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FOR IMMEDIATE RELEASE

Lakota Federal Credit Union Celebrates 500 New Members in Time for National Financial Literacy Month

Kyle, South Dakota – March 29, 2013 – With April as National Financial Literacy Month quickly approaching, the staff at the Lakota Federal Credit Union, the only federally-insured financial institution on the Pine Ridge Reservation, is celebrating reaching and exceeding the 500 mark in new members. To be exact, since opening 16 weeks ago, the Lakota Federal Credit Union has built a membership base of 520 members and disbursed 105 loans, totaling \$231,000.

“It is amazing to see the relationships we are building with our community members and how the Lakota Federal Credit Union is building the financial skills of individuals who had previously been unbanked and underbanked,” comments Tawney Brunsch, Lakota Federal Credit Union’s Board Chairperson. The Credit Union estimates that about a quarter of their customers has never had any banking experience prior to becoming a member.

Approximately 60% of the loans that the Lakota Federal Credit Union approves are unsecured loans, usually used to pay off other loans with higher interest rates, and reduce monthly debt payments. These loans and the others in the Credit Union’s suite of lending products also help members build a positive credit history and increase their credit scores. “The average credit score of our borrowers is somewhere between 500 and 575. We have been able to adapt our loan policies to accommodate the kind of borrowers that come to us. Before the Credit Union opened, there just weren’t any opportunities like this around,” states Whitney O’Rourke, the Lakota Federal Credit Union’s Manager and Loan Officer.

Even in the short time the Lakota Federal Credit Union has been opened, they have seen their customers becoming more advanced in how they engage with their financial products. Their line of credit is becoming more popular, which Brunsch states is “like a credit card without the plastic,” to use for unexpected expenses like higher propane or energy bills during the winter. “The line of credit gives them a responsible option for dealing with an emergency expense, rather than turning to a payday lender that will only put them in a never ending debt cycle,” says O’Rourke.

Additionally, the pre-paid debit card provides those new to banking an alternative to a checking account and a way to build their financial management skills. “It sets them up to start keeping track of how a checking account works without the risks of overdrawing and incurring fees. It prepares them for the next step,” states Brunsch.

As for the Lakota Federal Credit Union, they are already thinking of their next steps in growing the organization and expanding their reach throughout the 2.2 million acre Pine Ridge Reservation. The Credit Union’s current performance has already surpassed what they were expecting for their second year of operations, and they just hired a third teller to keep up with demand. Within the next few months, they hope to start offering checking accounts and will take a look at increasing their loan limits. In addition, their branch manager will start operating a mobile banking system to reach the various districts on the reservation.



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Focused on being a resource to the community, the Lakota Federal Credit Union has also developed a network of partners to serve as additional resources for its members. For example, if a loan applicant is denied, the Credit Union refers them to Lakota Funds, a Native community development financial institution that has been an integral part of incubating and launching the Credit Union. Lakota Funds' Credit Builder Loan is a better fit for individuals that need extra credit coaching support, and prepares them for more advanced consumer financial products, like those at the Credit Union, by building their financial management skills and teaching them how to be responsible with debt. As a new member of the Great Plains Native Asset Building Coalition, the Lakota Federal Credit Union can also refer their members to a vast online resource (www.greatplainsnativeassetbuilding.org) designed to guide Native individuals and families towards strategies that build assets.

“The best part about the Lakota Federal Credit Union, is watching the customer relationships develop – to see people coming in once or twice a week and fully engaging in a banking process and financial concepts that were not familiar to them before. It’s watching the people of the Pine Ridge Reservation learn and grow and build a brighter financial future,” says Brunsch. The Lakota Federal Credit Union plans to commemorate the community’s successes during a grand opening celebration on May 3, 2013.

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About the Lakota Federal Credit Union

In January 2009, several community leaders started in pursuit of a dream to establish the Lakota Federal Credit Union to serve the people of the Pine Ridge Reservation. The proposed credit union would provide basic banking services to help the Oglala Lakota Oyate (people) achieve their financial goals, and in turn help the local economy on the Pine Ridge Reservation to thrive. This was a huge undertaking, as the Pine Ridge Reservation had not had a financial institution of its own since the Oglala Sioux Tribe accepted the Indian Recognition Act in 1935.

In August of 2012, the Lakota Federal Credit Union received its charter from the National Credit Union Association and officially opened its doors in November 2012. Even in its first day of operations, the Lakota Federal Credit Union made a big impact – opening 26 accounts and making one loan. Currently, the Lakota Federal Credit Union provides savings accounts, loan products, and various convenience services to those that live, work, worship, volunteer, or attend school on the Pine Ridge Reservation.

The Lakota Federal Credit Union’s mission is to provide quality financial services conveniently located at home on the Pine Ridge Reservation, in a helpful, professional and respectful manner and to provide effective tools for its members, the Oglala Lakota people, to save, plan, and provide for their futures.