent and is a result of making almost \$89 million in consumer loans to our members. While the overall level of interest rates continued to increase during 2023, we remain committed to making loans quick, easy, and at the lowest rates possible.

Member shares in the credit union were \$336 million at the end of the year, representing an increase of almost 17 percent. The competition for deposits remains high as deposit rates also continued to climb during the year. In that light, we are proud of the deposit growth we were able to achieve and recognize that it would not happen without the loyalty of our membership. In terms of overall profitability, our return on assets (ROA) for 2023 was 0.52 percent which is an increase over the results of 2022. We continue to focus on providing membership value through lower rates on loans and higher rates on our deposit offerings in this competitive rate environment. As a result, this puts downward pressure on our net interest margin which is one of the main sources of income for all financial institutions. This trend is not unique to our credit union, rather, it is shared by the vast majority of banks and credit unions. However, we have been able to offset this reduction in income in part through working to lower our overall operating expense thereby making us more efficient.



We continue to focus on providing membership value through lower rates on loans and higher rates on our deposit offerings.

The current interest rate environment also continues to slow our residential mortgage production business. However, we still originated over \$230 million in residential mortgages in almost 1,000 transactions. We continue to increase our share of production in the Lubbock market as we serve our members with the most efficient homebuying process at the lowest rates.

The net worth of the credit union totaled \$40.9 million as of year-end which results in a net worth ratio of 10.64 percent. That ratio is relatively unchanged from the previous year and underscores our ability maintain this strong net worth position as the credit union continues to grow.

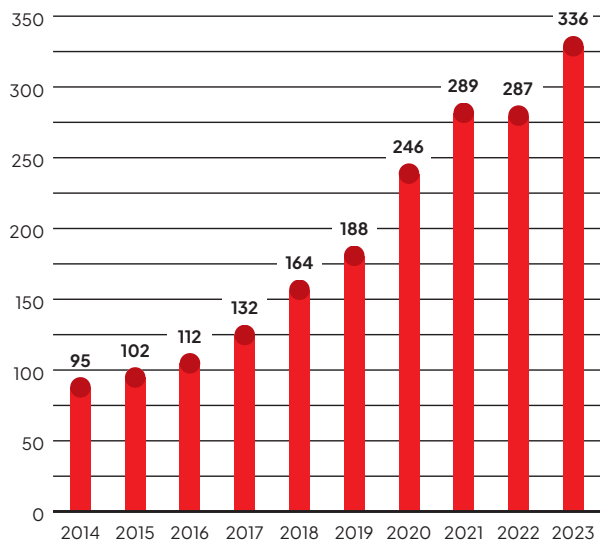
Your credit union remains a strong and secure institution because of you. We thank you for your continued membership and support.

A handwritten signature in black ink that reads "Monty Long". The signature is written in a cursive, flowing style.

FINANCES AT A GLANCE

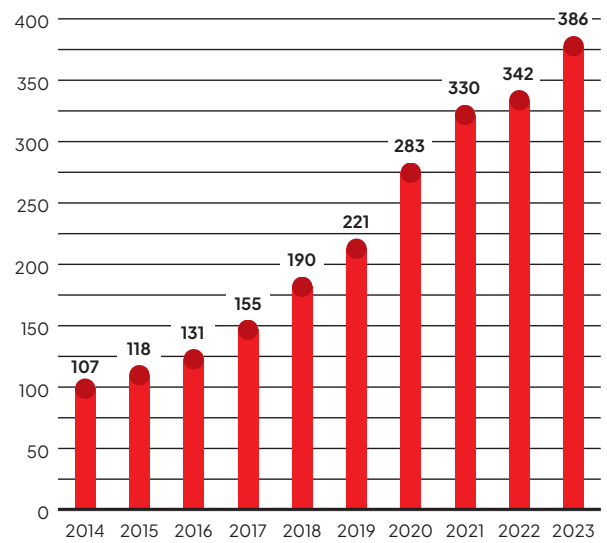
MEMBER DEPOSITS

IN MILLIONS



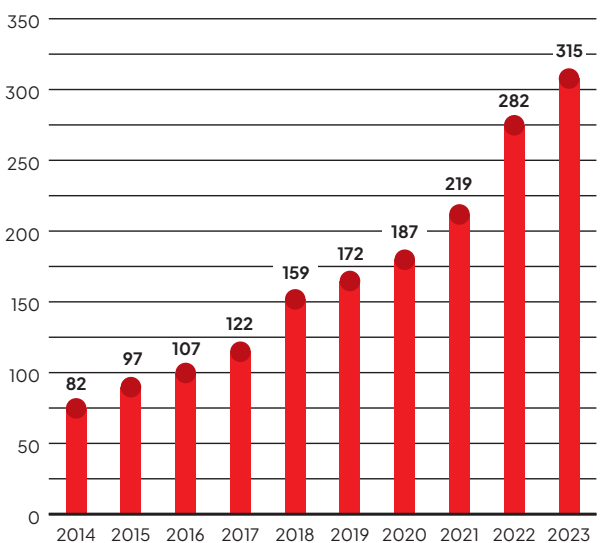
TOTAL ASSETS

IN MILLIONS



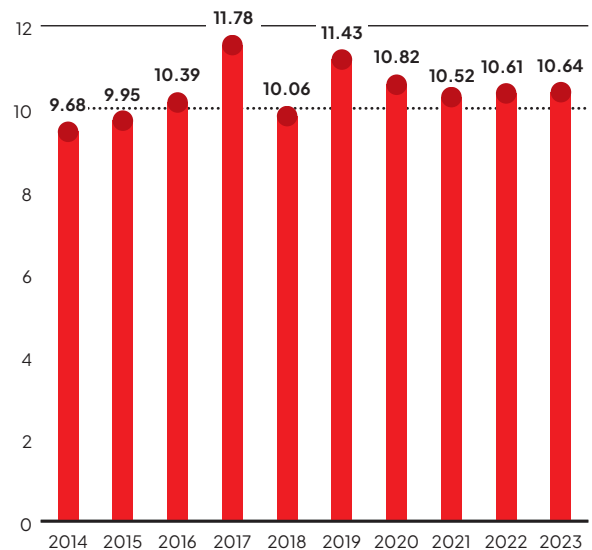
TOTAL LOANS

IN MILLIONS



NET WORTH

IN PERCENTAGE



2023 HIGHLIGHTS

We Finished the Year
33,607
Members Strong



Our members range from students to healthcare workers to retirees. Scan the code or visit www.texastechfcu.org/about to view our member affiliations.

Texas Tech Credit Union and Lubbock Telco Federal Credit Union

received approval to become one credit union under the Texas Tech Credit Union name and merged on February 1, 2024.



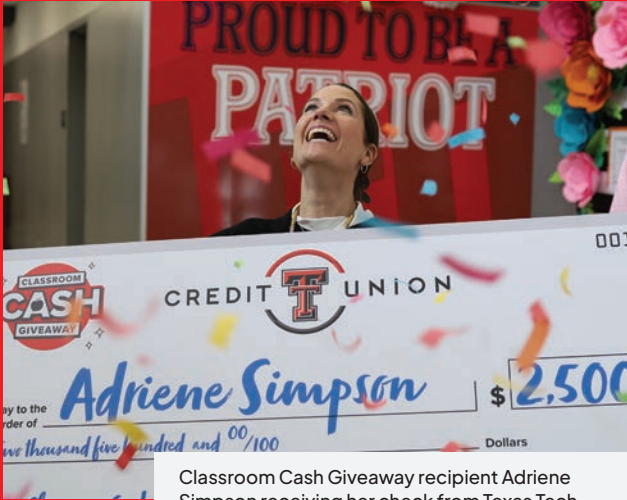
We expanded to Abilene.

We now have a full-service branch to serve our members who call The Big Country home.



New Operations Campus

Our support center, consumer and mortgage loan officers, lending support staff, operations team, and marketing team moved into the new Operations building in February 2023. The new campus sets us up for future growth and expansion.



Classroom Cash Giveaway recipient Adriene Simpson receiving her check from Texas Tech Credit Union.

We gave over \$126,000 back to the community

through scholarships, teacher grants, Raider Red support, non-profit sponsorships, and more!



Our employees donated \$30,880 to United Way



Aaron Rocha, Consumer Loan Officer (right), served as a United Way Loaned Executive. Tyler Young, Consumer Banking Director (not pictured) also served as a Board Member.



Chris Hutson, CEO, and Mortgage Loan Officer, Kali Arredondo, cut the ribbon at the grand opening of the new Mortgage office in Amarillo.

REPORT OF THE SUPERVISORY COMMITTEE



Chris Smith
*Supervisory Committee
Chairman*

The Supervisory Committee consists of board-appointed volunteer members committed to ensuring the safety and security of the assets of the Texas Tech Federal Credit Union. Collectively, the members of the Supervisory Committee possess experience in education, information systems, human resources, and finance.

The goals of the Committee are to ensure that the Credit Union has met required financial reporting objectives and that management has established practices and procedures to sufficiently safeguard members' assets. In order to achieve those priorities, the Committee annually undertakes the following steps:

- Engage an external audit firm to conduct the Credit Union's 2023 annual financial audit. Management is responsible for the financial statements and the financial reporting process, including internal controls. In fulfilling its oversight responsibilities, the Committee discussed the financial statements with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.
- Engage an internal audit firm to perform tests of internal controls. The audit firm periodically performs risk assessments and has scheduled periodic audits of accounts and reviews of policies and procedures, with periodic reporting to Management and the Committee.
- Engage an internal audit firm to conduct the required examination of the Credit Union's compliance with the Bank Secrecy Act and related federal anti-money laundering provisions.

In addition to the internal and external audits, the National Credit Union Administration (NCUA) performs regulatory examinations every 12 to 18 months covering major risk areas of the Credit Union's operations. NCUA conducted the latest examination as of September 30, 2023.

The Supervisory Committee meets regularly with the Board of Directors, the Management of the Credit Union, and as a committee. We are engaged with continued examination of our policy and practice. This committee meets quarterly to learn more about the operations of the Credit Union each year and to ask questions of our staff about their work.

As of this writing, we are pleased to report that the Credit Union's operations are safe, sound, and in compliance with all laws and regulations. We commend the Board of Directors and Management for another great year and appreciate the support given to the Committee.

If any member has a concern regarding the Credit Union, the Supervisory Committee is the entity to contact. All communications will be treated in an impartial and independent nature. Members may correspond confidentially with the Committee at:

Texas Tech Credit Union Supervisory Committee
c/o Audit Services
Box 41104
Lubbock, TX 79409-1104

Chris Smith
Supervisory Committee Chairman



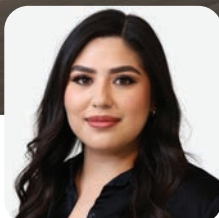
Meet our consumer lending team.

Our consumer loan experts are here to help you get rolling in the car of your dreams, or put cash in your hand for that next major purchase.



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Gilbert Silva
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Edwin Prieto

Consumer Lending Director
edwin.prieto@texastechfcu.org

Get started in minutes at [texastechfcu.org/auto](https://www.texastechfcu.org/auto)

Federally insured by **NCUA**





806.742.3606 texastechfcu.org

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Locations

MAIN BRANCH
1802 Texas Tech Pkwy
Lubbock, TX 79409

TTUHSC BRANCH
3601 4th St #1A98
Lubbock, TX 79430


RAVENWOOD BRANCH
4005 98th St
Lubbock, TX 79423

FLOYDADA BRANCH
230 West California St
Floydada, TX 79235

ABILENE BRANCH
4001 Catclaw Dr
Abilene, TX 79606

Texas Tech Credit Union Mortgage

AMARILLO
7659 Hillside Rd #300
Amarillo, TX 79119

 Equal Housing Lender | Federally insured by **NCUA**