



617.495.4460
huecu@harvard.edu
@myHUECU

HUECU.ORG

OUR MISSION

Enhance our members' lives by providing trustworthy products that are easy to understand, easy to use and best suited to meet their financial needs.



Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.



2023

ANNUAL REPORT

HARVARD UNIVERSITY EMPLOYEES CREDIT UNION

2023 Highlights

5.87%

ASSET GROWTH
2023

\$67,273

MILLION
TOTAL ASSET GROWTH
YEAR END 2023

2,197

MEMBERSHIP GROWTH

+4.15%

7,822

INCREASE IN # OF
DEPOSIT ACCOUNTS

+7.69%

21

NEW HIRES



20

PROMOTIONS



New Products & Services

HUECU forged ahead on the mission to provide an exceptional banking experience for our members. We developed new products and services that return more value to members.



FLEX GRADUATE LOAN

As long as a member is enrolled at least half-time and progressing towards a graduate degree, we've got them covered.



GENTREO DIGITAL ESTATE PLANNING

We partnered with Gentreo to offer digital estate planning so members can protect what they love with an easy and affordable estate planning solution.



SMART REWARDS SAVINGS

With a Smart Rewards Savings account from HUECU, members give their savings a major boost without tying up their money longer term!



40 YEAR ARM

Members can receive a lower, more affordable monthly payment which can increase their buying power.



INVESTMENT SERVICES

We partnered with CFS to offer financial advisory services to our members that makes investing uncomplicated.



VIDEO CALLS

We began offering video calls as a Support option, streamlining certain member transactions while delivering a more personal experience.

Report from the Chairman & CEO



Jason Luke

Jason Luke
Chairman of the Board



Craig Leonard

Craig Leonard
President & CEO

A CHALLENGING ECONOMIC ENVIRONMENT

The year 2023 brought a number of significant economic challenges. Still recovering from the multifaceted impacts of the COVID-19 pandemic, the global economy was shaken by stubborn inflation and worsening geopolitical instability. In the meantime, the U.S. economy saw a continuation of high short-term interest rates, leading to a prolonged inverted yield curve and contributing to noteworthy declines in business investment and housing activity.

Despite these difficult circumstances, the Credit Union has remained resolute in our commitment to delivering exceptional member value. While liquidity continued to pose challenges in 2023, we anticipate an easing of pressures as the Federal Reserve gradually lowers interest rates in the coming year. Moreover, we are deeply aware of the challenges now facing consumers—from cost fatigue and rising debt, to tighter credit and low housing stock—and we aspire to be a trusted partner to our members, now more than ever.

HEALTHY FINANCIAL PERFORMANCE

In the face of economic uncertainties, HUECU nevertheless achieved healthy financial performance in 2023. Our loan portfolio experienced significant growth, amounting to \$80,311,653 or 8.11%, while HUECU's total assets increased by \$67,272,911 or 5.87%.

The Credit Union is nothing without the members we serve, and this year we welcomed 2,197 new members, reflecting an increase of 4.15%. Members depend on our range of quality, trustworthy, easy to use banking products, which also grew in 2023.

Certificates of Deposit (CDs) saw remarkable growth, reaching \$92,621,423 or 68.34%. The number of HUECU deposit accounts increased by 7,822 or 7.69%. We witnessed a substantial increase of 2,429 CD accounts, reflecting a growth rate of 51.91% while the number of loan accounts grew by 2,784 or 8.70%.

These accomplishments underscore HUECU's resilience and ability to thrive in challenging economic environments, as well as our unwavering dedication to serving the financial needs of our members.

ENHANCED PRODUCTS & SERVICES

In 2023, the Credit Union continued to enhance our suite of products and services to provide an unparalleled member experience. These innovations align with our commitment to return value to our members by delivering modern and relevant financial solutions.

To help members protect what matters most, we introduced Insurance Services and Digital Estate Planning. Our insurance services, offered in partnership with Trustage, now include auto, home, and a variety of life and disability coverage options. HUECU's Digital Estate Planning, a collaboration with Gentreo, gives members access to a convenient, affordable, award-winning solution to safeguard their assets and plan for the future.

With household budgets and credit access being stretched in the current economic environment, HUECU also brought out new vehicles for saving, borrowing and investing. Our new Flex Graduate Loan supports members pursuing a graduate degree, while the introduction of Smart Rewards

“These accomplishments underscore HUECU’s resilience and ability to thrive in challenging economic environments, as well as our unwavering dedication to serving the financial needs of our members.”

Savings allows members give their savings a major boost without tying up their money longer term. Members looking to buy or refinance a home can take advantage of HUECU's 40-year Adjustable Rate Mortgage (ARM), which offers lower monthly payments and increased buying power.

In addition, HUECU's new Investment Services, in partnership with CFS, makes investing more accessible and uncomplicated for HUECU members. And, embracing technology, we initiated video calls as a support option—streamlining transactions to help members get the help they need in a faster, more personalized way.

GIVING THANKS

In closing, we extend our gratitude to the hardworking HUECU team who empower excellence every day, and to each HUECU member for your trust and partnership. Your continued support allows the Credit Union to thrive and serve you better. As we look ahead to 2024, we remain dedicated to meeting your financial needs and exceeding your expectations.



COMMUNITY

FINANCIAL LITERACY

Over **200 unique** calls to GreenPath Financial Wellness by our members.



CHARITABLE GIVING

We donated **\$125,000** to a variety of community organizations, of which **\$4,210** was donated through employee match.



DEBT MANAGEMENT

\$130,000 in debt repaid by members on GreenPath's Debt Management Plan.



VIP (VOLUNTEER INITIATIVE PROGRAM)

Over **700 hours** volunteered through our **Volunteer Initiative Program (VIP)** which allows HUECU employees to use work time to participate in volunteering events in the community.



Report from the Treasurer



Mary E. Straub

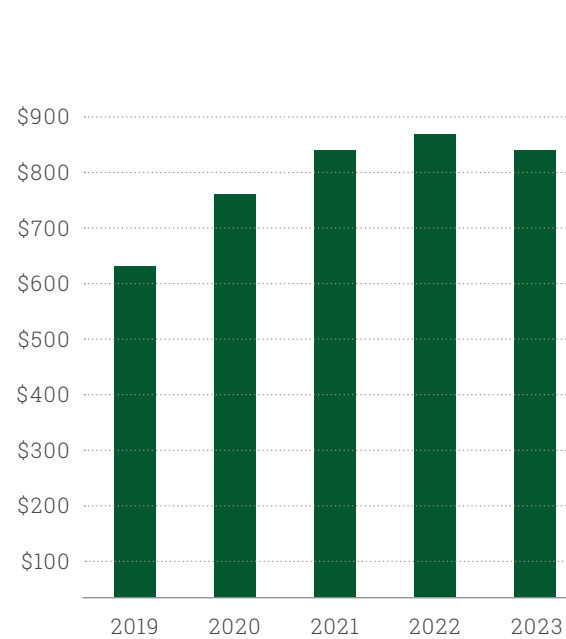
Mary Straub
Treasurer

The Credit Union continued to perform strongly. Assets increased by 5.87%, with a year-end total of \$1.213 billion.

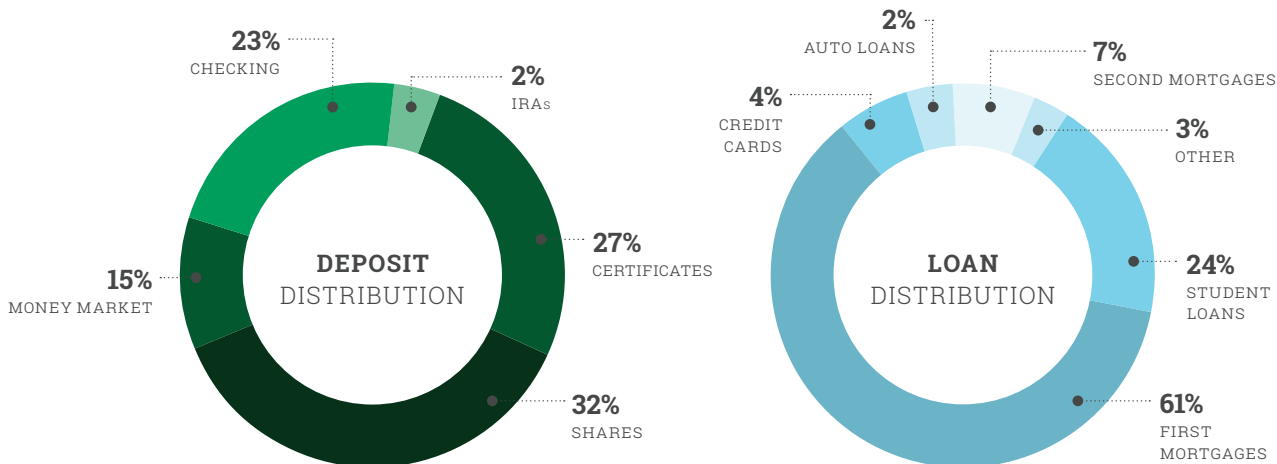
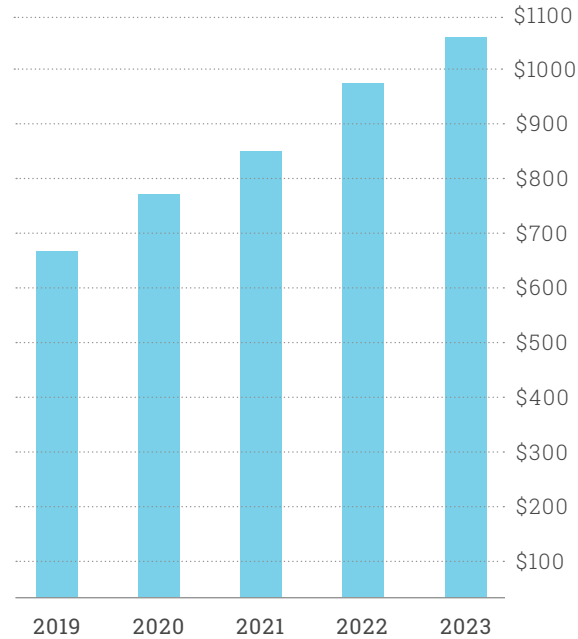
Positive growth was realized in many areas of the Credit Union. Loan growth remained strong, particularly in our student loan and second mortgage programs, while deposit growth was challenging for our Credit Union and throughout the industry.

As reflected in the unaudited financial statements, the Credit Union continues to be a well-capitalized, financially strong institution where members can feel confident saving and borrowing. The Board, management and staff are to be commended for their contributions to our success.

DEPOSITS OVER 5 YEARS
IN MILLIONS



LOANS OVER 5 YEARS
IN MILLIONS



Statement of Condition

SELECTED DATA IN MILLIONS

	2022	2023
ASSETS		
Cash & Cash Equivalents	41.5	25.3
Investments	86.1	84.8
Loans to Members, net	983.1	1062.4
Property & Equipment, net	3.6	2.6
National Credit Union Share Insurance Fund Deposit	7.7	7.9
Other Assets	23.7	29.8
Total Assets	1,145.5	1,212.8
LIABILITIES & MEMBERS' EQUITY		
Liabilities		
Members' Shares	853.4	845.7
Borrowed Funds	181.7	249.9
Accrued Expenses & Other Liabilities	21.5	20.1
Total Liabilities	1056.6	1,115.8
Members' Equity		
Retained Earnings, Substantially Restricted	97.1	102.7
Accumulated Other Comprehensive Income	-8.2	-5.8
Total Members' Equity	88.9	97
Total Liabilities & Members' Equity	1,145.5	1,212.8

Statement of Income

SELECTED DATA IN MILLIONS

	2022	2023
INTEREST INCOME		
Interest Income from Loans & Investments	36.9	47.5
Interest Expense for Members' Accounts & Borrowed Funds	-5.3	-16.8
Loan Loss Provision	-0.9	-2.1
Net Interest Income After Provision	30.7	28.5
Other Income	8.1	6.4
Operating Expenses	-30.1	-31.6
Net Income	8.8	3.3

Report from the Audit Committee



George White
George White
Committee Chair

The Audit Committee is composed of four Directors dedicated to ensuring that the Credit Union's actions are held to the highest standards of integrity and value.

Throughout 2023, the Committee met regularly to review the monthly financial statements and audit reports, as well as to discuss other operational topics of interest. We are assisted in our efforts by external firms that provide audit support of the Credit Union's finances and internal controls. Wolf & Company, P.C., audits our financial statements.

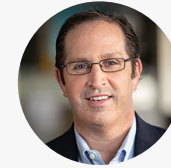
Internal audits continued to receive significant attention during 2023. Healy & Healy, our partnered firm, performed internal audits throughout the year to test Credit Union procedures and controls in branch operations, wire transfers, deposit operations, mortgage and student loans, among other areas. The Committee reviewed their findings and management's responses and continues to actively work with management on suggested areas to strengthen our processes and mitigate risk.

Reimbursements to Board Directors, including other general expenses associated with Board meetings, conferences, trainings, committee meetings and planning sessions within 2023 totaled \$97,249. No reimbursable expenses to members of the Audit Committee and Credit Committee occurred. All Board Director expenses and reimbursements were made in compliance with the regulations of the National Credit Union Administration and the Massachusetts Division of Banks. The Committee wishes to thank the Credit Union management for their cooperation, support and assistance throughout the year.

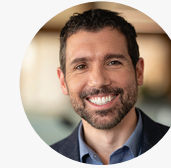
COMMITTEE MEMBERS

- Dee Dee Chen
- Harman Kaur
- Mary Ann O'Brien
- George White

Officers



Craig Leonard
President & CEO



Tom Montilli
EVP, Chief Experience Officer



Katie Armstrong
SVP, Chief Financial Officer



John Degnan
SVP, Operations



Lexie Cole
Director, Human Resources and Training



Michael Urnezis
SVP, Chief Lending Officer

Board of Directors



Jason Luke
Chairman
Since 2014



Karrie Ford
Vice Chair
Since 2014



Dee Dee Chen
Vice Chair
Since 2015



April D. Edrington
Clerk
Since 2016



Mary Straub
Treasurer
Since 2004



Dennis Campbell
Since 2013



Harman Kaur
Since 2021



John Lichten
Since 1992



Thomas Lucey
Since 2006



Jeremiah Murphy
Since 2003



Mary Ann O'Brien
Since 2022



Marty Ray
Since 2023



Gonzalo Muñoz Sanz
Since 2021



George White
Since 1999



Shahar Ziv
Since 2016

Thank You

We would like to thank all of our partner organizations for their continued support and participation in the Credit Union.

OUR PARTNERS

The Harvard University Employees Credit Union is proud to offer our services to the employees, students and alumni of Harvard University, Harvard teaching hospitals and affiliated organizations.

- | | |
|--------------------------------------|-------------------------------------|
| American Repertory Theater | Harvard Management Company |
| Beth Israel Deaconess Medical Center | Harvard Pilgrim Health Care |
| Boston Children's Hospital | Harvard University |
| Brigham and Women's Hospital | Joslin Diabetes Center |
| Cambridge Health Alliance | Lesley University |
| Dana Farber Cancer Institute | Massachusetts Eye and Ear Infirmary |
| Dumbarton Oaks Research Library | Massachusetts General Hospital |
| GBH Boston | Mount Auburn Hospital |
| Harvard Business Publishing | Spaulding Rehabilitation Hospital |

Visit [HUECU.ORG](https://www.huecu.org) for the full list of affiliated organizations.

