

RURAL ACCESS TO FINANCIAL SERVICES INITIATIVE

Why Rural?

Our region has diverse landscapes, ranging from urban metropolises to the rural countryside. The challenges between urban and rural communities differ greatly, resulting in a range of needs and approaches to financial wellness. The difficulties facing rural communities have been compounded in the last several years by the exodus of bank branches in rural areas. The Federal Reserve recently reported that 40% of rural counties lost bank branches between 2012 and 2017. In a recent American Banker op-ed, former NCUA Chairman Rodney Hood articulated that “[w]hen communities lose access to brick-and-mortar financial services, it’s like cutting off the oxygen to the local economy: small businesses suffer, jobs are lost, and consumers (particularly in low-income households) are more likely to turn to predatory lenders.” Although the expansion of digital services has helped rural communities stay connected, issues around accessibility still exist across the country. With the Northwest being home to diverse rural populations, credit unions coming to the table to help these economies thrive is critical.

Grant Details

The Northwest Credit Union Foundation is working diligently to raise capital from funders across the region who value the unique opportunities and culture offered by rural communities. Currently, NWCUF has funding available to deploy in grant support to credit unions or a collaboration of credit union partners interested in exploring viable products and solutions to expand access to financial services in the rural communities they serve.

NWCUF will fund a variety of projects through this program including feasibility or demographic studies, focus groups, product research and development, project management expenses (staff time), underwriting subsidies, loan loss reserves, community partner support, and other related expenses necessary to fully develop or pilot a product, service, or program to expand rural access to financial services.

Some examples of projects could include employer-sponsored small dollar lending, mobile banking, energy loans (agriculture, small business, or personal), home improvement loans (remote work investments, rehabilitation loans for old housing, adding an ADU, increasing ADA compliance, wildfire resiliency upgrades, etc), community financial health collaborative, small business/entrepreneur loans, childcare provider loans, rural cooperative loans (housing, ag, grocery, land trust, etc), and much more.

Planning Grants

Planning grants are eligible for awards up to \$10,000, but it is anticipated awards will range from \$5,000-\$8,000. Each credit union or credit union partnership is encouraged to apply for the reasonable

funding necessary to implement a planning project as detailed in your application, but applicants will not be negatively impacted for requesting the full award of \$10,000.

The purpose of planning grants is to provide needed resources to a credit union to increase their capacity or assist in their exploration of serving rural members. This could be a deep dive into the demographics and data of rural members, bringing community partners together for a collaborative project, or assessing the appropriate local services to meet member needs. Whether a credit union wants to use the grant funds to pay for internal staff time to dedicate to this project or hire an outside consultant or community partner is up to them.

Project Grants

Project grants are eligible for awards up to \$50,000, but it is anticipated awards will range from \$25,000-\$35,000. Each credit union or credit union partnership is encouraged to apply for the reasonable funding necessary to implement a project as detailed in your application, but applicants will not be negatively impacted for requesting the full award of \$50,000.

The purpose of project grants is to provide implementation or risk coverage to credit unions who are launching new products and services or expanding current offerings to new markets. Grant funds could be used to subsidize interest rates to make loan products more affordable for higher risk borrowers or as a reserve for potential loan loss of new products with an uncertain risk. If you have an idea and are uncertain if it qualifies for grant funding, please feel free to reach out to the NWCUF team for further clarification on the eligibility of your project.

Reporting

Credit union grantees are expected to complete a simple narrative template about what they have accomplished with their planning or project grant award at the conclusion of the grant agreement. Depending on the duration on your project, NWCUF will also schedule check-ins with your team to assess how the project is progressing and what other support NWCUF can provide to aid in your success. Grantees are expected to be open and honest about challenges they are facing so NWCUF can best accommodate their needs. Credit unions will not be penalized for not meeting project goals, however they are expected to keep NWCUF up to date on any major obstacles they encounter while implementing their project.

Award Timeline

Grant applications will be reviewed on a rolling basis. For grant requests under \$50,000, applicants will be informed of the approval or denial of their grant request within 30 days. For grant requests \$50,000 or above, requests will be reviewed quarterly and may take up to 90 days for approval. Credit unions are welcome to reach out to NWCUF to check on the status of their application at any time. If NWCUF has any questions related to your grant application, a staff member will reach out to the designated grant contact for further details and clarification.