



**2020 ANNUAL REPORT**

## REPORT OF THE CHAIRMAN AND CEO



**Ronald Phillips, JD**  
*Chairman*



**Chris Hutson**  
*Chief Executive Officer*

2020 was a challenging year for Texas Tech Credit Union and our more than 26,000 members. While the credit union's core businesses thrived, the effects of COVID-19 on our members, the community, and our employees dominated our efforts for much of the year. We wish everyone affected by the pandemic health and prosperity. Our commitment to member service has never been higher. We remain open for business and uniquely positioned to meet needs and create value for members.

The pandemic tested every business in every industry. We recognize and thank the Board of Directors for its tireless and committed leadership through the challenge. We also applaud our more than 100 employees for their innovative work. As a result of these combined efforts, the credit union experienced strong growth in deposits, loans, and earnings. Our 2020 Annual Report demonstrates our commitment to members.

### **Milestones achieved in 2020 include:**

- Total assets grew to more than \$280 million
- Our low mortgage rates helped 979 members purchase new homes and 800 members save money through refinancing. In total, we originated more than \$400 million in mortgages.
- We grew total membership to more than 26,000
- Our strong net worth position of more than 10.80% allowed us the flexibility to continue to meet the needs of members throughout the pandemic.
- We held a successful and well-attended virtual annual meeting
- As a result of our investment in member service and technology, we remained accessible to our members throughout the pandemic. We were open for appointment only from the onset of the pandemic until May 2020. Since June 2020, our branches have been open for full service. We are proud that we operated throughout the pandemic while keeping employees and members safe.
- Our best of market rates resulted in strong demand for both consumer loans and deposits.

We continue to believe that Texas Tech Credit Union exists to deliver value to members and our product offering reflects that belief. Our execution of our vision to meet needs and create value rewards members with convenient, high-technology, high-touch solutions offered at competitive prices.

Our field of membership represents one of the brightest sources of growth for Lubbock and the surrounding communities. We recognize and support the following membership groups: Texas Tech University and Texas Tech Health Sciences Center faculty, staff, and students · Texas Tech Alumni Association members · University Medical Center employees · Lubbock Christian University faculty and staff · Children's Home of Lubbock employees · South Plains Electric Co-Op employees · Central Plains Center employees · Floyd County and Floydada City employees · Lynn County Hospital employees | Lynn and Garza County and City employees · Plainview employees · Cooper ISD · Floydada ISD · Frenship ISD · Idalou ISD · Lockney ISD · Lorenzo ISD · Lubbock ISD · Memphis ISD · Motley 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 · Valley Schools · Wilson ISD

We look forward to continued growth through service to members. Our commitment to pursuing what is good for our members will never waver. Thank you for your trust and partnership. We look forward to reporting on another successful year in 2021.

*Ronald Phillips*      *Chris Hutson*



**2020 HIGHLIGHTS**

**WE'RE NOW MORE THAN**

**26,000**

**TEXAS TECH CREDIT UNION MEMBERS STRONG**

**TOTAL ASSETS GREW TO MORE THAN**

**\$280,000,000**

**WE ORIGINATED MORE THAN**

**\$400,000,000**

**IN MORTGAGES**



**BOARD OF DIRECTORS**



**Ronald Phillips, JD**  
*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**



**Jeff Klotzman**



**Kay Rhodes**



## SUPERVISORY COMMITTEE



**Ben Lagasse**  
*Chairman*



**Vince Fell**



**Eric Gossett**



**Sherrelle Vaughn**



## EXECUTIVE TEAM



**Chris Hutson**  
*Chief Executive Officer*



**Eric Lundberg**  
*Chief Operating Officer*



**Monty Long**  
*Chief Financial Officer*



**Brian Jackson**  
*Chief Information Officer*

**Raider Red**  
*Chief Spirit Officer*



## REPORT OF THE CFO



**Monty Long**  
*Chief Financial Officer*

2020 was undoubtedly a year filled with unique questions and challenges that required a nimble approach and regular re-evaluation of decisions to address those challenges. Your credit union approached those challenges by placing the considerations of member service and long-term financial stability at the forefront. From navigating a mostly remote work environment to granting approximately 1,800 deferrals on loan payments totaling almost \$1 million, we were resilient and available to assist our members.

Despite the challenging year, the credit union's financial performance was outstanding and exceeded any other year in its 60-year history. During the past year, the balance sheet grew by over \$62 million to end the year at \$283 million. That is an annual growth rate of almost 30 percent! This balance sheet growth was fueled by an increase of member deposits of over \$58 million. Our regular share accounts, money market share accounts and share certificates were the accounts types that had the biggest gains over the past year. A portion of the deposit growth is a result of government stimulus payments which were deposited into members accounts. However, most of that growth was a result of both current and new members who have taken advantage of our superior products and competitive rates. Included in our strong net income results are dividends paid on shares of members totaling almost \$1.9 million. This represents a 7.62 percent increase over dividends paid in 2019.

Loan growth was also healthy at \$15 million or almost 9 percent. This growth was primarily in auto loans and in our second lien mortgage loans, a product which continues to perform well and is a beneficial offering to many of our members. In total, non-mortgage consumer loan originations exceeded 2,500 in count and \$50 million in volume for the year.

Our mortgage department had a phenomenal year in 2020. Historically low interest rates helped spark a refinance boom that pushed total originations to over \$400 million, almost double that of last year's production and is a new high for the credit union. This department continues to grow and represents our commitment to providing members with access to competitively priced mortgages.

The credit union also had a record year in terms of profitability with net income totaling \$5.38 million. That resulted in a Return on Average Assets (ROAA) of 2.14 percent and is more than double the previous year's result of 0.91 percent. In comparison, the national average ROAA for all credit unions is 0.66 percent. This profitability was driven in large part by the success of the mortgage department as previously mentioned. The increase in revenue from this operation allows for greater investment in technology, products and services that benefit our membership today and in the future. Our earnings performance for the year also allowed us to accommodate the incredible growth in our balance sheet while maintaining net worth. We ended the year with net worth of over \$30 million for the first time and a very healthy net worth ratio of 10.86 percent.

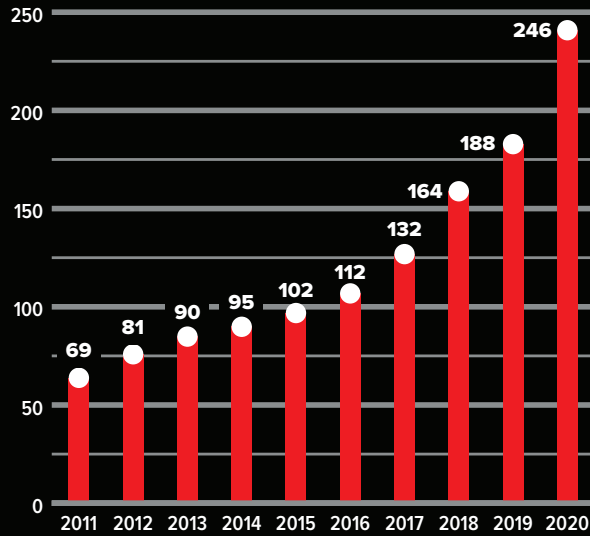
We would not be able to achieve this level of growth and resulting profitability without a talented and growing staff. In 2020, we added 27 staff members to support our growing operations and mortgage production. This investment in talent prepares us for long term success and the ability to take advantage of opportunities for growth in the ever-changing landscape of the financial services industry.

Thank you for your membership and support. We look forward to serving you in 2021 and beyond.

**Monty Long**  
*Chief Financial Officer*

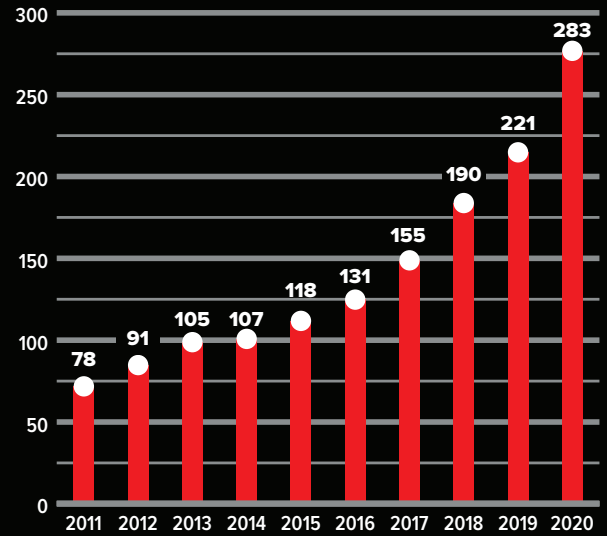
## MEMBER DEPOSITS

IN MILLIONS



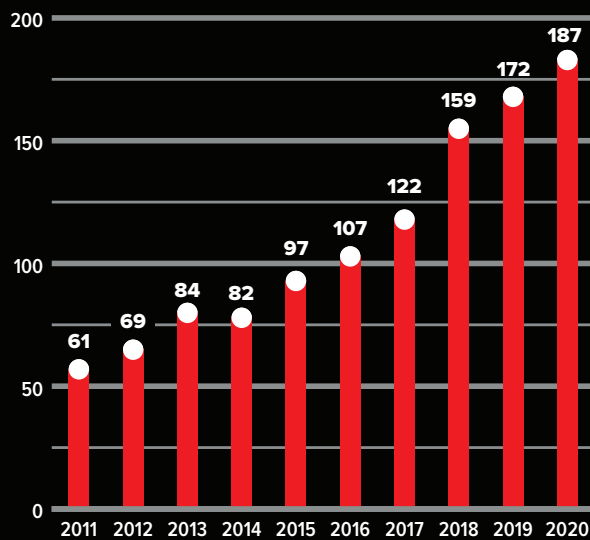
## TOTAL ASSETS

IN MILLIONS



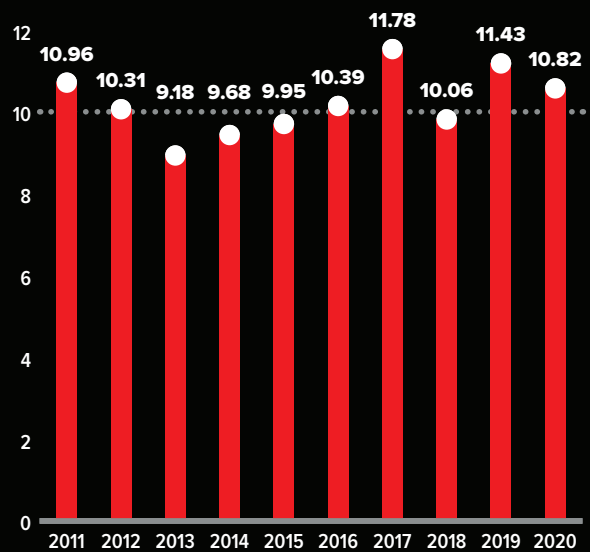
## TOTAL LOANS

IN MILLIONS



## NET WORTH

IN PERCENTAGE



## Texas Tech Credit Union Mortgage

# Get moving while mortgage rates are at all-time lows.

Texas Tech Credit Union Mortgage is here to guide you through the home-buying process one step at a time. We have an in-house mortgage program for buying and refinancing. We'll help find the loan that's right for you! Talk to a loan officer today.



**Jay Herrin**  
Mortgage Director  
806.252.0675 | NMLS# 338837  
jay.herrin@texastechfcu.org



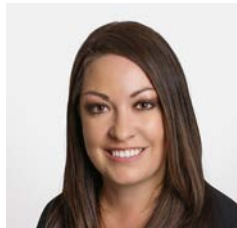
**Tom Couture**  
Mortgage Loan Officer  
806.773.0496 | NMLS# 842717  
tom.couture@texastechfcu.org



**Savanna Holton**  
Mortgage Loan Officer  
806.928.1090 | NMLS# 1142161  
savanna.holton@texastechfcu.org



**Brandon Eckert**  
Mortgage Loan Officer  
806.544.1741 | NMLS# 1499695  
brandon.eckert@texastechfcu.org



**Ashley Laycock**  
Mortgage Loan Officer  
806.681.7095 | NMLS# 1279963  
ashley.laycock@texastechfcu.org



**Bert Rogers**  
Mortgage Loan Officer  
806.441.8481 | NMLS# 338237  
bert.rogers@texastechfcu.org



**Kevin Geeslin**  
Mortgage Loan Officer  
806.500.1590 | NMLS# 1664708  
kevin.geeslin@texastechfcu.org



**Shaun Schimmelman**  
Regional Producing Manager  
469.404.5501 | NMLS# 1696826  
shaun.schimmelman@texastechfcu.org



**Ryan James**  
Mortgage Loan Officer  
512.584.5188 | NMLS# 509719  
ryan.james@texastechfcu.org



✔ New and Refinanced Mortgage Loans

✔ HAT Downpayment Grants

✔ Home Equity Loans

✔ Conventional, FHA, VA Loans

✔ Second Liens

✔ Jumbo Loans

Equal Housing Lender | Federally insured by NCUA

✔ **Get started in minutes at**  
[texastechfcu.org/home-loans](https://www.texastechfcu.org/home-loans)

## SUPERVISORY COMMITTEE



**Ben Lagasse**  
*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 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 perform an audit and conduct a verification of members' accounts. The CPA firm of Bolinger, Segars, Gilbert and Moss, LLP, performs the annual financial statement audit and member verification for the Credit Union. We are pleased to report the firm expressed an unqualified opinion in the 2020 audit.
- Engage and oversee an internal auditor to perform tests of internal controls. This year the Committee engaged Carr, Riggs & Ingram CPAs and Advisors to serve as the Credit Union's internal auditor. Carr, Riggs & Ingram 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. We are pleased to report that, to date, no significant internal control gaps have been identified.
- Engage the firm Waypoint Advisory Services, Inc. to conduct the required examination of the Credit Union's compliance with the Bank Secrecy Act and related federal anti-money laundering provisions. We are pleased to report the firm had no major findings with the program.

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.

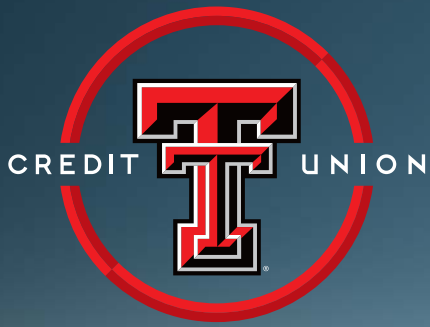
The Supervisory Committee meets regularly with the Board of Directors, the Management of the Credit Union, and as a committee. We are engaged with continued examination of our policy and practice. This committee meets quarterly to learn more about the operations of the Credit Union each year and to ask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

**Ben Lagasse**  
*Supervisory Committee Chairman*



## Texas Tech Credit Union puts you in the driver's seat to help reach your financial goals.

- ✓ Personal Loans
- ✓ Secured Loans
- ✓ Auto Loans

Before you shop, start with a pre-approval from Texas Tech Credit Union. Contact one of our expert consumer loan officers and be ready to roll in minutes.

Get started online at [texastechfcu.org](https://www.texastechfcu.org)



**Celso Garcia**  
Consumer Loan Officer  
806.503.7569  
[celso.garcia@texastechfcu.org](mailto:celso.garcia@texastechfcu.org)



**Matt Gill**  
Consumer Loan Officer  
806.767.0492  
[matthew.gill@texastechfcu.org](mailto:matthew.gill@texastechfcu.org)



**Gilbert Silva**  
Consumer Loan Officer  
806.767.0487  
[gilbert.silva@texastechfcu.org](mailto:gilbert.silva@texastechfcu.org)



**David Vasquez**  
Consumer Loan Officer  
806.767.0448  
[david.vasquez@texastechfcu.org](mailto:david.vasquez@texastechfcu.org)



806.742.3606 [texastechfcu.org](http://texastechfcu.org)

Follow us on social [@texastechcu](https://twitter.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

#### Texas Tech Credit Union Mortgage

**LUBBOCK (KW)**  
10210 Quaker Ave  
Lubbock, TX 79424

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

