

Making the Credit Union Difference -Through Partnerships



Bahamas Cooperative and Credit Union League poses with the Massachusetts Credit Union League. (l-r) Francis Davis, CEO, BCCUL; Rufus Johnson, vice president, BCCUL; Karen E. Duffy, CEO, Worcester Credit Union; Daniel Egan, CEO, MA CU League; and Eugene Foley, chairman, MA CU League.

The credit union difference manifests itself in many ways; interest in international credit union development is one of them. There are many people in the world who have yet to experience the benefits of credit union membership or who could be receiving improved services from their financial institution. Establishing an international partnership provides opportunities for organizations to play a greater role in the development of the global credit union community.

Nations around the globe are becoming increasingly interdependent. World Council's experience with international partnerships shows that they go well beyond financial and philosophical aspects: they establish bonds that ultimately affirm democratic principles, offer opportunities to learn about other cultures and create good will. All parties that agree to enter into formal partnerships benefit.

New York & Puerto Rico delegations pose for a photo outside of the Cooperativa de Ahorro y Crédito Abraham Rosa. (l-r) Diane LaVigna Wixted, executive director, NYCUF; William Mellin, CEO, NYSCUL; John Gibardi, board chairman, NYSCUL; and Luis Lopez, CEO, Abraham Rosa Credit Union, Puerto Rico.



In the last few months there has been a significant increase in the level of partnership activities. In addition to 12 formalized partnerships, WOCCU is working toward establishing four new relationships: New York/Puerto Rico, New Mexico/Alianza (Mexico), Massachusetts/Bahamas, and Texas/Jamaica.

The first step in establishing a partnership typically occurs when the parties visit each other to become acquainted with business environments, membership structures, regulations, and other challenges. In November of 2004 representatives of the New York State Credit Union League (NYSCUL), the New York Credit Union Foundation (NYCUF) and Empire Corporate Federal Credit Union visited San Juan in hopes of forging a relationship with Puerto Rican credit unions. For three days Luis Lopez, CEO of Cooperativa de Ahorro y Crédito Abraham Rosa, hosted the delegation from New York. In early March, the group met again when a delegation of several Puerto Rican credit unions visited Albany, New York to learn about the services provided by the League, the Corporate and individual New York state credit unions.

The Puerto Rico/New York partnership will be the first between a U.S. state league and a U.S. territory. Federally registered credit unions on the island must comply with the same federal rules and regulations as their counterparts on the U.S. mainland. Thus, compliance and regulation will be a key area of focus for this partnership. Another area of collaboration is training. Certain provisions of the regulations mandate that board and staff members continue to perfect their credit union skills through education. NYSCUL has an extensive curriculum that can be used to help Puerto Rican credit unions fulfill these requirements.

Another partnership between a Caribbean nation and a U.S. state is that of Massachusetts and the Bahamas. In November of 2004 representatives of the Bahamas Cooperatives and Credit Union League (BCCUL) took the first step toward a partnership when they visited the Massachusetts Credit Union League to become acquainted with their scope of services and products.

Taking advantage of the presence of the Massachusetts Board for the event, the Bahamian delegation gave a background presentation on their movement and their current challenges. As a result, several areas of cooperation were identified: youth involvement programs, education and training, governance best practices, credit union identity and branding, and dealing with mergers and takeovers.



The New Mexico Credit Union League and Alianza delegation pose for a photo in Mexico. (standing l-r) Oscar De Leon, project director, WOCCU-Bansefi; Ramon Cortes, credit union training manager, Alianza; Ignacio Chichitz, operations manager, Alianza; and Tomas Carrizales, CEO, Alianza. (sitting l-r) Victor Corro, project manager, WOCCU; Winona Nava, CEO, Guadalupe Credit Union; Linda Medina, board member, Guadalupe Credit Union; and Sylvia Lyon, CEO, Credit Union Association of New Mexico.

Similarly, a new relationship has been forged between Alianza, a trade association for credit unions in central Mexico, and the Credit Union Association of New Mexico. In December, 2004 a delegation representing the New Mexico Association visited León, Guanajuato to learn about Alianza's work. Alianza and its credit unions are heavily involved in microenterprise lending. The visiting delegation had the opportunity to interview several microentrepreneurs that have created businesses with loans from Alianza's member credit unions. They visited a shoe factory that is now selling its products through catalogs, and two family-owned micro businesses: a traditional Mexican bakery and a shop that manufactures accessories for cowboy hats.

The New Mexico credit union delegation visits a microentrepreneur and member of Alianza.



Both organizations agreed the best way to learn is by observing each other's operations. Alianza is interested in learning about loan product marketing, new product development, management of ATMs, credit and debit cards, and finding a balance between providing services to small and large member credit unions. As for New Mexico, their credit unions are providing services to a large percentage of Hispanics, especially those of Mexican descent. Both partners will work closely to conduct a comprehensive review of the services and products offered by credit unions in New Mexico to ensure that enhanced outreach efforts are effective and relevant to the Hispanic credit union member.

The newest groups to forge a potential partnership are the Jamaican Cooperative and Credit Union League and the Texas Credit Union League. After meetings of these two organizations over the years, a formal partnership is emerging. In the late 1990s one of WOCCU's projects—funded by the Inter-American Development Bank—was the strengthening of the Jamaica League. Texas credit unions provided several volunteer consultants to help achieve the project's goals.

This relationship is bringing results still today. At the request of the Jamaican League, two representatives

from the Texas League and one from WOCCU will travel to Jamaica for two weeks in May to facilitate a nationwide strategic planning seminar to identify the key issues facing the credit union movement and the League and ultimately provide input in determining a strategic plan for the continued growth, development and sustainability of the Jamaican credit union movement.

In addition to this first activity, Jamaica and Texas will also work on improving risk assessment, marketing, product development and member communication.

Credit union partnerships at the international level represent one of the most promising ways to make the credit union difference. Partnerships increase understanding of development challenges and effectively channel the resources of the worldwide credit union movement to respond to these challenges. World Council is encouraged by the success of existing international credit union partnerships and views them as essential in achieving its mission. Partnerships require cooperation, commitment and participation, which are the components of successful credit union development and key elements in making the credit union difference. 

—by Victor Corro
International Partnership Manager, WOCCU