



**TEACHERS**  
federal credit union

**2021**

**ANNUAL REPORT**

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Federally Insured by NCUA

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# TEACHERS MANAGEMENT

## BOARD OF DIRECTORS

Timothy M. Southerton  
Chairman

April S. Neitlich  
Vice Chair

Juan C. Nuñez  
Treasurer

Shalei V.K. Simms  
Secretary

George L. Dornhoefer

Michael J. Masse

Ronald A. Mincio

Robert J. Ney

Mario P. Shortino

Raymond P. Grossman  
Director Emeritus

F. Jane Harris  
Director Emerita

Franklin D. Spencer  
Director Emeritus

## PRESIDENT & CEO

Brad C. Calhoun

## SUPERVISORY COMMITTEE

James F. Nohe  
Chairman

Mark O. Israel  
Secretary

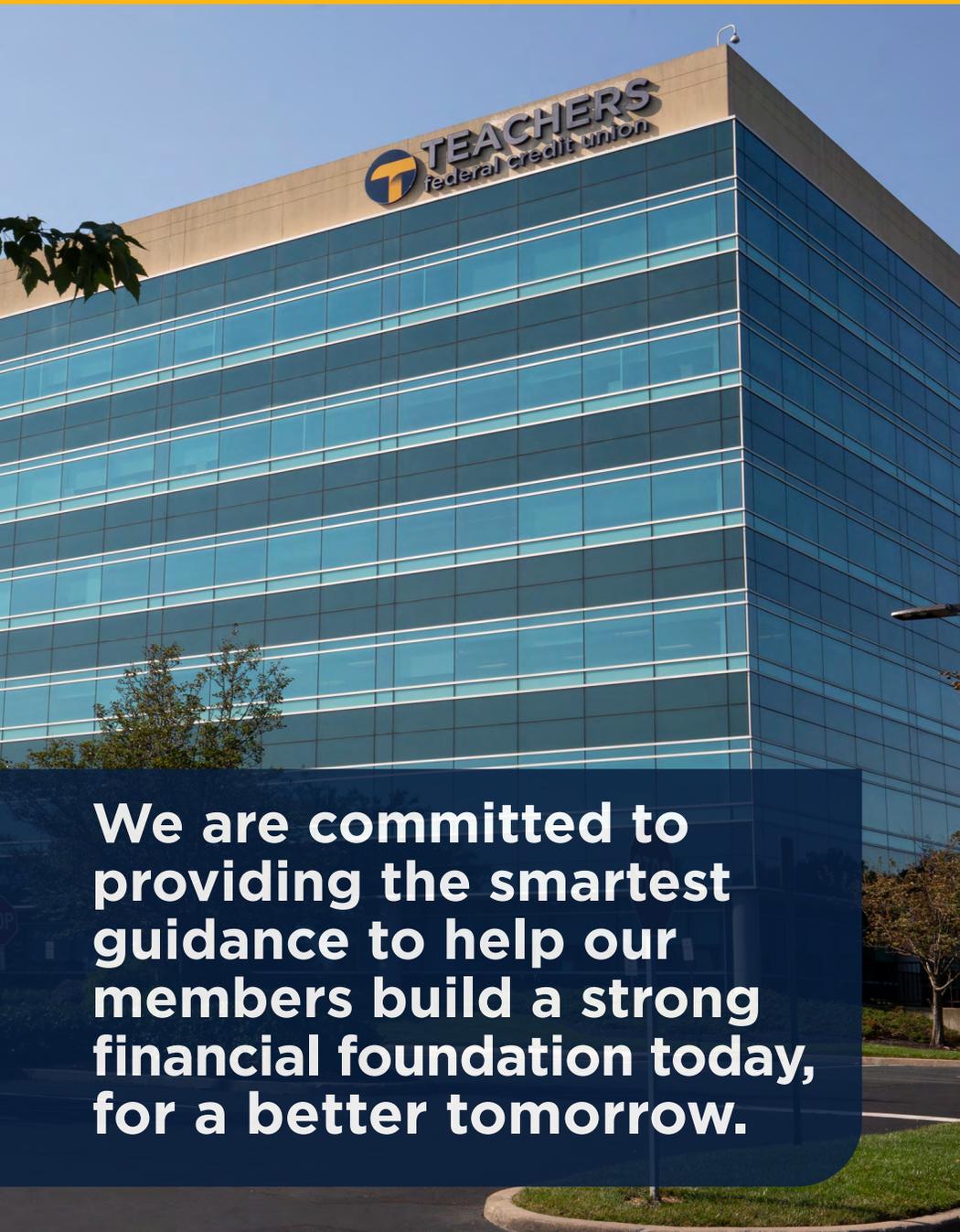
Alan R. Fertmann

Eric J. Iberger

April S. Neitlich

# TEACHERS MISSION

# A MESSAGE FROM THE PRESIDENT



**We are committed to providing the smartest guidance to help our members build a strong financial foundation today, for a better tomorrow.**



**Brad C. Calhoun**

2021 was a year of continued transformation and growth for Teachers Federal Credit Union. We remain steadfast in our commitment to providing our members with the smartest guidance and solutions, and in 2021, Teachers did just that.

Our organization looked inward to closely evaluate areas for further improvement and refinement, gathered feedback from our members and employees, and listened to the needs of our communities. This helped guide investment decisions across many areas of our business to ensure we deliver a best-in-class experience for all. In 2021, these investments impacted many facets of our organization, resulting in improvements to our product offerings, digital solutions, branch footprint, employee experience, and more.

I'm proud to highlight several accomplishments from this past year, as well as share a preview of key initiatives planned for 2022.

- Teachers welcomed more than 49,000 new members and we now have the privilege of serving more than 375,000 members across the country.
- Our home lending experts assisted more than 4,000 members realize the dream of homeownership by means of purchase or refinance.
- Teachers helped more than 16,000 members finance their auto loans.
- We donated more than \$300,000 to non-profit organizations across the country, and our team spent more than 2,200 hours volunteering in the community.
- Teachers continued to refine our suite of product offerings, and introduced new products like Smart Checking, our industry-leading high-yield checking account.
- Teachers implemented Appointment Banking to allow members to bank with us in-person, over the phone, or by video conference.
- We maintained our commitment to promoting financial literacy by developing financial education articles and workshops, empowering our members to take control of their financial future.

As an organization, we continued to adjust our operations and practices throughout 2021, not only to ensure the safety of our teammates and members through the ongoing pandemic, but to guarantee the level of service our members have come to expect from Teachers. For individuals experiencing financial pressures stemming from COVID-19, I'm proud to share that Teachers eased their burden by offering auto and home loan payment extensions and forbearances, as well as relief loans. As always, we stand ready to help our members through any economic disruption.

I'm very proud of our team's accomplishments in 2021 and I'm excited to share several strategic initiatives that Teachers will focus on in 2022:

### Furthering Our Growth & Expansion

Throughout 2021, we expanded our mortgage lending capabilities to 24 states and doubled our mortgage loan officer team to help more members realize the dream of homeownership. I'm excited to share that this journey is just the beginning. In 2022, you can count on Teachers to continue leaning in on our pledge to be Smart for All by bringing our products, services, and expertise to more members across the country. We remain committed to furthering our expansion efforts not only in the mortgage lending space but also our retail footprint. While New York will continue to represent the majority of our branch network, in 2022, we will strategically expand our retail locations to other areas of the country.

“ Throughout 2021, we expanded our mortgage lending capabilities to 24 states and doubled our mortgage loan officer team to help more members realize the dream of homeownership. I'm excited to share that this journey is just the beginning. ”

### Enhancing Our Products & Technology

Throughout 2022 we will continue to invest in our products and our technology. We remain committed to giving back to our members in the form of better rates and lower fees while making banking easier and more convenient. From our website to our mobile application, we know how important it is to have access to your money, and we will continue to enable our members to further their membership with Teachers and conduct their banking with ease.

### Supporting Our Community

Our passion for serving the community remains stronger than ever. In 2022, Teachers is committed to giving back to our communities through volunteerism and charitable giving. Our efforts are centered around four main community pillars – education, human services, economic development, and research. Furthermore, Teachers is committed to bringing financial wellness to all through financial education workshops, articles, and partnerships with organizations like Junior Achievement.

As I look toward 2022, I am eager and excited for what the future holds for Teachers Federal Credit Union and its members. I want to thank you for your continued loyalty. It is an honor to serve you, and we look forward to standing by your side to help you reach your financial goals.

**Brad C. Calhoun**  
President & CEO

# A MESSAGE FROM THE CHAIRMAN



**Timothy M. Southerton**

Fueled by the unwavering commitment to serve our members, Teachers Federal Credit Union experienced yet another year of strong performance in 2021. The organization saw growth in asset size and net income, proving that Teachers is well-positioned to assist its membership today and into the future. I'm proud to share that Teachers ended the year with more than \$8.8 billion in assets, with a net worth ratio of 9.83%.

While our financial statement tells the story of our continued growth and success, what those numbers do not capture is how Teachers also impacted the communities in which we serve. From volunteer hours to dollars donated, Teachers leaned into the credit union philosophy of "People Helping People" to truly make a difference on both a national and local level. Reinforcing our commitment to giving back, we donated more than \$300,000 to non-profit organizations across the nation, including Children's Miracle Network Hospitals, American Cancer Society, ALS Association, Make-A-Wish, St. Jude Children's Research Hospital, Island Harvest, and Family Service League.

In 2021, Teachers continued its support of the credit union movement by raising funds on behalf of the Credit Union Legislative Action Council (CULAC). These efforts, driven by Teachers' employees, resulted in the credit union being named CULAC's #1 contributor in New York, and receiving a "Circle of Excellence" award as the state's top fundraising credit union.

As part of our efforts to help our members build a strong financial foundation today, for a better tomorrow, Teachers has been awarding annual scholarships for more than 30 years. In 2021, Teachers continued its tradition of helping make the pursuit of higher education possible by presenting nearly \$40,000 in scholarships to 15 graduating high school seniors.

*“While our financial statement tells the story of our continued growth and success, what those numbers do not capture is how Teachers also impacted the communities in which we serve. From volunteer hours to dollars donated, Teachers leaned into the credit union philosophy of “People Helping People” to truly make a difference on both a national and local level.”*

In line with our dedication to our members and community, we remain steadfast in our commitment to our people. I'm grateful for President and CEO Brad Calhoun, who continues to grow and evolve our organization. Through his laser-focused efforts, we have added new teams and expanded the credit union's disciplines.

On behalf of our Teachers Board of Directors, I want to extend a very sincere expression of appreciation and gratitude to our employees who continue to work so hard for our members. I'd also like to say thank you to our members, for trusting us to take the very best care of your financial needs.

**Timothy M. Southerton**  
Chairman, Teachers Federal Credit Union

# ENHANCING OUR PRODUCTS & SERVICES

At Teachers, our mantra is Learning Never Stops. We learn by listening to our members, and evolving our products and offerings to best fit their unique needs and goals. In 2021, we introduced new solutions and built upon our competitive financial product portfolio to empower our members to reach their financial dreams.

With several new offerings introduced in 2021, a few of the most notable accomplishments include:

## SMART CHECKING

Smart Checking was introduced to help members earn more money with the flexibility needed for day-to-day spending. This high-yield account offers an industry-leading interest rate of 0.65% APY, more than 9x the national average.<sup>1</sup> With no monthly service fee, Smart Checking also comes with a great benefit that refunds any out-of-network ATM fees up to \$15 each month.

## SMART MORTGAGES

With the Teachers Smart Mortgage program, it's easier than ever for members to find the right mortgage that fits their financial needs.

The program offers homebuyers expanded access to practical options to finance a home, providing an opportunity to those who may not have qualified with a standard mortgage to become homeowners. As part of this program, Teachers is committing to \$100 million in new mortgage originations to help make the dream of homeownership more attainable for people across the nation.



## APPOINTMENT BANKING

We believe that our members should be able to bank with us when and where it's most convenient for them. As part of our ongoing digital transformation, Teachers introduced appointment banking, allowing our members to use our website or mobile app to easily schedule a time to speak with one of our financial experts on a variety of banking needs and services. With the option to speak with a Teachers representative in-person, over the phone, or through video conference, our team facilitated more than 15,000 appointments in 2021.

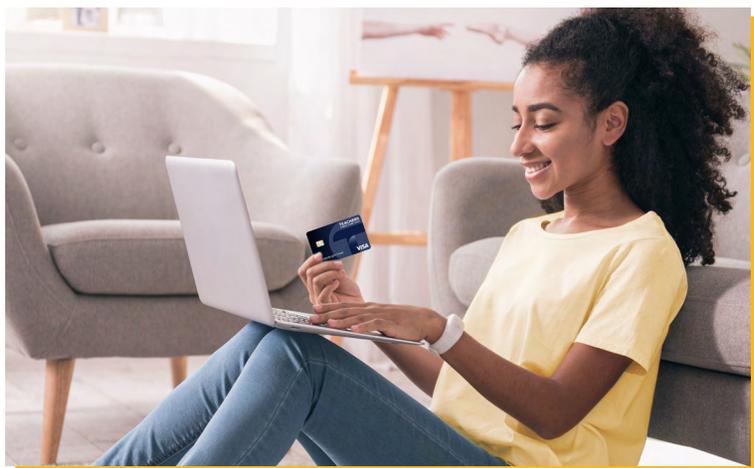


In 2021, Teachers truly focused efforts to enhance the member experience through new products, enhanced services, and digital transformations. Our goal is to provide a best-in-class experience to our members and we look forward to the continued evolution of our credit union in 2022 and beyond.

<sup>1</sup> Based on Comparison of Average Savings, Deposits and Loan Rates at Credit Unions and Banks, accurate as of June 25, 2021. Average rates may change quarterly.

# EXPANDING OUR REACH

At Teachers, we work tirelessly to deliver greater financial wellness to all. With more than 375,000 members across the nation from all walks of life, we're here to educate, elevate, and serve every single one of them.



## MORTGAGE EXPANSION

Helping members into their dream homes is essential to building stronger communities, and our team of mortgage experts is equipped with the financial knowledge and expertise to help our members achieve their goals. With our robust mortgage product offerings, Teachers is poised to be the smart solution for members and future members looking to buy their first home, upgrade to a larger home, renovate their current residence, or make a smarter loan choice through refinancing. In 2021, we expanded mortgage financing capabilities to 24 states, stretching our reach coast-to-coast, allowing us to close more than \$1 billion in mortgage loans. That means over 4,000 families had their lives changed because of Teachers.

To strengthen our members' experience, we doubled our mortgage loan officer team, with many located outside of the New York area. Their expansive knowledge of the homebuying process, mortgage industry, and local homebuying trends will help our members along their journey to homeownership.



“ *As first time homebuyers, we couldn't ask for a better team than those at Teachers. We felt encouraged throughout the whole mortgage application process and our mortgage loan officer was always available whenever a question arose.* ”

**- Tracy & Richard F.,  
Teachers Federal Credit Union Members**

Despite another challenging year of operating in the COVID-19 pandemic environment, Teachers Federal Credit Union sustained a remarkable period of growth. Our total assets grew to \$8.8 billion, an increase of 5.2% as of December 31, 2021, and our loan demand grew to a balance of \$5.2 billion as members continued to benefit from historically low lending rates.



Our investment portfolio reached \$2.73 billion, which represented an increase of 16.2% over the previous year, and our member share deposits grew a solid 4.3% to finish the year at \$7.9 billion. As our membership grew to 379,923 members, Teachers paid out \$52.1 million in dividends to member savings, money market, and certificate accounts.

In 2021, we remained vigilant and agile as the nature of the pandemic evolved, whereby mitigating risk and reducing stress on operations. Careful financial management allowed Teachers to end the year with a net income of \$85.3 million, a respectful 0.99% return on average assets (ROA) and a solid 9.83% net worth ratio.

Teachers Federal Credit Union remains financially strong and well-capitalized. The financial statements and notes included in this annual report provide you with more details about Teachers' financial position and its ability to navigate the challenges of the pandemic. We aim to provide you with financial products and financial education that will allow you to reach your financial goals in the future. Thank you for your membership!

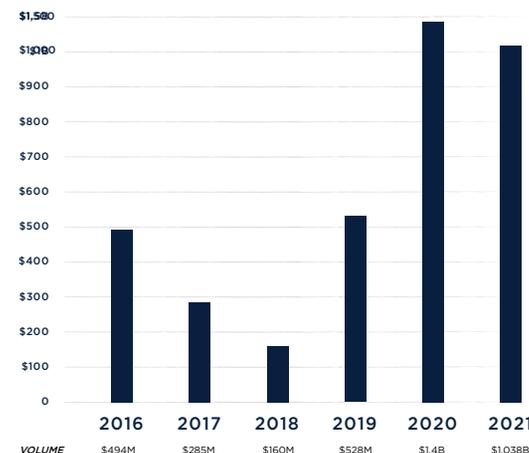
Respectfully submitted,

**Juan C. Nuñez**  
Treasurer

**TOTAL LOANS, SHARES & ASSETS**  
AS OF DECEMBER 31  
IN MILLIONS OF DOLLARS



**MORTGAGE VOLUME**  
IN MILLIONS OF DOLLARS



# STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2021 AND 2020  
(DOLLARS IN THOUSANDS)

Assets	2021	2020
Cash & cash equivalents	381,957	568,375
Securities held-to-maturity	627,272	1,088,032
Securities available for sale	2,100,017	1,258,848
Loans to members, net	5,196,649	5,079,217
Loans held for sale	10,193	20,906
Accrued interest receivable	18,957	20,079
Deposit in National Credit Union Share Insurance Fund	72,737	69,122
Property & equipment, net	75,130	77,941
Prepaid expenses & other assets	319,520	189,099
<b>Total Assets</b>	<b>\$8,802,432</b>	<b>\$8,371,619</b>

Liabilities, Member Shares & Equity	2021	2020
<b>Liabilities:</b>		
Accounts payable & accrued expenses	102,479	68,038
Dividends payable	39	43
<b>Member Shares &amp; Accounts</b>		
Regular share accounts	1,563,117	1,327,785
Share draft accounts	982,198	828,507
Money market accounts	2,945,251	2,502,928
Individual retirement accounts	536,881	567,418
Share certificates	1,873,092	2,345,381
<b>Total Member Shares</b>	<b>7,900,539</b>	<b>7,572,019</b>
Total liabilities & member shares	8,003,057	7,640,100
Retained earnings	799,375	731,519
<b>Total Liabilities &amp; Equity</b>	<b>\$8,802,432</b>	<b>\$8,371,619</b>



“ Teachers Federal Credit Union remains financially strong and well-capitalized. ”

- Juan C. Nuñez,  
Treasurer

# STATEMENT OF INCOME

DECEMBER 31, 2021 AND 2020  
(DOLLARS IN THOUSANDS)

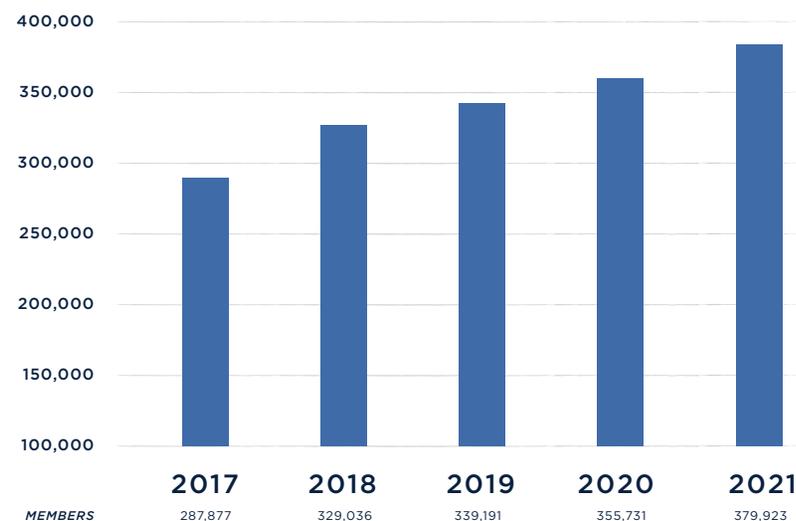
	2021	2020
<b>Interest Income:</b>		
Interest on loans to members	202,447	196,668
Interest on securities & cash equivalents	33,711	42,924
<b>Total Interest Income</b>	<b>236,158</b>	<b>239,592</b>
<b>Interest Expense:</b>		
Dividends on member accounts	52,101	79,279
Net interest income	184,057	160,313
Provision for loan losses	16,276	29,606
<b>Net Interest Income After Provision For Loan Losses</b>	<b>167,781</b>	<b>130,707</b>
<b>Non-Interest</b>		
Non-interest income	74,838	80,878
<b>Total Income</b>	<b>242,619</b>	<b>211,585</b>
<b>Non-Interest Expense:</b>		
Compensation & benefits	83,992	71,572
Office occupancy	13,529	12,812
Office operations	21,627	18,973
Professional & outside services	16,398	10,672
Credit/debit card & share draft program expenses	8,088	7,443
Other	13,696	16,980
<b>Total Non-Interest Expense</b>	<b>157,330</b>	<b>138,452</b>
<b>Net Income</b>	<b>\$85,289</b>	<b>\$73,133</b>

## MEMBERSHIP & ASSETS

Year	Total Members	Total Assets	Total Branches
1952	7	\$35	1
1972	16K	\$14 million	1
1982	52K	\$81 million	6
1992	74K	\$359 million	7
2002	129K	\$1.4 billion	12
2012	227K	\$4.7 billion	23
2021	379K	\$8.8 billion	32

## MEMBERSHIP GROWTH

TOTAL NUMBER OF MEMBERS



# SUPERVISORY REPORT

## A NOTE FROM JAMES F. NOHE

Two thousand and twenty-one, what a year! We've now experienced two years of a global pandemic, witnessing unprecedented stress and pressures on individuals and businesses alike. Despite these challenges, this member-owned institution, Teachers, has weathered the storm and prospered. In this two-year period, the assets have grown to \$8.8B in total assets, as well as strong return on assets of 0.99%. With the multiple impacts that the COVID-19 pandemic has had on our members and employees, Teachers has never wavered in its commitment. This financial institution has, as always, put members first.

The Teachers Supervisory Committee has to be keenly aware of the National Credit Union Association (NCUA) risks, also known as "the seven deadly sins of risks": Credit Risk, Liquidity Risk, Interest Rate Risk, Compliance Risk, Strategic Risk, Reputation Risk, and Transaction Risk. Through these recent challenging times, our responsibilities have not changed. Quoting from the Credit Union National Association Supervisory Committee handbook "The Supervisory Committee is comparable to a watchdog."

For Teachers and its members, we are responsible for making sure the credit union's financial records are in order and controls are in place, and that the credit union manages and mitigates all potential risks.

“ *This financial institution  
has, as always, put members first.* ”

In addition, the responsibilities of the Teachers Supervisory Committee include:

- Ensure that the credit union is in full compliance with NCUA on all relevant laws and regulations.
- Ensure that a complete and thorough audit of the credit union's records and operations, including verification of member loans and share accounts is conducted at least once a year.
- Ensure that all necessary written audits and work papers are submitted to regulatory agencies in a timely fashion.
- Ensure that adequate internal controls are established and effectively maintained to safeguard the credit union's assets.
- Oversee the inspection of securities, cash, and accounts of the credit union.
- Oversee the review of the credit union's operations and monitor all financial conditions on an ongoing basis.
- Review all new policies and changes in credit union procedures in terms of their effects on the quality of service to members and the safety of member funds.
- Present a full report of the findings of the annual audits and special findings to the Teachers Board of Directors.
- Prepare and make available a report to be presented to members at the annual meeting.
- Engage, direct, and oversee the services of auditors as needed.

I am pleased to report that Teachers has continued its high standard of compliance. The balance sheets and related statements of income are presented accurately. Members can rest assured the credit union's financial performance and operations are regularly evaluated for continued safety and soundness.

The committee would like to thank the audit department for their professionalism, commitment, and diligence. We wish to express our appreciation to the Board of Directors, management, and staff for their continued cooperation and support. We look forward to the pleasure of serving you in 2022.

**James F. Nohe**  
Chairman, Supervisory Committee

# SUPPORTING OUR COMMUNITY

Our community pillars help guide our team toward supporting organizations that make a true impact on our membership. By focusing on education, human services, economic development, and research, our team's efforts are utilized in a way that will grow and shape our communities.

In 2021, Teachers showcased our community commitment through 112 volunteer events, supporting 49 different organizations. With more than 2,200 hours volunteered by our team and more than \$300,000 donated to support those who need it most, the Teachers team made a tangible difference in the lives of our members and communities.

Expanding on our philanthropic endeavors, Teachers launched two new community initiatives in 2021. In honor of Teacher Appreciation Week, Teachers introduced its first-ever Teachers Appreciation Week Contest, awarding three teachers with \$1,500 grants for their classrooms. Our Season of Giving campaign during the winter holidays benefited multiple organizations by way of \$50,000 in total donations. Throughout a two-week period, our members were able to vote via social media on the charity of their choice to win the top donation allotment, ultimately benefiting Make-A-Wish, St. Jude Children's Research Hospital, Island Harvest, and Family Service League during the critical giving season.



## SCHOLARSHIPS

In 2021, we continued our tradition of helping make the pursuit of higher education possible by presenting nearly \$40,000 in scholarships to 15 graduating high school seniors. Scholarship applications were reviewed by a committee that evaluated academic achievements, extracurricular activities, community engagement, and a written essay about how the students' ambitions and career plans are smart for them and the community.



## FINANCIAL EDUCATION

We strive every day to provide our members with the smartest financial guidance today, for a better tomorrow. The launch of our Teachers Knowledge Center on [teachersfcu.org](https://teachersfcu.org) provided members with financial education and resources by way of more than 50 educational articles on topics including budgeting, retirement planning, and improving credit. Additionally, our team of mortgage experts led virtual workshops offering current and future members information on the homebuying and refinancing process. We know how important it is to put our members in the driver's seat of their financial success, and these tools helped get them there!

“ All of the staff at Teachers are very understanding and knowledgeable of my needs - everyone I speak with is super helpful and friendly. ”

- Teonna H.,  
Teachers Federal Credit Union Member





**Smart  
For All**