



**TEXAS TECH CREDIT UNION
2022 ANNUAL REPORT**



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REPORT OF THE CHAIRMAN AND CEO



Ronald Phillips, J.D.
Board Chairman



Chris Hutson
Chief Executive Officer

Texas Tech Credit Union achieved remarkable results in 2022. We continue to build on the momentum of more than 60 years of serving our dynamic field of membership. We closed the year approximately 30,000 members strong and welcomed another 3,000 through our merger with Abilene Federal Credit Union in Abilene, Texas, on February 1, 2023.

Our members make an enormous impact on Texas. We are proud to support you as you serve our communities as educators, healthcare workers, and first responders. Thank you for what you do to make our communities stronger and better.

Thank you to our Board of Directors for your unwavering passion for serving members. Your leadership and commitment are unrivaled. We also thank our more than 120 employees for your hard work. You are truly the best in the business.

Our efforts in 2022 rewarded members with growth and financial health across all key measurable metrics. We grew in deposits and loans while sustaining healthy earnings. Our 2022 Annual Report demonstrates our success.

Milestones achieved in 2022 include:

- Our best-of-market rates resulted in strong demand for consumer loans and deposits.
- Our low mortgage rates helped 1,048 members purchase new homes, and 221 members save money through refinancing. In total, we originated more than \$330 million in mortgages.
- We grew total membership to almost 30,000.
- Total assets grew to more than \$340 million
- Our strong net worth position of more than 10.50% allowed us the flexibility to continue to innovate while staying committed to meeting needs and creating value.

Texas Tech Credit Union continues to invest in the best products, processes, and services for members. We are focused on delivering the highest level of member service while allowing members to transact business through the most convenient and innovative technology platforms.

Our passion for members drives us to pursue strategies that drive efficiencies while allowing us to innovate, simplify, and diversify how we deliver products and services. Our top priority will always be member service.

We are proud to present the 2022 Annual Report and look forward to another successful year in 2023. Thank you for your trust and membership.

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

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.



Dottie Durband, Ph.D.



Eric Fisher, CPA



Vince Fell



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

EXECUTIVE TEAM



Chris Hutson
Chief Executive Officer



Eric Lundberg
Chief Operating Officer



Monty Long
Chief Financial Officer



Brian Jackson
Chief Information Officer



Texas Tech Credit Union and Jarrett Culver

Texas Tech Credit Union is the official banking partner of The Culver Foundation.

Meet our Mo



Haden Lipham
NMLS# 1644599

Whitney Chaney
NMLS# 1213629

Alex Ramirez
NMLS# 1752626

Larissa Cable
NMLS# 525982



From setting a budget to closing the deal, our mortgage experts are here to guide you through the process.

rtgage Team.



Tom Couture
NMLS# 842717

Kali Arredondo
NMLS# 2331602

Brett Dunlap
NMLS# 446649

Bert Rogers
NMLS# 338237

Kevin Geeslin
NMLS# 1664708



**Get started in minutes
at [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

From a national economic perspective, the year 2022 was marked by headwinds, namely in the form of increased inflation or a rise in the prices of goods and services that consumers purchase. In response, the Federal Reserve began increasing short-term rates at a pace not seen in over 40 years. These macroeconomic forces have a direct impact on the financial performance of the credit union as well as every other financial institution.

As of December 31, 2022, your credit union's assets totaled \$342 million. At an annual growth rate of 3.5 percent, this is less than the double-digit growth rates of the past two years but is comparable with the average growth rate of all credit unions for the year.

Total loan balances grew in 2022 by 30 percent to end the year at \$282 million. This growth results from making almost \$130 million in consumer loans to our members. As market interest rates continue to increase, the credit union must remain a source of lower-cost financing for our membership, especially in the form of automobile loans. Our goal is to make the process of obtaining a loan fast and easy, and our ability to increase production this year indicates our success in this mission.

Member deposits in the credit union were \$287 million at the end of the year, remaining unchanged from the prior year. In this post-COVID environment of rising interest rates, most financial institutions find themselves competing with one another for deposits from consumers who are increasingly rate sensitive and looking to find the best return on their funds. This makes deposit growth more difficult in the near term, but your credit union is committed to providing the best products and rates to reward our current members and attract new ones.

Return on assets (ROA) for 2022 was 0.46 percent which was lower than that achieved in 2021. The reduction in profitability for 2022 is attributable to two things, both of which are related to the rise in interest rates during the year. First, the total dividend amount paid to our members was higher in 2022 versus 2021 and outpaced the growth in interest income from loans, resulting in a net decrease in interest income for the year. Second, the income generated from our mortgage department was lower in 2022. As rates on mortgage loans increased quickly, the volume of mortgage originations decreased in response, falling to approximately \$330 million. However, it should be noted that year over year, we continue to increase our share of mortgage originations in the Lubbock market.

The credit union's net worth totaled \$36.2 million as of year-end, resulting in a net worth ratio of 10.61 percent. This ratio grew slightly from the 2021 result and indicates that we continue to produce sufficient net income to support the overall growth of the credit union's assets. This level of capital also puts us in a strong position as we move into 2023.

Thank you for your continued support of Texas Tech Credit Union.

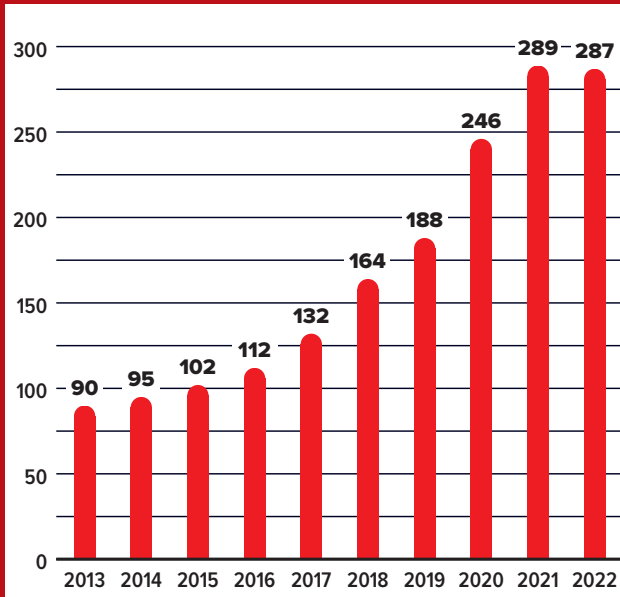
A handwritten signature in black ink that reads "Monty Long". The signature is written in a cursive, flowing style.

“ Our goal is to make the process of obtaining a loan fast and easy, and our ability to increase production this year indicates our success in this mission. ”

FINANCES AT A GLANCE

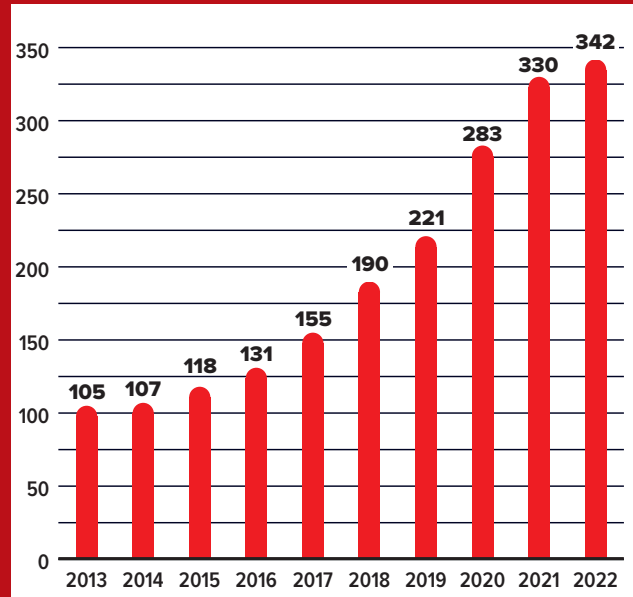
MEMBER DEPOSITS

IN MILLIONS



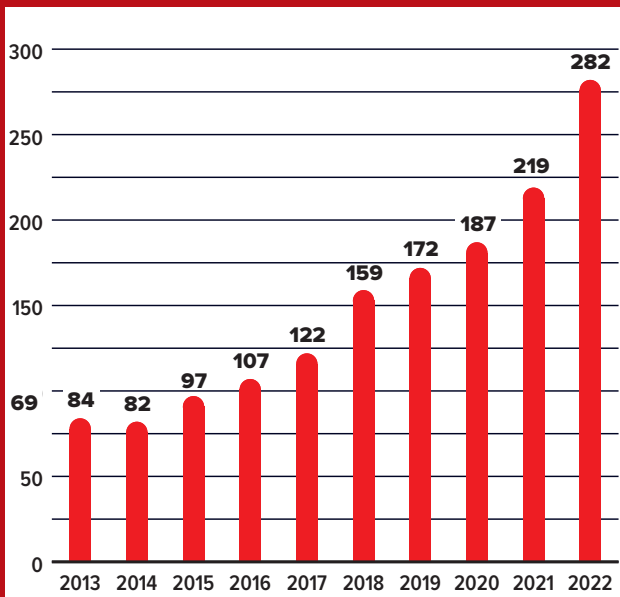
TOTAL ASSETS

IN MILLIONS



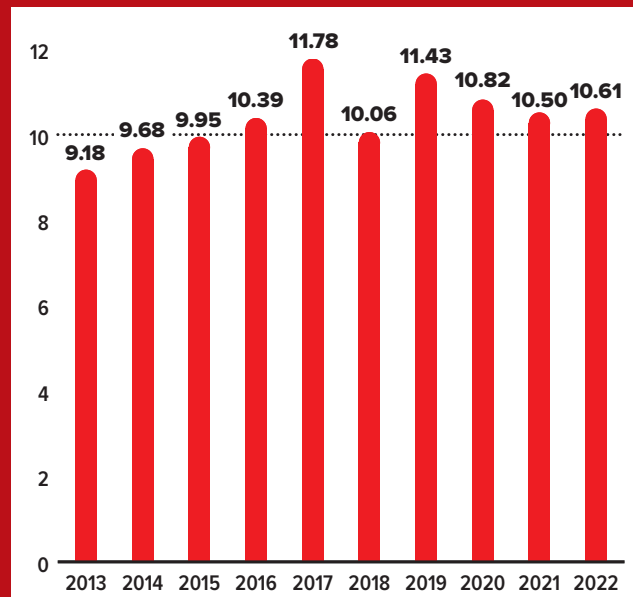
TOTAL LOANS

IN MILLIONS



NET WORTH

IN PERCENTAGE



2022 HIGHLIGHTS

We're **30,000** Texas Tech Credit Union Members Strong

Texas Tech Credit Union and Abilene Federal Credit Union received approval to become one credit union under the Texas Tech Credit Union name and merged on February 1, 2023.

We contributed to the creation of the Raider Red bronze statue.



Raider Red statue unveiling at the Northeast corner of the Frazier Pavilion.

We originated more than \$130 million in Consumer Loans.

* That's a **44%** increase from 2021.

We expanded to Amarillo.
We now have mortgage services in Amarillo and welcomed Kali Arredondo to our mortgage lending team.

This is Kali!



Classroom Cash Giveaway recipient Allison Sweet (second from left) receiving her check from Texas Tech Credit Union

We gave over \$200,000 back to the community

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



Tyler Young, Business Development Director (second from right), served as a 2022 United Way Board Member. Michelle Dempsey and Tira Karvas also served as Loaned Executives.



Our Employees donated \$30,880 to United Way

We introduced an improved digital banking experience.



Let's talk!

In our continued efforts to bring you the very best products and services, we upgraded our current checking and saving account products and introduced a simplified and innovative banking experience.

The new Texas Tech Credit Union app allows you to access new features such as credit scorecard, a 30,000+ fee-free ATM locator, and the ability to get paid up to two days early.*

*Direct deposit required. Receiving direct deposit funds up to two days early is dependent on when payment details were provided by the payer. If your deposit does not arrive early, it will arrive on your scheduled payday.

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 2022 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 for the one-year period ending March 31, 2020. Credit Union Management has positively addressed all concerns raised by NCUA.

The Supervisory Committee meets regularly with the Board of Directors, the Management of the Credit Union, and as a committee. We are engaged in 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 behind the wheel of your dream car with competitive rates and personalized service.



Edwin Prieto

Consumer Lending Director

Celso Garcia

806.503.7569

celso.garcia@texastechfcu.org

David Vasquez

806.767.0448

david.vasquez@texastechfcu.org

Gilbert Silva

806.767.0487

gilbert.silva@texastechfcu.org

Matthew Gill

806.767.0492

matthew.gill@texastechfcu.org



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

Federally insured by NCUA



806.742.3606 texastechfcu.org

Connect With Us [@texastechcu](https://www.instagram.com/texastechcu)



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 (KW)

3955 South Soncy Rd
Amarillo, TX 79119

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