



2022 Annual Report



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Letter from the Board Chair

In 2022, we continued to return to something close to a pre-COVID-19 world, but the year also presented challenges for our members. Between high inflation rates and large-scale layoffs at major companies, our cooperative community and members faced some difficult times. However, I am grateful and delighted to say that by working together and remaining committed to our core values, USALLIANCE has continued to ensure success for ourselves and our members. **In these past few difficult years, we have been challenged to maintain our commitment to our members in the face of numerous, formidable obstacles. I am proud to say that, in 2022, we have once again risen to these challenges and continued moving forward as a cooperative community.**

In 2022, we were determined to continue investing in our member experience; emphasizing the growth of digital services and refining our processes to increase efficiency and member satisfaction. One area in which we made significant strides was our mortgage lending services. By adjusting our process, leveraging new technology, and maintaining a strong focus on employee development and training, we significantly reduced overall turn times from 2021 to 2022. Despite increased volume in the first half of 2022, our average home equity loan saw a 16-day reduction, and first-time mortgages saw a 36-day reduction in the overall timeline year over year. We take great pride in being able to assist our members with such major life events while making the process of buying a home more efficient and less stressful.

Another exciting development of our member services in 2022 was the launch of our new video chat platform. We listened when our members told us they needed more banking options, such as video chat. In 2022, we worked on finding and launching a solution, and I am pleased to say our video chat platform is now live for all members. If you haven't already, head to the USALLIANCE website or mobile app to initiate a video session during a chat with our helpful team members. Staff can also invite members to a video session should the need arise during a chat interaction. We look forward to serving you personally and virtually in 2023 and beyond!

Finally, I want to touch on another major project that will greatly improve



our member services this year: the overhaul of our online and mobile banking systems. Last year, we began implementation of an industry-leading solution, including custom capabilities for members and enhanced commercial services for both mobile and online banking. We look forward to releasing this upgrade later this year and taking a massive leap forward with our members.

As always, I would like to extend a sincere thank you to our member community for allowing us to serve you, and to our staff and volunteers for all your hard work. By sticking together as a community and working collaboratively, we can overcome any challenges that present themselves and make 2023 our best year yet.

Simon R. M. Walton
Board Chair

Letter from the CEO & President

When you consider the performance and success of USALLIANCE, 2022 was, by any measure, a great year. We were a national leader in deposit rates, helping our members to increase their savings balances by 18%. We helped members consolidate debt, purchase homes, tackle home renovations, and pursue their dreams with over \$1 billion in new loans. Additionally, this was one of our best years ever for deposits and loans. Measured against previous years, our impact on our members' lives in 2022 was unparalleled.

USALLIANCE Financial has always remained committed to its members. The phrase “it’s all about the members” echoes through the organization both literally and figuratively, and in 2022, we took things to another level. In 2021, our board of directors challenged us with a 2-year member experience goal. Unheard of in our history, we were given 2 years to make enormous strides to ensure our members receive the best experience possible no matter when, where, why, or how they bank with us.

Within this overarching goal is a cascade of projects, large and small, aimed at improving our members' experiences and making their financial journeys easier. Most notably, we made huge reductions in fees in 2022: as a result of updating our fee schedule to reduce various fees, we have



kept \$1.2 million in our members' pockets. That's a lot of relief for our members during these tough economic times. I am also proud to say that we have not been forced to balance out this substantial fee reduction by reducing services. We have successfully given our members over \$1 million in fee relief without compromising or lessening our high standards of service.

In terms of specific upgrades to our products and services, we successfully completed a card processor conversion for our credit and debit cards, augmented our call center system, and kicked off a massive digital banking overhaul that will significantly enhance our mobile and online banking experience when completed in mid-2023.

Converting our card processing system was no small feat, but it resulted in some major improvements for our members. The new system allows us to provide our members with contactless card payments, better tuning and configuration of fraud detection, and card management capabilities within our mobile app. On top of these initiatives, we updated our physical cards with sleek new designs!

Strengthening our call center system was another large project, which has revamped our call routing system to reduce wait times and enhance screen-sharing capabilities for our members while on calls with the USALLIANCE team. We also launched a video chat option that allows



Letter from the CEO & President (continued)

members to initiate a video session during a chat or directly from the USALLIANCE website or mobile app.

Our biggest project yet is launching our new digital banking platform in 2023. We are poised to update our mobile and online banking solutions to industry-leading standards with enhancements across the board. A few examples of these enhancements include upgraded alert capabilities, amplified secondary account opening choices, advanced self-service options, and, yes, you will have a single login for both mobile and online banking. The groundwork for this project was set in 2022, and we will be ready to launch in mid-2023.

Aside from improving our members' banking experiences, the underlying foundation of this member experience goal is to ensure we are doing what's right for our members. As we head into 2023, we are so close to the \$3 billion asset threshold that by the time this report is published, USALLIANCE Financial may very well be a \$3 billion institution. With a monumental milestone like that rapidly approaching, it's hard not to look back and see how we got this far. **As a credit union, it took us 50 years to reach \$1 billion in assets, but it will take less than 10 years to achieve the \$3 billion milestone. Our progress as a cooperative organization over the years has been awe-inspiring, and our members are central to this progress. We have remained truly committed to serving our members, which is on full display in our growth, the products we have launched, and the projects we see on the horizon.** As we look to the future and what it holds for USALLIANCE, we aim to remain humble and true to our roots, focused on seeking, finding, and creating joy for our members and their communities. All of us here at USALLIANCE are eagerly looking forward to the future and achieving these goals together.



Kris P. VanBeek
CEO & President

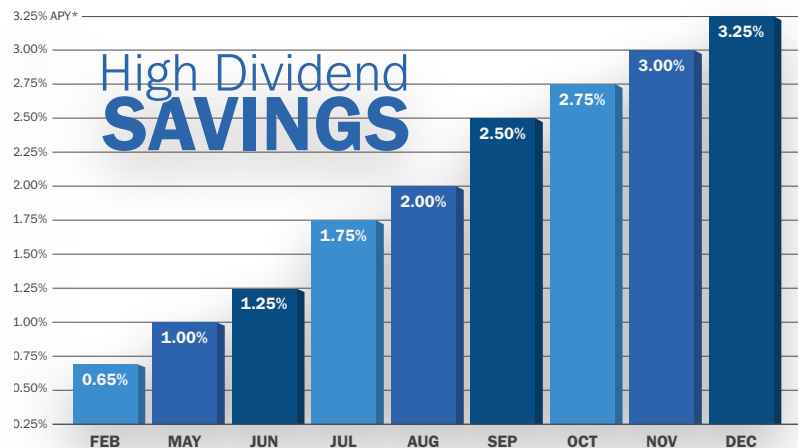


Deposit Accounts

High Dividend Savings and Certificate Accounts

We saw our rates increase throughout the year for many of our deposit accounts. Our High Dividend Savings Account rates began the year at 0.65% APY* in January 2022 but ended the year at 3.25% APY* in December 2022! Our Certificate Account rates were consistently top-of-market, with our 11-Month No-Penalty withdrawal account reaching a yield as high as 4.00% APY* in November and our 24-Month Special reaching as high as 4.50% APY* in December! With such competitive rates, we were recognized in various publications, including our 11-month No-Penalty Certificate being named one of the “Best No-Penalty CD Rates” in May, July, and November 2022 by Forbes Advisor. The great rates that we are able to offer on account types such as these are one of the ways that we reinvest our profits into our members. In this way, our deposit account successes in 2022 are a symbol of our dedication to our members—something we take great pride in at USALLIANCE.

In November 2022, we were rated in Newsweek for the upcoming year as one of America’s Best Banks of 2023 for our High Dividend Savings Account as well as our MyLife Savings Account for Kids!



*APY = Annual Percentage Yield



Member Experience

While we always do everything in our power to give our members the best experience possible when it comes to our products and services, we would not be able to call ourselves a true member-first organization without our top-class Member Services team. From answering simple everyday questions to assisting members through complex and scary financial situations, our Member Services team once again raised the bar in 2022.

This year, we continued the Difference Makers Program that we developed in 2021. This program was created to recognize, reward, and celebrate our employees as Difference Makers for their outstanding efforts in assisting members and making a real difference in their lives. We want to offer our sincere, heartfelt thanks to each and every person on our Member Services team for once again going above and beyond this year. You truly are the heartbeat of USALLIANCE!

As an upgrade to our Member Services offerings in 2022, we successfully launched our new video chat feature, which gives our members the ability to initiate a video call and speak directly to our Member Services team in a virtual face-to-face. Members can launch a call directly from the USALLIANCE website or mobile app, but they can also open a video chat during a chat session with USALLIANCE if the need arises. While the world has continued to move past the fully virtual existence of the past few years and we have immensely enjoyed seeing our members in person again, we have all experienced the convenience of video chatting and we are happy to offer it to our members.



“We’ve been members of this credit union for over 30 years. I called the 800 number on November 22nd and was fortunate enough to have Jenny K (Member Services Specialist) answer the call. **Jenny is one of the most knowledgeable representatives I’ve ever worked with! She is quite personable and is thorough. Jenny is a great listener and ensured that all of our questions were answered, and our needs were met.** I highly recommend you use Jenny as the ‘gold standard’ as you train your Member Services Specialists throughout USALLIANCE. Keep up the great work Jenny!”

- RC W.

“Great rates and Customer Service...a rare combination! As a Retiree from IBM, I was a previous member of the original IBM Credit Union. So it was with pleasure that I learned that USALLIANCE is the follow-on institution. **It was the attractive interest rates that spiked my attention; but the innovative products USALLIANCE offers are what brought me back. High Dividend Savings at 3.00% and IRA Certificates at 4.25% are among the best in the banking industry. However, it was Rachel in Deposit Account Services that exceeded my expectations. Her knowledge and professionalism, along with attention to detail and communication skills, showed me a level of Customer Service rarely seen today.** Thank you very much!”

- Augustine



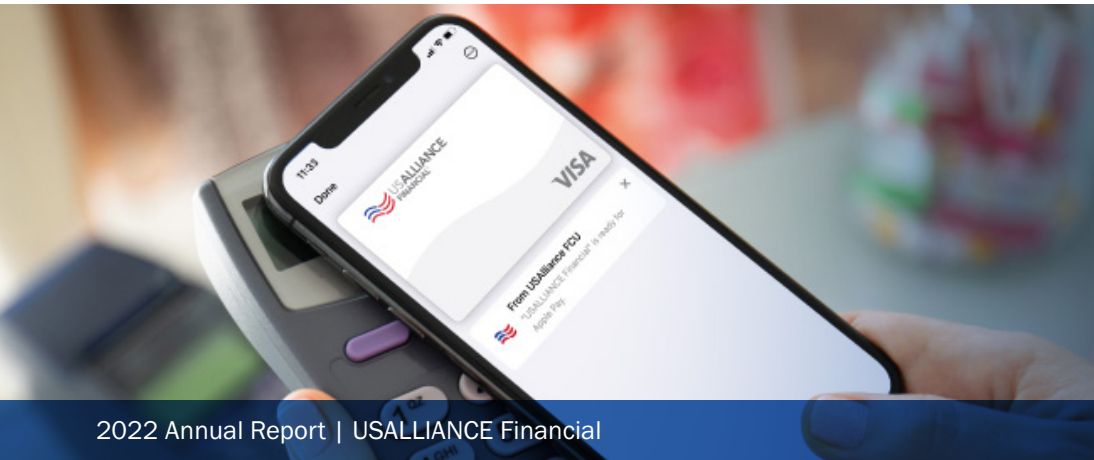
Member Experience

(continued)

As a cooperative organization, we are committed to providing the best products, services, and, most importantly, experiences, for our members. In 2022, we made many improvements to our member experience.

One of the most notable member service achievements in 2022 was a massive reduction in fees as a result of updating our fee schedule in April to lower a number of different fee types, such as insufficient funds, overdrafts, and transfers. Through this project, we have kept \$1.2 million in our members' pockets during the past year. That's a great relief for our members during these tough economic times and something that all of us at USALLIANCE take tremendous pride in. We are all the more thrilled about this result considering that, despite this weighty fee reduction, we did not need to reduce our services. We successfully provided over \$1 million in fee relief to our members without impacting the quality of our member services.

Another upgrade completed in 2022 to improve our member experience was an upgrade to our card processing system. **We took advantage of the opportunity to design new artwork for our credit and debit cards, and with a new design came new functionality. Our new system gives members the option of contactless card payments, improved tuning and configuration of fraud detection, and card management capabilities within our mobile app.** While this project was a significant undertaking, the resulting benefits that we are able to give our members make it well worthwhile.



One of our top priorities at USALLIANCE is helping our members navigate their own financial journeys by making financial education materials more readily available. We offer financial tips through a variety of channels, including our website, emails, and social media channels, so that we can spread these educational tips and materials to as many members as possible.

Members can find information through the Financial Education Center on our website, in our blog posts and monthly eNewsletters, and on our social media channels. Across these platforms, members can learn tips, tricks, and all things money management with materials explicitly designed to improve financial knowledge.



USALLIANCE Blog Highlights

22 Blogs Published

12,383 Individuals Reached

43 #FinancialTipFriday Social Posts



Social Media Spotlight



January 21, 2022

Difference between CU and Bank:

Happy Financial Tip Friday! Do you know the difference between a Bank and a Credit Union? Who has better rates? Lower fees? Better Customer Service? Better Products?

Learn more about the difference between banks and credit unions on our blog! <https://hubs.li/Q012D7-q0>



August 5, 2022

How to Spot a Skimmer:

This #FinancialTipFriday we want to talk about how you can spot a skimmer.

A skimmer is a device installed on card readers that collects card numbers. They are most often found on ATMs or gas pumps. Follow these tips to avoid your card information being stolen.



September 16, 2022

5 money myths to stop believing:

#1: "Debit is always better than credit."

#2: "Investing is for rich people."

#3: "My partner manages our finances, so I don't need to think about money."

#4: "I'm so young; I don't need to think about retirement."

#5: "I have enough money in my account for my expenses, so I don't need to budget."



The Live Life Fully Foundation is a not-for-profit established in 2020 to enable our members and their communities to live life fully and achieve economic self-sufficiency through equitable access to financial opportunities, community support, and financial education.

Mission: to provide opportunity, financial literacy, and a path to relief for those seeking financial wellness.

Core Values

Equity

We aspire to provide fair and equal access to financial opportunities with a primary focus on those who fall into the financially vulnerable population.

Inclusiveness

We practice and champion inclusiveness in our community. We honor the diverse strengths, needs, voices, and backgrounds of all members of our community.

Community

We look to provide a sense of community and support to individuals impacted by the daily stress, economic struggle, and chaos of modern life.

In alignment with the foundation's mission, in 2022 the Live Life Fully Foundation defined three core pillars of support: Financial Opportunity, Financial Literacy, and Community Support. These three guiding principles provide a path to relief for people seeking financial wellness. We revised our giving strategy and centered on Community Support by aiding organizations that directly respond to our community's basic needs and investing in USALLIANCE employees to build long term support for the foundation.



2022 Highlights



The Live Life Fully Foundation continued to expand the volunteer board to bring in new, creative ideas and further support our initiatives.



This year, USALLIANCE team members generously donated almost \$13,000 to support the Live Life Fully Foundation. Additionally, our charitable corporate sponsors donated over \$23,000 in funds.



In collaboration with USALLIANCE Financial, the Live Life Fully Foundation was able to donate laptops to more than 10 different organizations in need.



In 2022, The Live Life Fully Foundation made several donations to individual members facing especially troubling financial situations. In addition, the foundation donated to a number of community organizations, including the Qualitas of Life Foundation, Women's Money Matters, and My Money Workshop.

Supervisory Committee Report

The Supervisory Committee is an independent body, appointed by the Board of Directors, which has the responsibility to ensure that the financial statements accurately and fairly present the financial condition of the Credit Union and that management practices and procedures safeguard the member's assets.

To accomplish our goals, the Committee engages both internal auditors and an independent public accounting firm to audit the consolidated financial statements. Internal audit findings, recommendations, and management responses are reviewed by the Supervisory Committee and presented to the Board of Directors. To ensure the consolidated financial statements fairly represent the Credit Union's financial position, the Supervisory Committee retained the services of the certified public accounting firm of Doeren Mayhew, to perform an audit in accordance with Generally Accepted Accounting Principles and to express an opinion on the fairness of the consolidated financial statements. Their audit report, which contained an unqualified opinion, dated March 24, 2023, confirmed the Credit Union's consolidated financial statements for 2022 were materially correct and presented in conformity with Generally Accepted Accounting Principles.



Shaun Pasquale

Supervisory Committee Chair

For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754 or email your request to memberservices@usalliance.org.



Statement of Income

All data as of December 31, 2022 & December 31, 2021

Interest Income	2022	2021
Loans to members	\$95,359,478	\$72,800,295
Investments and cash equivalents	3,827,050	949,644
Total Interest Income	\$99,186,528	\$73,749,939
Interest Expense		
Members' shares and savings accounts	\$18,854,106	\$10,989,698
Borrowed funds and subordinated debt	10,046,563	8,516,288
Total Interest Expense	\$28,900,669	\$19,505,986
Net Interest Income	\$70,285,859	\$54,243,953
Provision/(recapture of) for loan losses	3,348,835	(2,220,000)
Net Interest Income After Provisions for Loan Losses	\$66,937,024	\$56,463,953
Non-Interest Income		
Fees and charges	\$6,355,312	\$5,661,113
Interchange income	4,437,103	3,710,141
NCUA distributions	1,113,215	2,495,102
Other Income	6,195,265	954,911
(Loss)/Gain on Sale of Loans	(5,473,688)	2,349,941
Total Non-Interest Income	\$12,627,207	\$15,171,208
Non-Interest Expenses		
Compensation and benefits	\$27,555,083	\$23,020,844
Office operations	8,797,335	8,171,651
Loan servicing	5,808,401	3,899,248
Office occupancy	2,489,372	2,634,088
Other expense	833,723	1,978,269
Advertising costs	3,335,840	1,752,596
Total Non-Interest Expenses	\$48,819,754	\$41,456,696
Net Income	\$30,744,477	\$30,178,465

Net Income

2022	\$30,744,477
2021	\$30,178,465
2020	\$8,535,928

The graphs accompanying the Statement of Financial Condition are unaudited. The consolidation of lines on the statements of financial condition and income may differ from the presentation format in the audited financial statements. For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754, or email your request to memberservices@usalliance.org.

Statement of Financial Condition

All data as of December 31, 2022 & December 31, 2021

Assets

	2022	2021
Cash and cash equivalents	\$191,145,076	\$157,264,885
Automated Clearing House (ACH) receivable	10,602,825	9,501,469
Interest bearing deposits	1,000,000	1,850,000
Available-for-sale investments	13,251	318,052
Federal Home Loan Bank (FHLB) stock	20,970,000	15,810,500
Central Liquidity Facility (CLF) stock	4,404,215	3,910,549
Loans to members, net of allowance for loan losses	2,379,465,200	1,966,087,096
Accrued interest receivable	11,788,897	8,402,188
Prepaid and other assets	63,167,643	50,100,228
Property and equipment, net	3,052,713	2,173,834
National Credit Union Share Insurance Fund (NCUSIF) deposit	17,864,738	14,588,439
Total Assets	\$2,703,474,558	\$2,230,007,240

Total Assets

2022	\$2,703,474,558
2021	\$2,230,007,240
2020	\$2,014,055,577

Liabilities and Members' Equity

Liabilities:

Members' shares and savings accounts	\$2,019,253,926	\$1,697,548,991
Borrowed funds	429,975,937	315,000,000
Subordinated debt	18,000,000	18,400,000
Accrued expenses and other liabilities	33,084,648	23,686,968
Total Liabilities	\$2,500,314,511	\$2,054,635,959

Members' Equity:

Regular reserve	--	\$17,582,100
Undivided earnings	207,608,227	159,281,650
Accumulated other comprehensive loss	(4,448,180)	(1,492,469)
Total Members' Equity	\$203,160,047	\$175,371,281

Total Liabilities and Members' Equity	\$2,703,474,558	\$2,230,007,240
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The graphs accompanying the Statement of Financial Condition are unaudited. The consolidation of lines on the statements of financial condition and income may differ from the presentation format in the audited financial statements. For a complete copy of the independent audit report performed by Doeren Mayhew, please call the Credit Union at (800) 431-2754, or email your request to memberservices@usalliance.org.

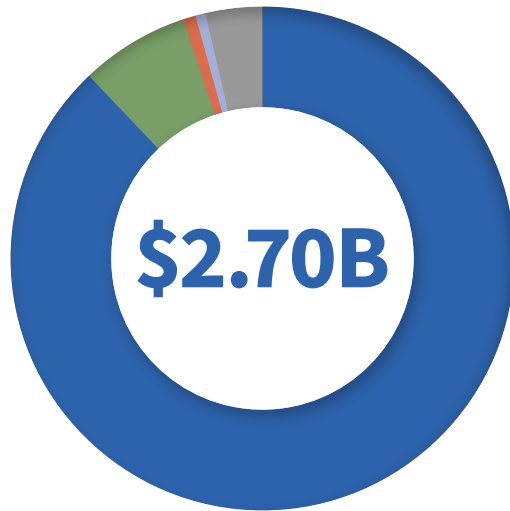
Statement of Financial Condition (cont.)

All data as of December 31, 2022

Assets

Loans	\$2,379,465,200
Cash	\$191,145,076
Investments	\$26,387,466
Property & Equipment	\$3,052,713
Other	\$103,424,103

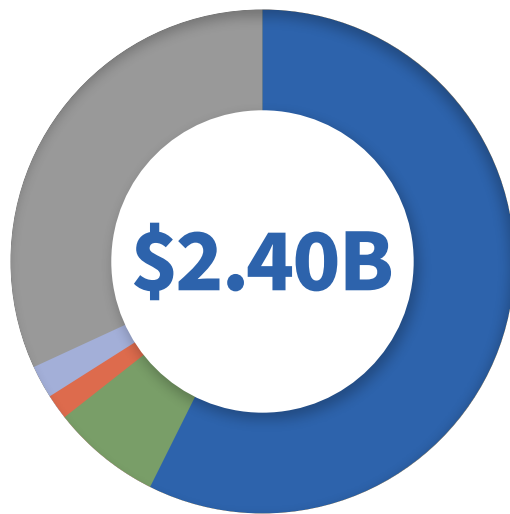
Total Assets: \$2,703,474,558



Loans to Members

Real Estate	\$1,384,598,166
Vehicle	\$164,582,696
Credit Cards	\$32,329,261
Commercial	\$50,934,617
Other	\$763,124,354

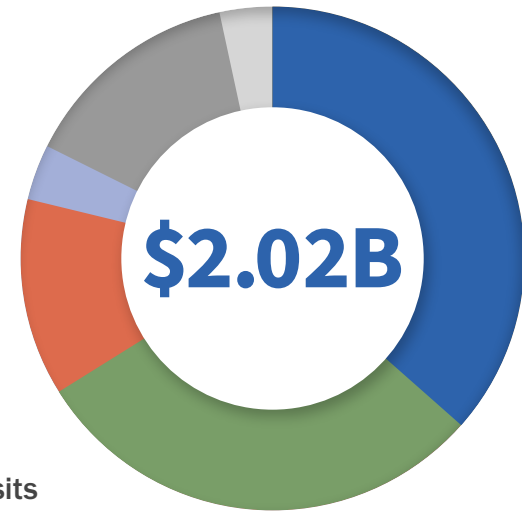
Total Loans to Members: \$2,395,569,094



Member Savings

Certificates	\$737,215,206
Shares	\$600,398,497
Checking	\$260,548,104
Money Market	\$64,982,368
Non-Member Deposits	\$286,094,249
Retirement	\$70,015,502

Total Member Savings: \$2,019,253,926



Volunteers

Board of Directors

Chair

Simon R. Walton

Vice Chair

Ronald M. Quagliani

Secretary

Ellen R. Dulberger

Treasurer

William H. Lusk

Directors

Carla M. Palma

Shaun M. Pasquale

Nancy R. Rossi

Darren E. Smith

Peter H. Staley

Associate Directors

Arthur G. Kentros

Directors Emeritus

George Barto

Judith A. Brandt

James R. Collins

Thomas F. McCormick

John Murphy

Alan L. Stuart

Supervisory Committee

Members

Paul J. Gravenese

Arthur G. Kentros

Shaun M. Pasquale

Chanel Smith

Management Team

Executive Team

CEO & President

Kris P. VanBeek

Executive Vice President

Kevin A. Randall

CFO & Executive Vice President

Brett J. Wheeler

COO & Senior Vice President

Stephanie M. Dunn-Hyles

Senior Vice President, Lending

Alexander Schmidt

Vice Presidents

Accounting & Finance

Beverly Tuma

Audit & Risk

Michael Duffy

Compliance & Risk Management

Denise M. Enlund

Financial Assistance & Servicing

Erica Potter

Information Technology

Tony Vo

Marketing & Digital Experience

Sara White

Member Services

Deanna Rasco

Vice Presidents (continued)

Payment Operations

Felecia Hudson

Specialty Consumer Lending

Joel Brewer

USA Specialty Lending

Bill Allen

Directors

Coral Labs

Mackie Connell

Coral Labs, Innovation & Technology

Daniel O'Brien

Cyber Security/ISO

Joshua Polick

Talent Development

Patrizia Tesman

USA Specialty Lending

Charles Dunn

Newsweek

America's Best Banks 2023

Best Savings Account for Kids (Credit Union)

Newsweek sought out the best bank and credit union account that offered low minimums to open, no monthly maintenance fees and a decent interest rate, plus special perks like birthday gifts or interactive mobile app features to get kids excited to save.

[Read more on newsweek.com](https://www.newsweek.com)

Westchester & Fairfield County Business Journals

Financial CEO Awarded

Kris VanBeek, president and CEO of USALLIANCE Federal Credit Union of Rye, New York, was recently awarded Exemplary Friend of the Central Americans in the Year of 2022 by the Central American Coalition USA at its XVII Gala on Nov. 4, at the Santa Fe Resort and Casino in Las Vegas, Nevada.

[Read more on westfaironline.com](https://www.westfaironline.com)

AMERICAN BANKER

USAlliance, Marriott Employees' federal credit unions to join forces

USAlliance Federal Credit Union in Rye, New York, has agreed to merge with Marriott Employees' Federal Credit Union in Bethesda, Maryland. Upon approval of the deal, the 23,000 members of the \$192 million-asset MEFCU would gain access to an expanded line of products and services, including better dividend rates, an elevated offering of loan types and digital banking solutions.

[Read more on americanbanker.com](https://www.americanbanker.com)



USALLIANCE Financial Partners with Lumin Digital for Enhanced Digital Banking Services

Lumin Digital has announced a new multi-year partnership with New York-based USALLIANCE Financial supporting an enhanced online-banking experience for USALLIANCE's more than 140,000 members and more than \$2.5 billion in assets.

[Read more on lumindigital.com](https://www.lumindigital.com)

USALLIANCE Financial

Branch Locations

Connecticut

West Haven, VA Hospital

950 Campbell Avenue, Building 5

Restricted Access

West Haven

1 Atwood Place

Massachusetts

Medford

71 Station Landing

New Jersey

Wayne

1 Corporate Drive

New York

Bronx

20 East 179th Street

Napanoch, Walmart

7500 Route 209

Port Chester

555 Boston Post Road

Purchase, PEPSICO

700 Anderson Hill Road

Restricted Access

Woodbourne

390 Route 52

ATMs & Shared Branches

As a member of USALLIANCE, you have access to more than 30,000 surcharge-free ATMs, as well as more than 5,600 shared branch facilities nationwide.

Find one near you: www.usalliance.org/about-us/atm-branch-locator

9 USALLIANCE Branches

30,000 Surcharge-Free ATMs

5,600+ Shared Co-op Branches

Online Banking

Check your balance, view your transaction history, transfer funds, pay bills, and more—all with the click of a button.

Enroll today: www.usalliance.org/enroll

Mobile Banking

USALLIANCE Mobile App



Our mobile app gives you access to all our online banking features directly from your mobile device. Download the USALLIANCE app from the Apple® App Store® or on Google Play™.**

** Apple is a trademark of Apple Inc., registered in the U.S. and other countries and regions.

App Store is a service mark of Apple Inc.

Google Play and Android are trademarks of Google LLC.

Map Source: Co-op Financial Services | www.co-opfs.org

Branch location data as of May 1, 2023

Contact Us



www.usalliance.org



+1 (800) 431-2754

Call or Text



memberservices@usalliance.org



Live Chat at www.usalliance.org



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Rye, NY 10580-1426

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Federally insured by NCUA | Equal Housing Lender
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