

### Directors

**Mr. Richard M. Gore, Board President**  
Former Director of Distance Learning Services,  
WVIZ  
Former Director, Division of Career  
and Technical Education,  
Cleveland Metropolitan School District

**Mr. Robert J. Gale, Board Vice President**  
2006 President, Cleveland Chapter of the  
Ohio Credit Union League  
Former teacher, Holy Name High School

**Mr. Jackson M. Boyd, Board Secretary**  
Executive Secretary,  
Eastern Ohio Education Association  
Former mathematics/computer teacher  
Zanesville City Schools

**Mr. Tony H. Smith, Sr., Board Treasurer**  
Vice President of Operations,  
Ohio Aerospace Institute

**Ms. Carol A. Creel**  
Former Director of Special Projects,  
Cleveland Metropolitan School District

**Mr. Mario Danese**  
Executive Vice President of Finance,  
Visiting Nurse Association

**Mr. Anastasius Fourmas**  
Former Assistant Principal,  
Whitney M. Young Junior High School,  
Cleveland Metropolitan School District

**Ms. Mychael C. Henderson**  
Director of Payroll,  
Cleveland Metropolitan School District

**Mr. Duane Horning**  
Former CEO, Allen Memorial Hospital  
and formerly with Lakewood Hospital

**Mr. Edward Kral**  
Former Director of Personnel,  
Cleveland Metropolitan School District

**Mr. Patrick J. Polen**  
Business Systems Manager,  
Fabri-Form Company  
Former Information Engineer,  
AK Steel Zanesville Operations

**Mr. Craig Strong**  
Director of Public Information/EEO,  
Cuyahoga County Engineer's Office  
Former Occupational Work Experience  
Teacher, Cleveland Metropolitan School  
District

### Credit Committee

**Mr. Joseph Vargo, Chairperson**  
Volunteer Specialist for AARP  
Former teacher with the Cleveland  
Metropolitan School District and  
Director of Negotiations for the  
Cleveland Teachers Union

**Mrs. Winnifred Albert, Secretary**  
Former Assistant Principal, Cleveland School  
of Arts, East Technical High School,  
Carl F. Shuler Jr. High School,  
Charles Eliot Jr. High School and  
A.B. Hart Jr. High School

**Mrs. E. Ruth Wesby**  
Former teacher, Cleveland Metropolitan  
School District

### Report of The Treasurer & Chief Executive Officer

The assets at year-end total \$111.1 million and members' equity remains strong at 9.46%. This level of members' equity (Capital) classifies the Credit Union as "well capitalized" by the regulatory agencies that oversee its financial performance. During this economic cycle the Credit Union has wisely utilized its capital to continue to provide exceptional service to its membership.

Member deposits amount to \$97.6 million at year-end, an increase of \$7.2 million from the prior year. All deposit products showed net increases during 2009 with the Money Market product showing the largest growth rate at 17.4%. The mix of member deposits had 44% in savings accounts, 32% in term share certificates and 24% in transaction accounts (checking and money market).

Member deposits that are not immediately used to fund loan demand are prudently invested. The investment portfolio represents 14.5% of total assets and consists of interest-bearing time deposits with insured financial institutions, securities available for sale, and capital participation certificates.

Loans to members represent 79% of all assets, total \$87.8 million, and grew by 23% during 2009. The vehicle loan products experienced the greatest growth during the year, increasing by \$15.7 million. All other portfolios had small increases with the exception of the mortgage portfolio that declined by \$1.7 million due primarily to loan refinancing.

The loan portfolio is well-diversified and contains a financially sound mix of loan products. The portfolio also continues to perform well with over 99.1% of all loans making scheduled payments. The loans outstanding to members consist of: 47% new and used autos, 23% closed-end mortgages 21% home equity loans, and 9% signature products. Approximately 91% of the loan portfolio is in collateralized loans.

During 2009 the Credit Union continued to experience a significant increase in vehicle loan requests. This increase was attributed to the challenges facing the banking industry that resulted in many traditional vehicle lenders slowing their issuance of loans. This environment enabled the Credit Union to continue to meet member needs and grow the vehicle loan portfolio. Also, with the \$7.2 million in member deposit growth, the Credit Union was able to reduce its borrowing position to \$2.0 million at year-end. Term borrowing was added in late 2008 to provide funding for the strong growth in the vehicle loan portfolio.

During 2009 the Credit Union utilized \$677,141 of its capital to support member services and industry related activities. Four primary components associated with this use of capital include \$146,451 for an industry related special insurance premium assessment from American Share Insurance, \$116,349 in expense associated with the pre-payment of long-term borrowings, and \$627,023 for operations. These three components were partially off-set by a \$212,682 increase in market valuation of trading investments. Year-end 2009 capital remains strong at 9.46% of assets.

The continued strong support from the Credit Union membership fosters the success of the Credit Union. We hope that you, as one of the owners of the Credit Union, will continue to take advantage of the value provided to you as a member.

**Tony H. Smith, Sr., Board Treasurer**  
**Jerome R. Valco, Chief Executive Officer**

### Credit Committee Report

The Credit Committee met weekly to review credit applications, meet with members experiencing extraordinary financial problems and approve loans. The Committee also reviewed applications and approved loans to insure we are in compliance with lending regulations and the The Ohio Educational Credit Union's loan policy. The Credit Committee reviewed all special lending products and made appropriate recommendations to the Board of Directors. The Credit Committee also reviewed all loan requests when special considerations were necessary to assist our members in resolving specific financial difficulties.

OECU continues to maintain a well-balanced and financially sound mix within the loan portfolio. The portfolio contains 47% in new and used autos, 23% in closed-end mortgages, 21% in home equity loans, and 3% in signature products. Approximately 90% of the loan portfolio is in collateralized loans.

OECU does not originate real estate loans that would be considered "sub-prime" and therefore does not have direct exposure to credit losses associated with the "sub-prime" real estate markets. The loan portfolio continues to perform well with over 99.2% of all loans making scheduled payments. The loan loss reserves have been maintained at levels sufficient to meet any losses associated with the non-payment of loans.

Respectfully submitted,

Credit Committee  
**Joseph Vargo, Chairperson**

