

## Board of Directors

James J. Kaelin, *Chairman*  
 Carolyn J. Smith, *Secretary*  
 John E. Lynn, *Acting Vice Chair, Treasurer*  
 William H. Cable  
 John T. Caulfield  
 Frank T. DeStefano  
 Robert V. Fischer, Jr.<sup>1</sup>  
 Michael P. Flaherty  
 Carleton C. Jenkins  
 Robert Kevin Ryan<sup>2</sup>  
 Letitia H. White  
 Patricia Nelson Nugent, *Emeritus*<sup>3</sup>  
 Curtis A. Prins<sup>4</sup>

## Supervisory Committee

James D. Jenkins, *Chairman*  
 George J. Agurkis  
 John T. Caulfield

## Credit Committee

Denise Ouellette, *Chairperson*  
 Luis Jara, *Secretary*  
 Gregory Jenkins  
 Jeff Klein  
 Brian Miller

## Management

Sean Zimmermann, *President & CEO*  
 Anthony Caccese, *CFO and Vice President*  
 David Hufnagel, *COO and Vice President*  
 Denise Ouellette, *CLO and Vice President*  
 Vanessa Gregory, *Vice President*  
 Montez Hairston, *Vice President*  
 John O. Kirlaw, *Vice President*  
 M. Mark Lobato, *Vice President*

1 - Appointed 10/2018  
 2 - Appointed 04/2019  
 3 - Resigned 10/2018  
 4 - Resigned 04/2019

ANNUAL  
REPORT

2018

## CONDENSED STATEMENTS OF Financial Condition (Unaudited)\*

### Assets

December 31,	2018	2017
Cash and Cash Equivalents	\$ 70,592,274	\$ 49,636,785
Investments	\$ 281,466,854	\$ 305,293,810
Loans to Members, Net	\$ 573,287,338	\$ 529,547,021
Property and Equipment, Net	\$ 8,998,079	\$ 9,550,798
Other Assets	\$ 29,691,277	\$ 32,187,612
National Credit Union Share Insurance Deposit	\$ 7,545,010	\$ 7,318,370
<b>Total Assets</b>	<b>\$ 971,580,832</b>	<b>\$ 933,534,396</b>

### Liabilities and Members' Equity

December 31,	2018	2017
Members' Share & Savings Accounts	\$ 877,118,729	\$ 841,827,412
Other Liabilities	\$ 7,624,663	\$ 10,481,906
Total Liabilities	\$ 884,743,392	\$ 852,309,318
Total Members' Equity	\$ 86,837,440	\$ 81,225,078
<b>Total Liabilities and Members' Equity</b>	<b>\$ 971,580,832</b>	<b>\$ 933,534,396</b>

## CONDENSED STATEMENTS OF Income (Unaudited)\*

December 31,	2018	2017
Interest Income	\$ 33,026,665	\$ 29,504,825
Interest Expense	\$ 4,365,881	\$ 3,155,483
<b>Net Interest Income</b>	<b>\$ 28,660,784</b>	<b>\$ 26,349,342</b>
Provision for Loan Losses	\$ 1,918,774	\$ 2,007,435
<b>Net Interest Income after Provision</b>	<b>\$ 26,742,010</b>	<b>\$ 24,341,907</b>
<b>Non-Interest Income</b>	<b>\$ 9,297,477</b>	<b>\$ 9,143,482</b>
<b>Non-Interest Expense</b>		
Comp and Benefits	\$ 15,008,756	\$ 13,694,433
Office Operation	\$ 6,596,283	\$ 6,813,824
Other	\$ 7,507,494	\$ 7,520,455
<b>Total Non-Interest Expense</b>	<b>\$ 29,112,533</b>	<b>\$ 28,028,712</b>
<b>Net Income</b>	<b>\$ 6,926,954</b>	<b>\$ 5,456,677</b>

\*These unaudited condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of cash flows and changes in members' equity, and notes to the consolidated financial statements are available at [www.CongressionalFCU.org/annualreports](http://www.CongressionalFCU.org/annualreports).

## Account Access

24 HOURS A DAY, 7 DAYS A WEEK

### ONLINE BANKING

[www.CongressionalFCU.org](http://www.CongressionalFCU.org)

### TELLER 24

800.846.0375 | 703.934.8333 | Capitol Hill, 6.4132

### MOBILE BANKING

[www.CongressionalFCU.org/mobile](http://www.CongressionalFCU.org/mobile)  
 From Browser | [m.congressionalfcu.org](http://m.congressionalfcu.org)

## Contact Us

### MEMBER SERVICES

800.491.2328 | 703.934.8300 | Capitol Hill, 6.3100

### EMAIL

[email@CongressionalFCU.org](mailto:email@CongressionalFCU.org)

### FAX SERVICES

Account Requests | 703.934.8307  
 Loans-by-Fax | 703.934.8319

### MAILING ADDRESS

P.O. Box 23267 | Washington, D.C. 20026-3267



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[www.CongressionalFCU.org](https://www.CongressionalFCU.org)

THE CAPITOL | LONGWORTH | FORD  
 RAYBURN | OAKTON, VIRGINIA

Federally Insured by NCUA.



Congressional Federal Credit Union celebrated its 65th anniversary in 2018, continuing a proud tradition of member service, financial strength, and steady growth. The organization has grown since our founding in 1953 with \$40 in deposits from eight members. At year's end, the credit union increased assets 4.1% year over year to \$971.6 million while serving the needs of nearly 50,000 members.

Congressional Federal approaches everything through the lens of the member experience, constantly working to better serve our membership. With that goal in mind, we extended our Rayburn branch hours for members on Capitol Hill. At the end of 2018 the Congressional Federal student loan consolidation program was re-launched to help members simplify their student debt payments. Furthermore, a successful new Congressional District Office outreach campaign debuted to engage congressional staff across the country.

Community involvement is central to Congressional Federal's mission, and the organization made a difference in the greater Capitol Hill community in meaningful ways in 2018. The credit union co-sponsored the annual Congressional Baseball Game for Charity, which supports local causes including the U.S. Capitol Police Memorial Fund and the Boys & Girls Club of Greater Washington. Our employees organized and coordinated several service events including preparing and serving meals at DC Central Kitchen. Congressional Federal held annual drives for local causes including school supplies for Walker Jones Elementary, winter coats for Thrive DC, and food donations for Capital Area Food Bank. Our Scholarship Committee awarded three \$3,000 scholarships

to college-bound members. Additionally, the credit union extended support for members facing hardship and uncertainty with disaster relief outreach and furlough loans.

2018 marked the 17<sup>th</sup> year that Congressional Federal proudly supported the Credit Union Cherry Blossom Ten Mile Run/5K run-walk and sponsored the annual Capitol Hill Competition, securing 213 members of Congress to serve as Honorary Race Chairs. Staff volunteered for both kick-off events and race day. Over 600 Hill staffers participated in the Capitol Hill Competition. Most importantly, these efforts helped raise \$380,000 for Children's Miracle Network Hospitals.

2019 brings more exciting opportunities to help our members achieve their financial goals. We begin the year within \$29 million of reaching the landmark billion-dollar asset mark. This milestone speaks to our commitment to stewardship, steady growth and prudent management. We will continue our work improving products, services and technology to better serve the unique needs of our membership well into the future.

Thank you to our members, our Board of Directors, Supervisory Committee, management and staff—all working together to make Congressional Federal the institution it is today. The Credit Union wouldn't be where it is without you.



James J. Kaelin  
Chairman



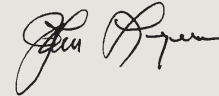
Sean Zimmermann  
President & CEO

## REPORT FROM THE Treasurer

During 2018, the U.S. Economy Gross Domestic Product (GDP) grew 2.9%, up from 2.2% in 2017. The unemployment rate dropped from 4.1% to 3.9% in this same time frame. The S&P 500 and Dow Jones Industrial Average were down 6.2% and 5.6%, respectively, for 2018. Although the economic data was mixed, the credit union experienced solid financial performance in 2018. A copy of our unaudited\* year-over-year condensed financial statements is included on the reverse pages.

During 2018, assets grew to \$971.6 million, an increase of 4.1% over the prior year. Shares grew to \$877.1 million, an increase of 4.2% over the prior year. Net loans to members grew to \$573.3 million, an increase of 8.3% over the prior year. Our net income of \$6.9 million for 2018 contributes to total members' equity of \$86.8 million, providing safety and soundness for continued growth.

This success is attributable to you, our members, who utilize our products and services, and to our Credit Union staff. We thank you for your valued support. We will continue to monitor feedback and market conditions in order to make modifications that help to ensure we are providing for your current and future financial needs.



John E. Lynn | Acting Vice Chair, Treasurer

## REPORT FROM THE Credit Committee

The Credit Committee oversees the review of member loan applications, appoints loan officers, delegates the authority to approve loan requests and recommends credit policy to the Board of Directors.

During 2018, the credit union received 7,301 consumer loan and Visa® credit card applications. From those loan applications received, we disbursed 1,522 new and used auto loans totaling \$36,002,757. Personal loans disbursed numbered 1,296 for a total amount of \$16,614,365. There were 23 share-secured loans granted in the amount of \$562,751. We disbursed 6 student consolidation loans in 2018 totaling \$284,472. Member usage of our Visa® credit cards continues to grow as we issued 668 credit cards totaling \$5,849,650 in credit limits. Overdraft reserve lines of credit were granted to 327 members for a total limit of \$1,728,950.

The credit union experienced yet another extremely successful year for its real estate lending business. During 2018, the credit union funded 237 mortgage loans totaling \$86,706,957. In addition, home equity loans and home equity lines of credit were made to 298 members totaling \$27,659,494.

In 2018, the credit union was proud to obtain full seller/servicer approval from Fannie Mae for real estate loan transactions. This marks an important milestone in the evolution of our mortgage lending business, allowing our organization to provide an even more robust product set and superior loan pricing. In addition, the Credit Committee made several product and process enhancements designed to better serve members' lending needs, including enhanced terms and guidelines for our student consolidation loan program and streamlined guidelines for application underwriting on vehicle loans. These efforts and the Credit Committee's consistent focus on operational efficiencies helped us bring our average time to originate a loan to its lowest level in years. Finally, in 2018, the credit union was proud to begin processing consumer and real estate loan applications via Congressional Federal's mobile app. This enhancement offers a new channel by which members can connect with Congressional Federal for their lending needs.

The Credit Committee remains dedicated to servicing our field of membership by anticipating their lending needs. Congressional Federal will continue to seek new opportunities to grant loans to its membership while balancing risk within the portfolio.



Denise Ouellette | Credit Committee Chair

## REPORT FROM THE Supervisory Committee

To guarantee the Credit Union operates in a safe and sound manner in accordance with our bylaws, charter, policies and procedures, as well as regulatory requirements, the Supervisory Committee oversees internal and external audits and ensures Credit Union compliance with audit recommendations.

The Supervisory Committee retained Doeren Mayhew, a certified public accounting firm, to facilitate Congressional Federal's comprehensive annual audit. A condensed unaudited financial statement is included within this Annual Report;

notwithstanding, a complete set of audited financial statements is available upon written request or at [www.CongressionalFCU.org/annualreports](http://www.CongressionalFCU.org/annualreports). The National Credit Union Administration conducts examinations and Internal Audit performs routine monitoring and reviews of the Credit Union.

The Supervisory Committee is pleased to report that Congressional Federal remained successful during 2018, continues to operate in a safe and sound manner, complies with all applicable rules and regulations, and remains financially strong.



James D. Jenkins | Chairman