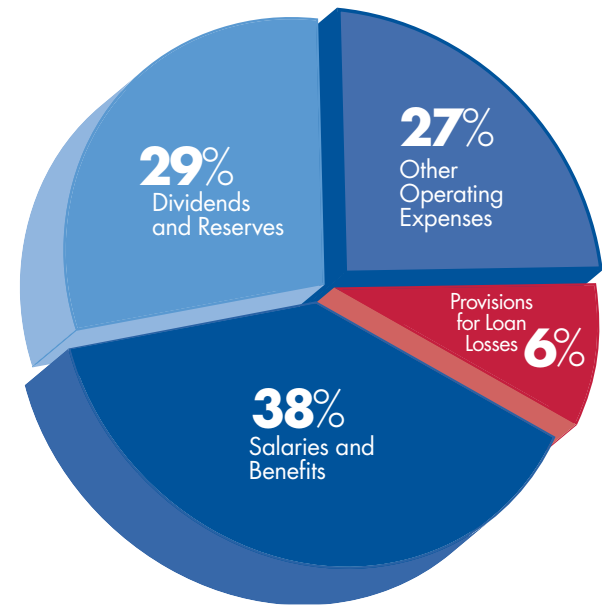


## DISTRIBUTION OF INCOME



## STATEMENT OF INCOME

	2017	2018
Member Loan Income	\$ 11,124,382	\$ 13,169,518
Investment Income	4,530,846	4,558,274
Other Income	3,223,811	3,508,989
<b>TOTAL Income</b>	<b>\$ 18,879,039</b>	<b>\$ 21,236,781</b>
Dividend and Interest Expense	\$ 3,456,091	\$ 4,719,894
Provision for Loan Losses	\$ 1,220,180	\$ 1,323,354
<b>OPERATING EXPENSES</b>		
Salary and Benefits	\$ 6,888,310	\$ 8,059,492
Other Operating Expenses	\$ 5,435,317	\$ 5,752,240
<b>TOTAL Operating Expenses</b>	<b>\$ 12,323,627</b>	<b>\$ 13,811,732</b>
<b>NET INCOME</b>	<b>\$ 1,879,141</b>	<b>\$ 1,381,800</b>

## A FEW YEARS IN BRIEF

	2016	2017	2018
Assets	\$ 432,573,036	\$ 435,092,753	\$ 504,229,658
Shares/Savings	\$ 91,190,777	\$ 90,827,451	\$ 93,282,956
Checking	\$ 55,725,123	\$ 58,232,290	\$ 67,712,468
Certificates	\$ 131,328,888	\$ 134,186,636	\$ 140,828,656
Money Market	\$ 65,123,362	\$ 68,567,407	\$ 66,199,767
IRAs	\$ 23,363,565	\$ 23,228,308	\$ 21,864,651
Loans	\$ 232,352,030	\$ 259,715,611	\$ 345,617,554
Vehicles	\$ 24,917,210	\$ 24,522,246	\$ 23,454,341
Home Equity/2 <sup>nd</sup> Trust Mortgages	\$ 18,608,121	\$ 18,375,152	\$ 18,822,380
1 <sup>st</sup> Mortgages	\$ 122,302,078	\$ 137,171,199	\$ 193,517,753
VISA	\$ 17,022,027	\$ 16,651,003	\$ 15,826,366
Reserves/Undivided, Earnings	\$ 36,248,249	\$ 38,127,390	\$ 39,509,190
Net Income	\$ 1,596,493	\$ 1,879,141	\$ 1,381,800
Membership	23,913	19,346	18,605

## STATEMENT OF FINANCIAL CONDITION

	2017	2018
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,270,493	\$ 5,498,841
Loans to Members	259,669,592	345,717,189
Allowance for Loan Losses	(1,518,746)	(1,506,443)
Investment Securities	157,126,734	137,283,696
NCUSIF Deposit (Share Insurance)	3,320,590	3,399,599
Other Assets	12,224,090	13,836,776
<b>TOTAL Assets</b>	<b>\$ 435,092,753</b>	<b>\$ 504,229,658</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' Share Account	\$ 375,042,092	\$ 389,888,499
Other Liabilities	4,655,807	4,981,098
Borrowings	\$ 16,350,000	\$ 70,520,000
Total Liabilities	\$ 396,047,899	\$ 465,389,597
Member's Equity	39,044,854	38,840,061
<b>Total Liabilities and Members' Equity</b>	<b>\$ 435,092,753</b>	<b>\$ 504,229,658</b>

## STAFF DIRECTORY

### Management

Evan Clark, <i>President/CEO</i>	202.808.3633
Patrick Collins, <i>CFO</i>	202.759.1021
Jeffrey Banyas, <i>Chief Lending Officer (NMLS #712919)</i>	202.808.3621
Nilda Cruz, <i>VP of Operations</i>	202.808.3618
Massud Zahir, <i>VP of Member Services</i>	202-808-3597

### Human Resources

Reisa P. Jackson, *HR Director* 202.808.3631

### Administration

Emilia Cabrera, *Executive Asst.* 202.808.3604

### Accounting Department

Chin-Ping Sun, *Controller* 202.808.3636  
 Rhodora Diones, *Sr Accountant* 202.470.6190  
 Ngoc Tran, *Senior Accountant* 202.808.3599  
 Djenane Jeanty, *Accountant* 202.808.3614  
 Chris Clark, *Program Analyst* 202.470.6193

### Member Services 202.808.5999

Lena Lane, *AVP Member Services* 202.808.3602

### HCHB BRANCH

Shirl Desormeaux, *Branch Manager* 202.808.3615  
 Jessica Watson, *Asst. Branch Manager* 202.808.3612  
 Orise Felix, *MSR* 202.808.3610  
 Christopher Smith, *MSR* 202.808.8664  
 Reception Desk 202.808.3609

### Silver Spring BRANCH

Arlene Reddy, *Branch Manager* 301.658.7274  
 DeVonna Stump, *Asst. Branch Manager* 301.658.7275  
 Briana Zanders, *MSR* 301.658.7276

### White House BRANCH

Angela Moore, *Branch Manager* 202.470.6195  
 Cierra Leigh, *Asst. Branch Manager* 202.470.6196  
 Denzel Williams, *MSR* 202.759.1028  
 Jessica Zitzer, *MSR* 202.470.6194

### Call Center

Samantha Curry, *Manager* 202.808.3607  
 Jada Robinson, *Call Center Rep* 202.715.8661  
 Ivory Frederick, *Call Center Rep* 202.470.6192

### Collections Department 202.808.5991

Wanda Turner, *AVP Collections* 202.808.3605  
 Terri Walker, *Senior Collector* 202.808.3608

### Business Development

Iris Calloway, *Representative* 202.905.0814  
 Patrice Williams, *Admin.* 202.759.1020

### Information Technology Department

Mike Orozco, *Project Management Officer* 202.759.1031  
 Lamar Strothers, *IT Specialist* 202.808.3629  
 Lisa James, *Project Manager* 202.808.3596  
 Carmella Smith, *Software Admin* 202.808.3595  
 Chris Jones, *IT Specialist* 202.759.1025  
 Elen Berhe, *IT Specialist* 202.759.1015

### Operations Department

Anibal Garcia, *AVP of Operations* 202.759.1023  
 Monique Simmons, *Card Service Ops Specialist* 202.759.1024  
 Aida Cruz, *Operations Specialist* 202.470.6189  
 Lisa Morris, *Business Analyst* 202.470.6191  
 Sabrina McKenzie, *Card Services Ops Specialist* 202.759.1035  
 Melanie Sanders, *Business Analyst XA-LPQ* 202.905.0813  
 Cherraine Rich, *Operations Specialist* 202.808.3627  
 Adriana Green, *Business Analyst* 202.808.3612

### Loan Department 202.808.5998

Carina West, *AVP of Lending (NMLS #815035)* 202.808.3622  
 Gwen Taylor, *Loan Officer* 202.808.3630  
 Carmen Herrera, *Loan Processor/Title Clerk* 202.808.3601  
 Cassandra Bond, *Loan Disbursement Officer* 202.759.1022  
 Tamica Drake, *Loan Officer (NMLS #1121799)* 202.808.3623  
 Shavon Massey, *Asst. Lending Manager (NMLS #815037)* 202.808.3625  
 Abigail Patterson, *Sr. Loan Officer* 202.470.6197  
 Sheila Murphy, *Sr. Loan Officer* 202.759.1027  
 Lattice Harrison, *Sr. Collector* 202.808.3608  
 Mike Bargeron, *Mortgage Loan Officer (NMLS #685493)* 202.808.3628  
 Octavia Jackson, *Mortgage Loan Officer (NMLS #815036)* 202.808.3624

### Mortgage Department 202.808.5998

Lisa Owen, *AVP Mortgage Ops* 804.339.5011  
 Ron Voli, *Mortgage Ops Director* 804.339.7668  
 Maria Reid, *Senior Underwriter* 804.588.8960  
 Melinda Vance, *Mortgage Loan Coordinator* 804.588.4785  
 Denis Harney, *Mortgage Loan Closer* 804.774.2718  
 Celia Morris, *Mortgage Loan Consultant* 804.368.6036  
 Kumiko Bracewell, *Mortgage Lending Asst.* 804.368.6037  
 Michelle Corum, *Mortgage Lending* 804.368.6078

## BOARD OF DIRECTORS

James Boney	Chairman
Henry Misisco	1 <sup>st</sup> Vice Chairman
Roger Gilbertson	2 <sup>nd</sup> Vice Chairman
Donald R. Trafton	Treasurer
Thomas W. Zetty	Secretary
Thomas C. Earley	Director
Michelle Johnson	Director
Skip Jones	Director
Barbara J. Kone	Director
Joseph Kouba	Director
Georg Mehl	Director
Thomas Sobotta	Director

## SUPERVISORY COMMITTEE

Brian DiGiacomo	Chairman
Amber Beam	Secretary
Dennis Atkinson	Member
Sheila Bradley	Member
Raghawendra Dwivedy	Member



LIVE WELL. BELOW YOUR MEANS.



202.808.3600

Outside D.C.: 888.626.9845

### Mailing Address

P.O. Box 14720, Washington, DC 20044-4720

### Branch Locations

Herbert C. Hoover Building, Room B0038-A  
 Washington, DC 20230

1325 East West Highway, Metro II Building  
 Silver Spring, MD 20910

1724 F Street, NW, Washington, DC 20505

### Supervisory Committee

P.O. Box 841, Washington, DC 20044



LIVE WELL  
BELOW YOUR MEANS

2018  
ANNUAL REPORT



DEPARTMENT of COMMERCE  
FEDERAL CREDIT UNION

## PRESIDENT'S REPORT

Thank you for your patronage and support in 2018.

There are always challenges in life. Many of them we cannot control. I want you to know that when you have financial challenges your credit union is here for you. During the recent government shutdown many of our members reached out to us and we were able to help them with loans and payment deferrals on their current loans. If you have a financial challenge you can't handle give us a call. Our staff will work with you to overcome those challenges.

There are also joys in life. One of the joys of life is creating a savings program. A savings program effectively done can help you when there are challenges in life. That's why we strive at the credit union to give you competitive rates on your certificates of deposit. Make 2019 the year you begin opening certificates of deposits.

Thank you again for your continued support and patronage. I look forward to serving you in 2019 and into the future.

Respectfully Submitted,  
**Evan Clark**  
President/CEO

## CHAIRMAN'S REPORT

The Credit Union had another successful year in 2018. Our assets grew and we remained profitable. We continued to emphasize savings and investing for our members by offering very competitive rates on certificates of deposit.

One of the products we are most proud of is performance checking. You can earn a five year CD rate on your checking account. Right now the rate on performance checking is 3.57%. Call one of our offices for all of the details about this great product.

I would like to thank you, our members, for the feedback that we have been receiving. Your feedback helps us serve you better. We would also like to thank our members for their continued support and patronage. Please tell your family members and coworkers about your Credit Union – your endorsement is our best advertising.

You can count on DOCFCU for all of your financial needs. DOCFCU is a symbol of financial strength and security.

Respectfully Submitted,  
**James Boney**  
Chairman

## TREASURER'S REPORT

Your credit union was able to come through another year in good financial shape. We grew assets by \$69.1 million or 15.89%, totaling \$504 million in 2018. This is the first time in our history that assets are over the \$500 million threshold.

Outstanding loan balances increased by 33.08%. The vast majority of loan growth stems from mortgage growth. Our checking accounts, savings accounts, and share certificates experienced positive growth in 2018. Checking accounts grew by 16.28%. Regular savings grew by 2.70%. Certificates grew by 3.92%. Money market accounts shrunk by 3.45% in 2018. Your credit union continues to have some of the highest share certificate rates in the nation.

Investments shrunk by 12.63% to end the year at \$137.3 million. Instead of building our investment portfolio, we were able to increase loan balances which serves you better and earns a higher return for the credit union than investments.

The credit union's operating expense ratio was 2.94% for 2018. This ratio is higher than the previous year when it was 2.84%. Expenses increased in 2018 because we invested in an in-house mortgage division to underwrite and process all of your mortgage loans. As we grow, you should see the expense ratio decrease in 2019.

Even though the economic environment was not the easiest, \$1.38 million was added to Reserves in 2018, and your credit union continues to be officially recognized as "well capitalized."

Please refer to the accompanying charts and figures for an overall view of the credit union's performance in 2018.

Respectfully Submitted,  
**Donald R. Trafton**  
Treasurer

## CREDIT COMMITTEE REPORT

The Credit Union continued to serve our members' lending needs throughout 2018. As the economy continued to strengthen, our membership sought more credit. Last year, the Credit Union originated 2,761 new loans and lines of credit, including 2,573 consumer loans and 188 mortgages. Overall, we closed \$100.7 million in new loans. We finished the year with a portfolio of \$271.7 million total loans outstanding, growing almost 26% year over year.

The Credit Union assisted the membership to meet their financial needs by offering first mortgage, home equity, automobile, personal loans, lines of credit, and credit cards.

The Credit Committee is proud to say that it was once again able to approve the vast majority of all our member requests for loans. During 2018, we approved 69% of the loan applications we received were approved.

As the economy and the job market continued to improve, so did the Credit Union's delinquency rates. Our delinquency rate remains well below our Credit Union peers. As of December 31st, 2018, our loan portfolio had an overall delinquency rate of 0.37%.

We are incredibly proud to have been there for our membership during the three government shutdowns last year. We assisted our borrowers with skipped payments, line of credit extensions, and emergency loans. We granted payment extensions or loan modifications on 247 loans totaling over \$3.4 million.

The Credit Union staff appreciates the opportunity to offer loans and other financial services to our members and assist them in meeting their financial needs. We look forward to refining our loan products and services as we grow and strive to meet its members' needs.

Respectfully Submitted,  
**Jeffrey J. Banyas**  
Chairman

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is the members' representative under the Federal Credit Union Act. The committee has the responsibility to review and evaluate the internal controls of the Credit Union and monitor the performance of elected officials and employees.

In this regard, an audit performed during the past year reports that the Credit Union is being operated in compliance with applicable laws and regulations. Internal controls are in place and are being followed. It is the opinion of our auditor, Nearman, Maynard, Vallez CPAs, that the financial records and statements fairly reflect the financial condition of the Credit Union.

Should a member find an error or experience a problem of any kind with his/her account statement or with services provided, he/she should contact the Supervisory Committee immediately at the following address:

**Supervisory Committee**  
**Department of Commerce**  
**Federal Credit Union**  
**PO Box 841**  
**Washington, DC 20044**

The above address should not be used for credit union financial transactions, such as making deposits. Any such mail sent to this address may experience a significant delay in posting.

Respectfully Submitted,  
**Brian DiGiacomo**  
Chairman