

Annual Report 2017

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 Denise Ouellette, *CLO and Vice President*
 Mark Lobato, *Vice President*
 Vanessa Gregory, *Vice President*
 Montez Hairston, *Vice President*

CONDENSED STATEMENTS OF Financial Condition

Assets

December 31,	2017	2016
Cash and Cash Equivalents	\$49,636,785	\$56,496,919
Investments	\$305,293,810	\$298,277,652
Loans to Members, Net	\$529,547,021	\$498,288,658
Property and Equipment, Net	\$9,550,798	\$9,301,560
Other Assets	\$32,187,612	\$36,438,354
National Credit Union Share Insurance Deposit	\$7,318,370	\$6,874,209
Total Assets	\$933,534,396	\$905,677,352

Liabilities and Members' Equity

December 31,	2017	2016
Members' Share & Savings Accounts	\$841,827,412	\$821,306,206
Other Liabilities	\$10,481,906	\$7,844,346
Total Liabilities	\$852,309,318	\$829,150,552
Total Members' Equity	\$81,225,078	\$76,526,800
Total Liabilities and Members' Equity	\$933,534,396	\$905,677,352

REPORT OF Independent Auditors

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial condition of Wright Patman Congressional Federal Credit Union as of December 31, 2017 and 2016, and the related statements of income, comprehensive income, members' equity, and cash flows for the years then ended (not presented herein); and in our report dated April 2, 2018, we expressed an unmodified opinion on those financial statements.

CONDENSED STATEMENTS OF Income

December 31,	2017	2016
Interest Income	\$29,504,825	\$26,926,310
Interest Expense	\$3,155,483	\$2,302,190
Net Interest Income	\$26,349,342	\$24,624,120
Provision for Loan Losses	\$2,007,435	\$1,648,997
Net Interest Income after Provision	\$24,341,907	\$22,975,123
Non-Interest Income	\$9,143,482	\$9,030,026
Non-Interest Expense		
Comp and Benefits	\$13,694,433	\$16,905,248
Office Operation	\$6,813,824	\$6,234,075
Other	\$7,520,455	\$7,668,763
Total Non-Interest Expense	\$28,028,712	\$30,808,086
Net Income	\$5,456,677	\$1,197,063

These condensed financial statements do not constitute a complete presentation. The complete set of audited consolidated financial statements, including the consolidated statements of cash flows and changes in members' equity, and notes to the consolidated financial statements, are available upon written request.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.



Doeren Mayhew
 Certified Public Accountants
 Miami, FL | April 2, 2018



Contact Us

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REPORT FROM THE Chairman and CEO

2017 was a successful year at Congressional Federal with our interim CEO Tony Caccese at the helm. We continued to grow a strong, well-capitalized credit union while helping members achieve their financial dreams. We began 2018 with a warm welcome to our new President and CEO Sean Zimmermann. Sean brings 25 years of credit union experience to our organization, and we look forward to continued growth and success under his leadership.

We approach everything we do through the lens of the member experience, constantly working to enhance Congressional Federal to better serve our membership. With that in mind, we updated our Longworth branch with a fresh look and new offices. To improve the online experience, we built an extensive searchable database for our website so users can more quickly find answers to their questions.

In 2017, we introduced technology that makes it easier than ever to apply for a loan online, made enhancements to our mobile app including Bill Pay, and added the ability to request a call from Member Services from right inside the app.

Throughout the year, we provided free financial literacy seminars on and off the Hill to help members and non-members alike understand important topics from home buying to retirement. We launched a new webinar series so members can learn on their own schedule and made videos of past events available on our YouTube channel.

We also made a difference in the Capitol Hill community in many meaningful ways in 2017. We co-sponsored the annual Congressional Baseball Game, which supported the Capitol Police Memorial Fund as well as youth and literacy organizations. We organized Honor Flight greetings at Reagan National Airport to welcome veterans visiting their memorials.

We also held annual drives for local causes including school supplies for Walker Jones Elementary and winter coats for Thrive DC. We awarded three \$3,000 scholarships to college-bound members and extended support for members facing hardship and uncertainty with disaster relief outreach and furlough loans.

2017 also marked the 16th year that Congressional Federal proudly supported the Credit Union Cherry Blossom Ten Mile Run and sponsored the annual Capitol Hill Competition, securing 199 members of Congress to serve as Honorary Race Chairs. Our staff volunteered for both kick-off events and race day, over 550 Hill staffers vied for the Capitol Hill Cup. In the end, our efforts helped raise over \$500,000 for Children's Miracle Network Hospitals.

In 2018, we will continue our work to improve products, services and technology to better serve the unique needs of our membership as we welcome the 116th Congress later this year.

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. We wouldn't be who or where we are without you.



James J. Kaelin
Chairman



Sean Zimmermann
President & CEO

REPORT FROM THE Treasurer

The uncertainty in markets during 2016 gave way to more consistent economic growth during 2017. The U.S. stock market levels increased by 25%, the unemployment rate dipped to 4.1%, and Federal Reserve raised interest rates 3 times in 2017 due to the improving economy and labor market. The 10-year Treasury yield, which is a primary driver for mortgage rates, ended 2017 relatively unchanged from the ending level in 2016. In addition, a new tax bill was approved by Congress in December 2017 with the intent to boost the economy and create new jobs. With the economy improving, Congressional Federal Credit Union continued to provide products and services that met our members' needs for their financial goals and objectives.

The credit union also experienced solid performance during 2017. Assets grew to \$933.5 million, an increase of 3.1% over the prior year. Shares grew to \$841.8 million, an increase of 2.5% over the prior year. Net loans to members grew to \$529.5 million or an increase of 6.3% over the prior year. Our Net Income of \$5.5 million for 2017, contributes to Total Members' Equity of \$81.2 million providing safety and soundness for continued growth.

Looking ahead, the Federal Reserve Bank has already increased short-term interest rates in 2018 with the intent to continue to raise rates throughout the remainder of the year based on favorable economic conditions, and the anticipated effects of the tax bill are expected to be seen in the economy during this time as well. Congressional Federal Credit Union will continue to monitor your feedback and market conditions in order to make changes that help to ensure we are providing for your current and future financial needs.



John E. Lynn | Treasurer

REPORT FROM THE Credit Committee

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

During 2017, the credit union received 7,377 consumer loan and Visa® credit card applications. Among those loan applications received, we disbursed 1,556 new and used auto loans totaling \$34,395,987. Personal loans disbursed numbered 1,623 for a total amount of \$17,405,594. There were 30 share-secured loans granted in the amount of \$332,239. We disbursed 20 student consolidation loans in 2017 totaling \$762,092. The number of members using our Visa credit cards continues to grow as we issued 837 credit cards totaling \$5,896,600 in credit limits. This included 215 Visa Signature Premier Rewards cards for a total of \$1,939,950. Overdraft Reserve Lines of Credit were granted to 300 members for a total limit of \$1,365,155.

The credit union experienced yet another extremely successful year for its in-house real estate lending business. During 2017, the credit union funded 261 mortgage loans totaling \$86,122,146. In addition, home equity loans and home equity lines of credit were made to 302 members totaling \$25,519,406.

In 2017, the credit union enhanced its suite of mortgage loan products by implementing the 5/5 Adjustable Rate Mortgage, which was embraced by our field of membership. Approval of this new product offering by the Credit Committee enhanced our capacity to lend in this competitive environment. In addition, we made several product, process, and pricing enhancements to existing loan programs to better serve our members' needs. In the last quarter of 2017, the credit union went live with a new consumer loan origination system, thus enhancing and streamlining the member and staff lending experience. Due to the new system's robust software features, numerous operational efficiencies were achieved. Finally, a new loan application on Congressional Federal's mobile

app was introduced, thereby increasing the number of channels members may access for their lending needs.

The Credit Committee remains dedicated to serve 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 ensure that 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 audited financial statement is included within this Annual Report; notwithstanding, a complete set of audited financial statements is available upon written request. The National Credit Union Administration performed an examination and Internal Audit performs daily monitoring and reviews of the Credit Union.

The Supervisory Committee is pleased to report that Congressional Federal remained successful during 2017, continues to operate in a safe and sound manner, complies with all applicable rules and regulations, and remains financially strong.



James D. Jenkins | Chairman