

REAL MEMBER REAL VALUE



Eric Miller, a NASA Federal scholarship recipient

"I am forever grateful for having received the Mitchell-Beall-Rosen Memorial Scholarship. It has provided the chance to study computer science at a top university with less worry about my financial security afterwards."

In 2020, NASA Federal donated a total of \$35,000 in scholarships to six deserving members. Learn more at nasafcu.com/scholarship.

CALENDAR

- **April 26: NASA FEDERAL ANNUAL MEETING**
5 p.m., Collington Center branch office.

LOCATIONS

Annapolis
2452 Solomons Island Rd
Annapolis, MD 21401

Arlington
FDIC Building D
3503 Fairfax Dr.
Arlington, VA 22201

Bowie
16461 Excalibur Road
Bowie, MD 20716

Collington
500 Prince Georges Blvd.
Upper Marlboro, MD 20774

Columbia
7085 Minstrel Way
Columbia, MD 21045

Falls Church
1130 West Broad Street
Falls Church, VA 22046

Goddard Space Flight Center*
Goddard Space Flight Center, Bldg. 21
Greenbelt, MD 20771

Greenbelt
10208 Greenbelt Road
Greenbelt-Lanham, MD 20706

NASA Headquarters
300 E Street, SW, Suite GC-21
Washington, DC 20024

National Academy of Sciences (NAS)*
500 Fifth Street NW, Suite 310
Washington, DC 20001

National Science Foundation (NSF)*
2415 Eisenhower Ave.
Alexandria, VA 22314

Oak Hall
7027 Lankford Highway (Rt. 13)
Oak Hall, VA 23416

Rockville
895-C Rockville Pike
Rockville, MD 20852

Wallops Island*
GSFC-Wallops Flight Facility, N-133
Wallops Island, VA 23337

*Access restricted to employees of that facility

NATIONWIDE

More Than 5,600 Branch Network Locations

30,000 Free ATMs

Plus, Get Cash at More Than
7,900 7-Eleven® Stores



Find a location near you at nasafcu.com/locations



Telephone

Local 301-249-1800
Toll-Free 1-888-NASA-FCU (627-2328)
Contact-24 1-888-NASA-FCU (627-2328), press 1
Lost/Stolen Card 1-888-NASA-FCU (627-2328)
Lost/Stolen Card (After Business Hours) 1-866-708-9364

Fax

Mortgage Services 301-249-0798
Loan Services 301-249-0799
Member Services 301-249-0587

Your NASA FCU deposits (excluding investment accounts) are federally insured to at least \$250,000 by the National Credit Union Administration, an agency of the U.S. Government.



This publication does not constitute legal, accounting or other professional advice. Although it is intended to be accurate, neither the publisher nor any other party assumes liability for loss or damage due to reliance on this material. Loans subject to credit approval. © 2021 NASA Federal Credit Union.

www.nasafcu.com



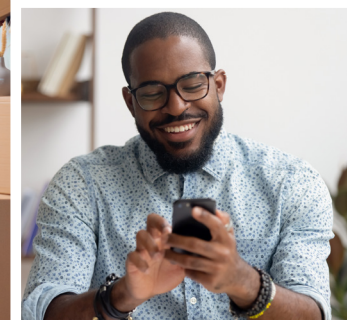
The quarterly news & service update for NASA Federal members

Insight

April 2021

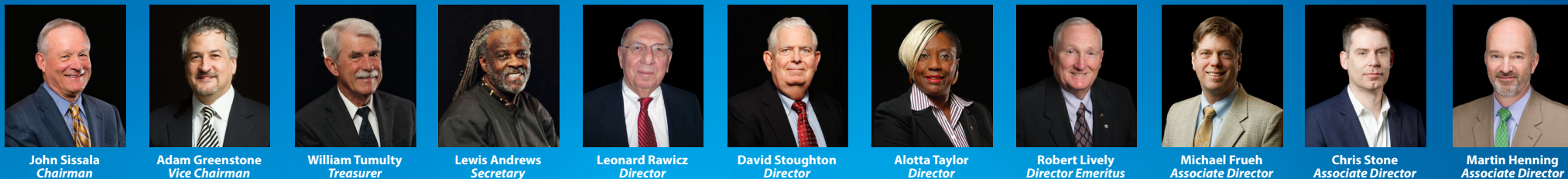


MEMBER REPORT



2020: A Year Like No Other





Supervisory Committee Report



Supervisory Committee

From left to right:
Dave Stoughton,
JoAnne Sprunk,
Karen White, *Chair*,
Elaine Slaugh,
and Dan Rozman

The Supervisory Committee is responsible for ensuring that the Credit Union's Board of Directors and management establish practices and procedures to properly safeguard members' assets. The Committee is also responsible for obtaining the annual financial statement audit from a licensed, independent auditor to ensure that the Credit Union's financial statements comply with Generally Accepted Accounting Principles and fairly represent the financial condition of NASA Federal Credit Union. In fulfilling these responsibilities, the Committee appointed the independent certified public accounting firm of CliftonLarsonAllen LLP, which directly reports to the Committee.

In addition, we held quarterly meetings to, among other things, review internal audit services, internal controls and risk management processes and examinations by regulatory agencies.

We are pleased to report that the annual audit conducted by CliftonLarsonAllen LLP for 2020 was completed successfully, and NASA Federal Credit Union's financial statements were certified as fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles, on March 24, 2021. The Supervisory Committee concurs with this assessment.



Karen White
Chairman, Supervisory Committee

CONSOLIDATED STATEMENT OF INCOME

December 31, 2020

INTEREST INCOME

| | | |
|-------------------------|----|-------------|
| Interest on Loans | \$ | 127,643,577 |
| Interest on Investments | | 6,560,882 |
| Total Interest Income | \$ | 134,204,459 |

INTEREST EXPENSE

| | |
|---------------------|------------|
| Net Interest Income | 36,134,341 |
| | 98,070,118 |

PROVISION FOR LOAN LOSSES

| | |
|---|------------|
| Net Interest Income after Provision for Loan Losses | 75,674,197 |
|---|------------|

NON INTEREST INCOME

NON INTEREST EXPENSE

| | |
|----------------------------|------------|
| Employee Expense | 39,954,753 |
| Operating Expense | 29,913,434 |
| Total Non Interest Expense | 69,868,187 |

CONSOLIDATED NET INCOME

| | |
|---|---------|
| Less: Non-Controlling Interest Earnings | 335,715 |
|---|---------|

NET INCOME

| | |
|----|------------|
| \$ | 35,809,531 |
|----|------------|

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2020

ASSETS

| | | |
|---------------------------|----|-------------|
| Cash and Cash Equivalents | \$ | 734,168,981 |
|---------------------------|----|-------------|

LOANS TO MEMBERS

| | |
|---|---------------|
| Less: Allowance for Loan Losses of \$28,156,795 | 2,341,789,344 |
|---|---------------|

INVESTMENTS

| |
|------------|
| 56,876,819 |
|------------|

OTHER ASSETS

| |
|-------------|
| 209,551,863 |
|-------------|

TOTAL ASSETS

| |
|----------------------|
| <u>3,342,387,007</u> |
|----------------------|

LIABILITIES AND MEMBERS' EQUITY

| | |
|--------------------------------|---------------|
| Members' Share Accounts | 2,765,734,484 |
| Payables and Other Liabilities | 225,140,381 |

TOTAL LIABILITIES

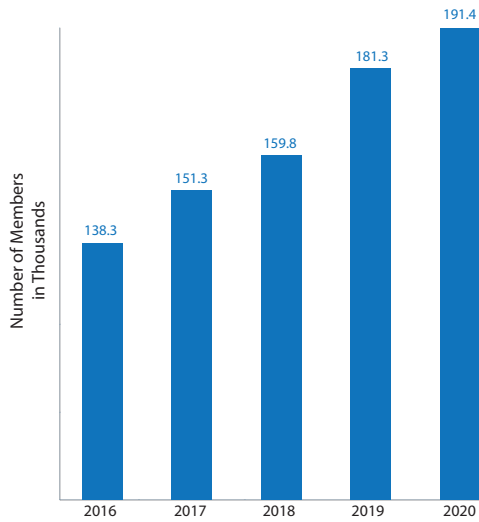
TOTAL MEMBERS' EQUITY

| | |
|--------------------------|---------|
| Non-Controlling Interest | 758,835 |
|--------------------------|---------|

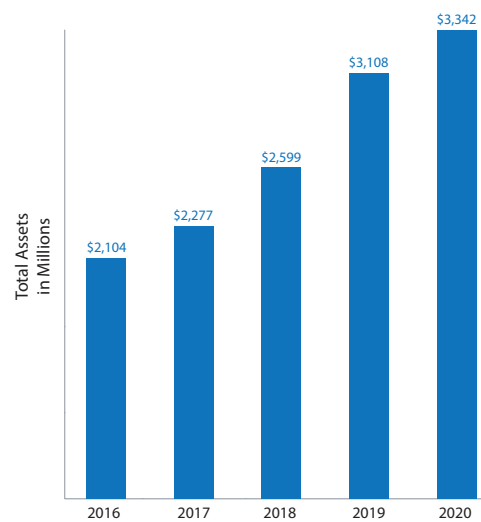
TOTAL LIABILITIES AND MEMBERS' EQUITY

| | |
|----|----------------------|
| \$ | <u>3,342,387,007</u> |
|----|----------------------|

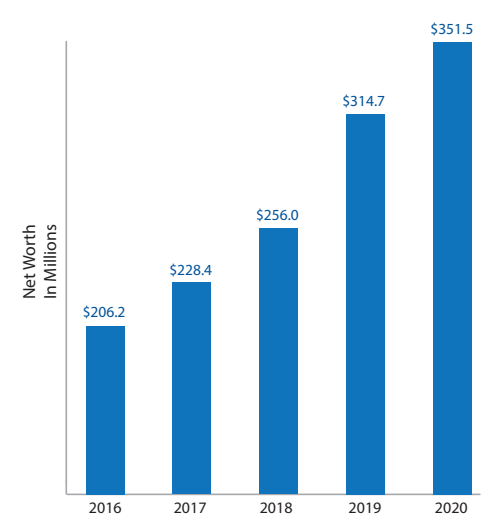
MEMBERSHIP GROWTH



ASSET GROWTH



CONSOLIDATED NET WORTH



CORPORATE SOCIAL RESPONSIBILITY

We are grateful to our employees, our community partners and our members for their continued trust in NASA Federal Credit Union and their faith in our shared mission. In 2020, NASA Federal and our more than 300 employees delivered the following benefits:

Charitable Giving & Employee Volunteerism



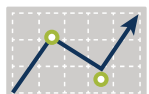
\$78 thousand
in philanthropic donations to college scholarships and local food banks

Environmental Stewardship



208 tons
Reduced carbon footprint by investing in LED replacement

Economic Opportunity



\$1.25 million
in liquidity assistance for smaller and Latino credit unions to serve lower-to-moderate income communities

Responsible Home Ownership



\$733+ million
in innovative mortgage products designed for homebuyers with little or no down payment, including first-time homebuyers, conforming and jumbo first mortgages, fixed rate seconds and home equity lines of credit

COVID-19 FINANCIAL RELIEF

26,000
No-Fee Skip-A-Payments
totaling over \$9 Million

2,900
Fee Waivers
totaling \$84,000

\$2.8 Million
Deferred Mortgage Payments



John Sissala
Chairman



William Tumulty
Treasurer



Doug Allman
President/CEO

2020: A Year Like No Other

2020 was quite a year, filled with unprecedented societal and economic challenges for everyone. We are pleased to report that, COVID-19 pandemic-related obstacles notwithstanding, NASA Federal Credit Union successfully innovated and adapted throughout the year to continue to bring you the services you depend on and the guidance you can trust.

To make this happen, we implemented best practice safety measures throughout the Credit Union to keep members, as well as NASA Federal employees and their families, safe and healthy. At the same time, we delivered new amenities and services, while producing a strong financial performance, all in a primarily remote manner.

Meeting Pandemic Challenges Head On

In March, many NASA Federal branches closed to ensure safety. We continued serving members, uninterrupted, through our mobile channels, Contact Center and drive-throughs, while also offering limited face-to-face interactions by appointment. Our back-office operations moved to nearly 100% virtual, with the majority of employees working from home on any given day.

In September, after state mandates were relaxed, we reopened most branches with new safety protocols in place. These protocols included plastic germ shields, masks, social distancing signage, hand sanitizing stations, and more. Since that time, NASA Federal has maintained consistent in-person branch service, while continuing to run the bulk of our back-office operations virtually.

At the same time, we implemented many relief options for members who were financially impacted by the pandemic. By year end, we had provided over 26,000 no-fee skip-a-payments, totaling over \$12 million in deferred loan payments. We also waived over 2,900 NSF fees, late payment fees, and CD early withdrawal penalties totaling more the \$84,000, and deferred \$140,000 in mortgage payments.

Strong Financial Performance

Despite the aforementioned challenges, NASA Federal achieved record growth across several areas in 2020. We completed the year with \$3.35 billion in assets, a 7% increase over the prior year's \$3.12 billion and a new milestone for asset size. At the same time, we welcomed 23,980 new members from across the country, bringing the total number

of members doing business with NASA Federal to 191,373. This represented a new membership record, as well as a 5.6% year-over-year increase.

"NASA Federal completed the year with **\$3.35 billion** in assets, a **7% increase** over the prior year... and a new milestone for asset size."

In addition, our efficiency ratio of 53.92% was strong, indicating that we were able to continue to create value for members throughout 2020 while simultaneously keeping our expenses under control. We also attained record growth in home loans—tripling our highest volume ever—by providing \$733 million in mortgage funding to members for new and refinanced homes.

Finally, we ended the year with a net worth to asset ratio of 10.40%. Total reserves, a measure of NASA Federal's safety and soundness, topped \$348 million. As a further measure of financial strength, Bauer Financial, an independent rating agency, awarded NASA Federal a 5-star rating.

New Amenities, Improved Services

Throughout 2020, our work to help brighten your financial future through new amenities and improved services continued. In March, NASA Federal opened the newly renovated and modernized Columbia branch at 7085 Minstrel Way, 2.2 miles from the former branch location. The new branch offers its own parking facility, new drive-through teller services, and a state-of-the-art look and feel inside.

In addition, we launched improvements to our Mobile Banking App that enabled users to access their investment accounts more easily. We also made contacting us more convenient by delivering live web chat capabilities, with plans for video chat capabilities coming in the second quarter of 2021.

Lower Costs, High Satisfaction

As always, NASA Federal was dedicated to providing lower costs to members throughout the year through better loan rates, higher deposit rates, low-fee products and fee-free services. The Credit Union National Association's most recent report estimates that NASA Federal provided over \$29 million in direct financial benefits to its members in 2020 when compared to other financial institutions. In addition, our member satisfaction numbers ended 2020 at 94%, indicating that, most importantly, members were pleased with our service.

Dedication to Community

While balancing the many competing priorities of 2020, Team NASA Federal once again demonstrated that dedication to the community remained a top priority. In April, we provided \$35,000 in scholarships to six deserving student members. This was our 37th year providing scholarships through the Mitchell-Beall-Rosen Memorial Scholarship Contest, having awarded \$500,000 to over 180 student members since its inception.

Additionally, after recognizing the great need created in the community by the pandemic, the Credit Union conducted two virtual food drives in 2020. Because of these efforts, we were able to donate \$43,000 to local food banks to help those facing COVID-19-related hardships put food on their tables.

A Sad Farewell

In late July, NASA Federal experienced a great loss with the passing of our beloved Vice Chairman, Frank Peñaranda. Frank passed away at the age of 81.

Frank had a long and distinguished career volunteering with the Credit Union, having served as NASA Federal's Vice Chairman since 1997, as a Board member since 1992 and as a volunteer since 1973. He also served as Chairman of the Scholarship, Policy, and Strategic Planning Committees and was an active member of the Asset/Liability Committee. In recognition of his lifetime of contributions to the Credit Union, the top Mitchell-Beall-Rosen Scholarship award has been named *The Frank Peñaranda Award*.

Moving Forward in 2021

Indeed, 2020 was a year for the records. We are pleased to report that NASA Federal is already off to a strong start in 2021, with work moving forward on the following enhancements:

- Improved digital mortgage platform delivering a better mortgage application experience.
- Streamlined card fraud and dispute process.
- An automated chatbot providing better self-service capabilities.
- Mobile App and eBranch Online Banking updates enabling members to better manage their cards, mortgages, and user profiles.
- Projects to develop increased efficiencies and fraud detection for members, including Check Your Rate, which will allow members to check loan rates before applying for credit with no impact to their credit scores.

Throughout 2021, we will combine our work on these initiatives with our ongoing commitment to community and member service. As always, your volunteer Board of Directors, Credit Union management and all of the NASA Federal employees appreciate your membership and look forward to the ongoing opportunity to be of service to you.

Brighter days lie ahead. As we make our way toward them together, rest assured NASA Federal will be there for you every step of the way.

John Sissala *William Tumulty Jr.* *D.M. Allman*
John Sissala William Tumulty Doug Allman
Chairman Treasurer President/CEO