

Native American Financial Institutions Gathering

Flathead Reservation of the Confederated Salish and Kootenai Tribes

August 27, 2018 | Polson, MT



Center for
Indian Country
Development

FEDERAL RESERVE BANK
of MINNEAPOLIS



Welcome!

- Ron Trahan, Chairman, Confederated Salish and Kootenai Tribes of the Flathead Reservation
- Patrice Kunesh, Center for Indian Country Development, Federal Reserve Bank of Minneapolis
- Anna Alvarez Boyd, Federal Reserve Board of Governors



Importance of Native American Financial Institutions to Indian Country Economies

Jeff Bowman, President/CEO, Bay Bank

Green Bay, WI

(Oneida Nation of Wisconsin)



Innovations in Financial Services in Indian Country

Moderator: Patrice Kunesh, CICD

- David Burrell, Pinnacle Bank, Tama, IA (Meskwaki Nation/Sac & Fox Tribe of the Mississippi)
- Susan Hammonds, Four Directions CDFI, Orono, ME
- Helen Mickel, Tongass Federal Credit Union, Ketchikan, AK
- Kim Pate, NDN Collective, Pine Ridge, SD



Native Financial Institution Gathering

August 27, 2018

David Burrell

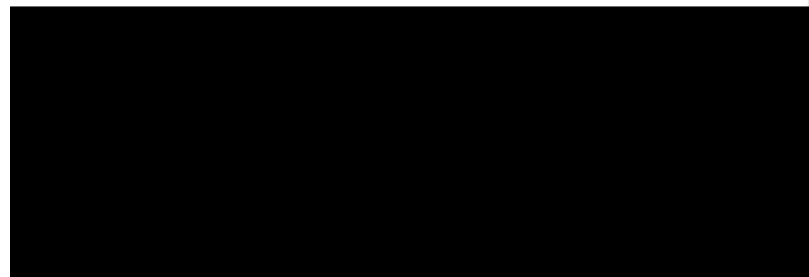
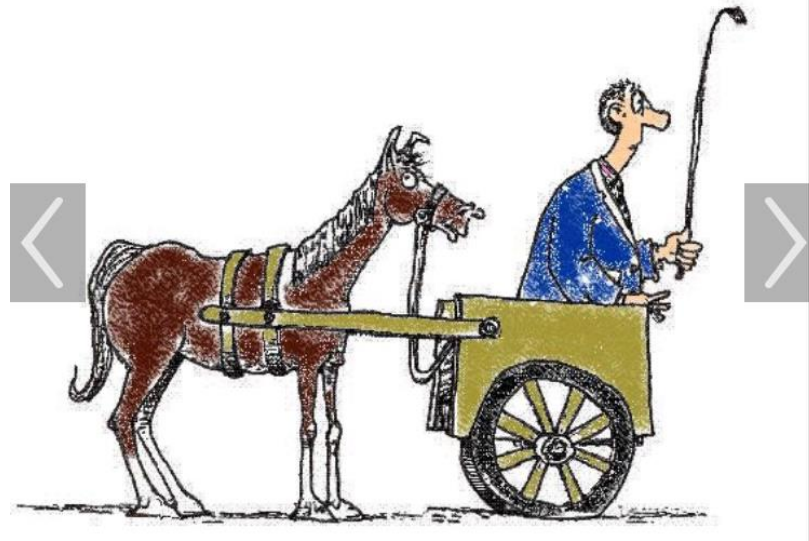


Marshalltown



Toledo

Don't get the cart before the horse



Goals of Tribe for Purchasing Bank

- Diversify from 100% reliance in gaming
- Financial Literacy
- Capture fees being paid to other financial institutions
- Economic Development

TM

“Bugling” our own horn



Pinnacle Bank

- When the Bank was purchased in July 2009 assets were \$60 million and the bank was unprofitable
- Profitability has allowed Bank to give back to the Tribe in the form of donations and financial literacy
- We have become more recognized in Indian Country as a Native Owned Financial Institution (NAFOA Financial Literacy and CNIGA Pauline Murillo Industry Leader awards)

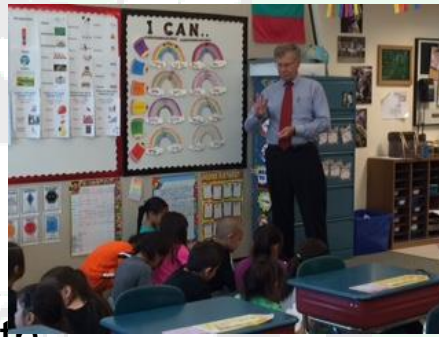


Tribal Loan Program

- Total loans made to S & F Tribal members since the Bank was purchased – 7,666 loans for a total \$ of \$28,322,067
- Current loans to Tribal members are 985 for \$3,460,935.
- Middletown tribal members used the program to aid in the down payment of a homes after the fires ravaged Middletown.
- Per Cap loans now under the PARI program as Fed Reserve determined former program was discriminatory towards a class of individuals. (Although favorable).
- We are seeing some improvement in the FICO scores as a result of the program

Financial Literacy

- Evening Classes for enrolled members and descendants
- Banks & coins for 1st grade
- Spending Frenzy for 7th – 12th grades
- Jr./Sr. Seminar for Minor's Trust recipients



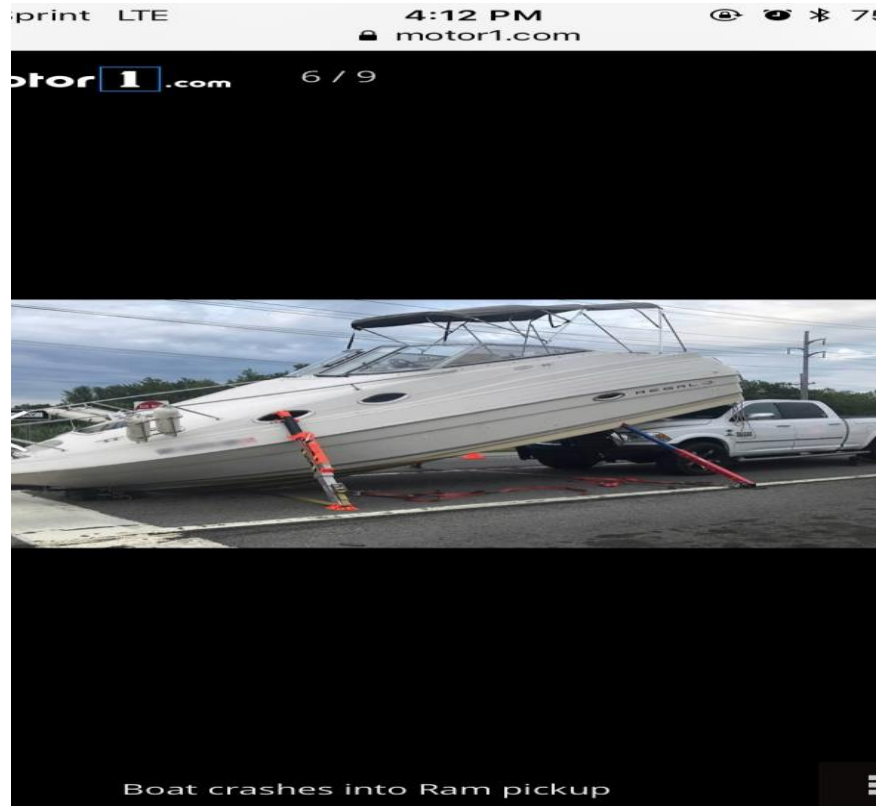
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Financial Literacy (con't)

- 6th year for handling IDA accounts for Summer Youth Employees and provided financial literacy session
- Received \$20,000 grant with First Nations Oweesta for financial literacy.
 - Community Assessment Survey
 - Community 5 year plan
 - Youth Ambassadors-messaging campaign

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Don't lose the momentum



Tribal Projects In Indian Country

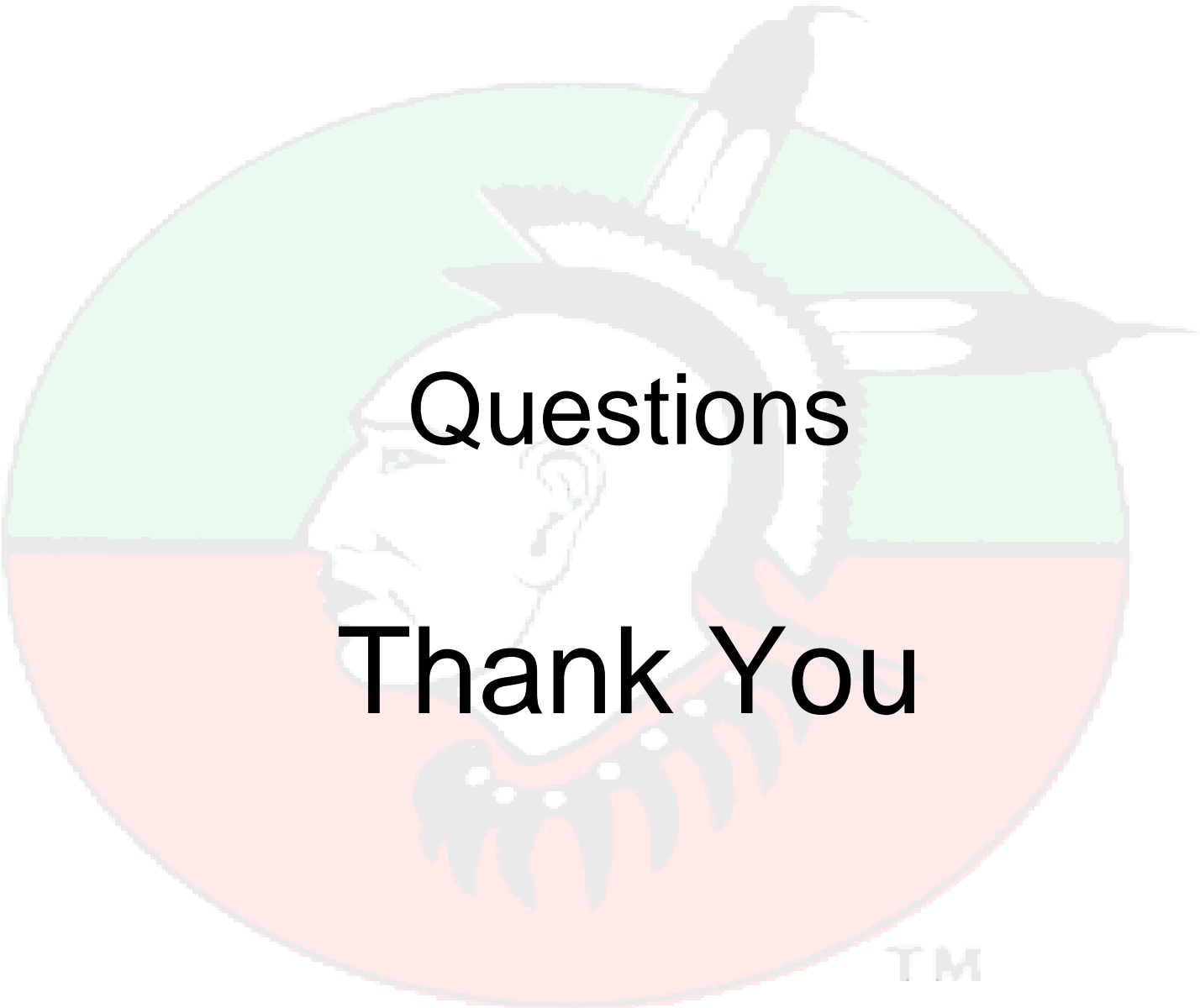
- Currently working with 6 Tribes in states other than California
- Currently working with 13 Tribes in California
- Moved Bank employee to CA to monitor existing business and develop additional business

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Strategic Initiatives & Other

- Sub S status
- Acquisitions / Strategic Partnerships
- Trust
- Doing more business in Indian Country to keep more money in Indian Country

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Questions

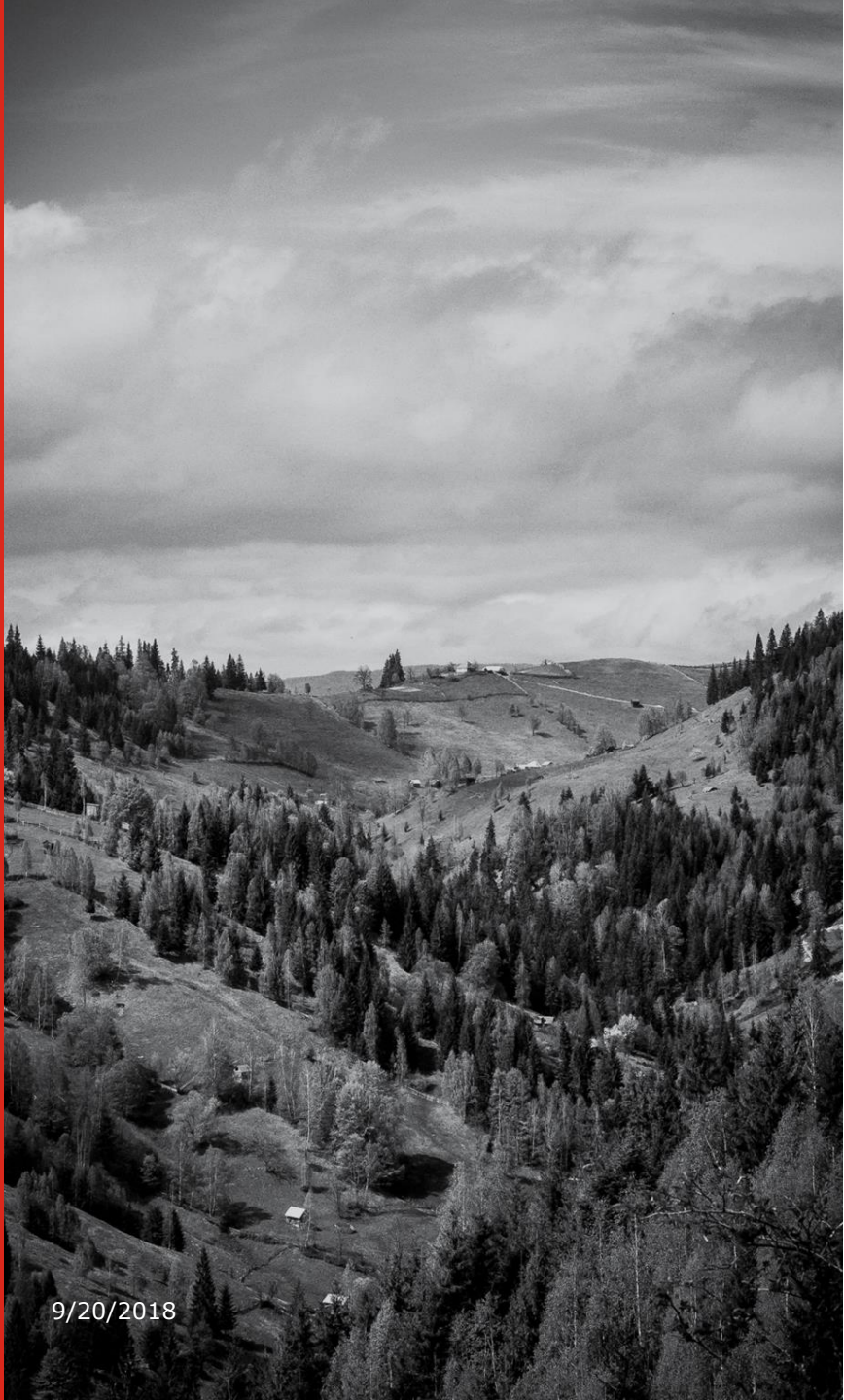
Thank You

TM



NDN COLLECTIVE

Building Power in Native Communities



9/20/2018

OUR MISSION

Build the collective power of Indigenous Peoples, communities, and Nations to exercise our inherent right to self-determination, while fostering a world that is built on a foundation of justice and equity for all people and the planet.

OUR VISION

A world that is just and equitable for all people and the planet.



OUR THEORY OF CHANGE

DEFEND – DEVELOP – DECOLONIZE

DEFEND

DEVELOP

DECOLONIZE

Indigenous Peoples, communities, and Nations defend and protect our land, air, water, and natural resources

Indigenous Peoples, communities, and Nations are developed in a regenerative and sustainable manner based on our values and connection to land, culture, and identity

Indigenous ceremonies, cultures, languages, and ways of life are revitalized, recognized, and celebrated

Indigenous Peoples, communities, and Nations achieve the healing, growth, and connection to spirit that is integral for our prosperity

Indigenous Peoples, communities, and Nations are free from oppressive systems and able to exercise our inherent right to self-determination that values the interconnected relationships and systems between people, nature, society, and all living things

We meet the needs of the present generation without compromising the ability of future generations to meet their own needs

The interconnected relationships and systems between people, nature, society, and all living things is recognized by and acted upon in all aspects of society

A world that is just and equitable for all people and the planet

OUR APPROACH

NDN Foundation 501(c)(3) – increasing **philanthropic investment** into Indigenous led organizations, communities, people, tribes, and movements working to create a world that is just and equitable for all people and the planet;

NDN Fund 501(c)(3) – increasing **access to capital** investments and loans for Indigenous led organizations, communities, people, tribes, and movements working to create a world that is just and equitable for all people and the planet;

NDN Partners LLC – increasing the **capacity and skills** of Indigenous led organizations, communities, people, tribes, and movements to utilize systems thinking and design thinking to create pathways towards a world that is just and equitable for all people and the planet;

NDN Action 501(c)(3) – advancing the rights of Indigenous Peoples and the environment through **organizing, advocating, and building** Indigenous-led movements and campaigns; and

NDN Action Network 501(c)(4) – advancing the rights of Indigenous Peoples and the environment through **direct action, policy, and lobbying** efforts.

OUR GROWTH PLAN

	2018	2019	2020	2021	2022
Number of Staff	11	26	55	55	55
Revenue	\$4.09M	\$42.78M	\$59.83M	\$67.63M	\$69.43M
Expenses	\$2.01M	\$41.55M	\$58.07M	\$64.4M	\$64.67M
Net Surplus	\$2.08M	\$1.23M	\$1.76M	\$3.23M	\$4.76M
Philanthropic Grants	\$ -	\$32.1M	\$44.1M	\$50.1M	\$50.1M
Investments & Loans	\$ -	\$500,000	\$1M	\$1M	\$1M
Capacity Building Projects	1	2	3	4	5
Advocacy Campaigns	-	2	3	3	3



JOIN THE MOVEMENT



info@ndncollective.org



[NDN Collective](#)



[NDNCollective](#)

Moving to Action – Reaching Native America

Moderator: Amanda Roberts, Federal Reserve Board of Governors

- Tawney Brunsch, Lakota Funds and Lakota Federal Credit Union, Kyle, SD
- Joanie Buckley, Oneida Nation of Wisconsin
- Phil Peters, First American Credit Union, Casa Grande, AZ
- Ted Piccolo, Northwest Native Development Fund, Nespelam, WA



Lakota Federal Credit Union



- Lakota Federal Credit Union is located in Kyle, South Dakota and serves the Pine Ridge Reservation.
- Pine Ridge Reservation is located in the southwest corner of South Dakota and is 3500 square miles big. LFCU has almost 2500 members with 40,000 potentials on Pine Ridge. In six years LFCU has grown to \$4.3M in assets and a 13% Net Worth.
- LFCU's mission is to provide quality financial services conveniently located at home on the Pine Ridge Reservation, in a helpful, professional and respectful manner and to provide effective tools for its members, the Oglala Lakota people, to save, plan, and provide for their futures.



LFCU Products and Services

- Share savings, checking accounts and certificates of deposit
- Free debit card
- Check cashing, money orders, utility bill pay, online banking
- Consumer loans up to \$50K auto secured and unsecured to \$5K

New products in 4Q 2018

- Mortgage lending
- Mobile Banking App
- Remote Capture

Rolling Rez Arts

- Mobile space for LFCU products and services and native artist entrepreneurial programming





CREDIT UNION QUICK STATS

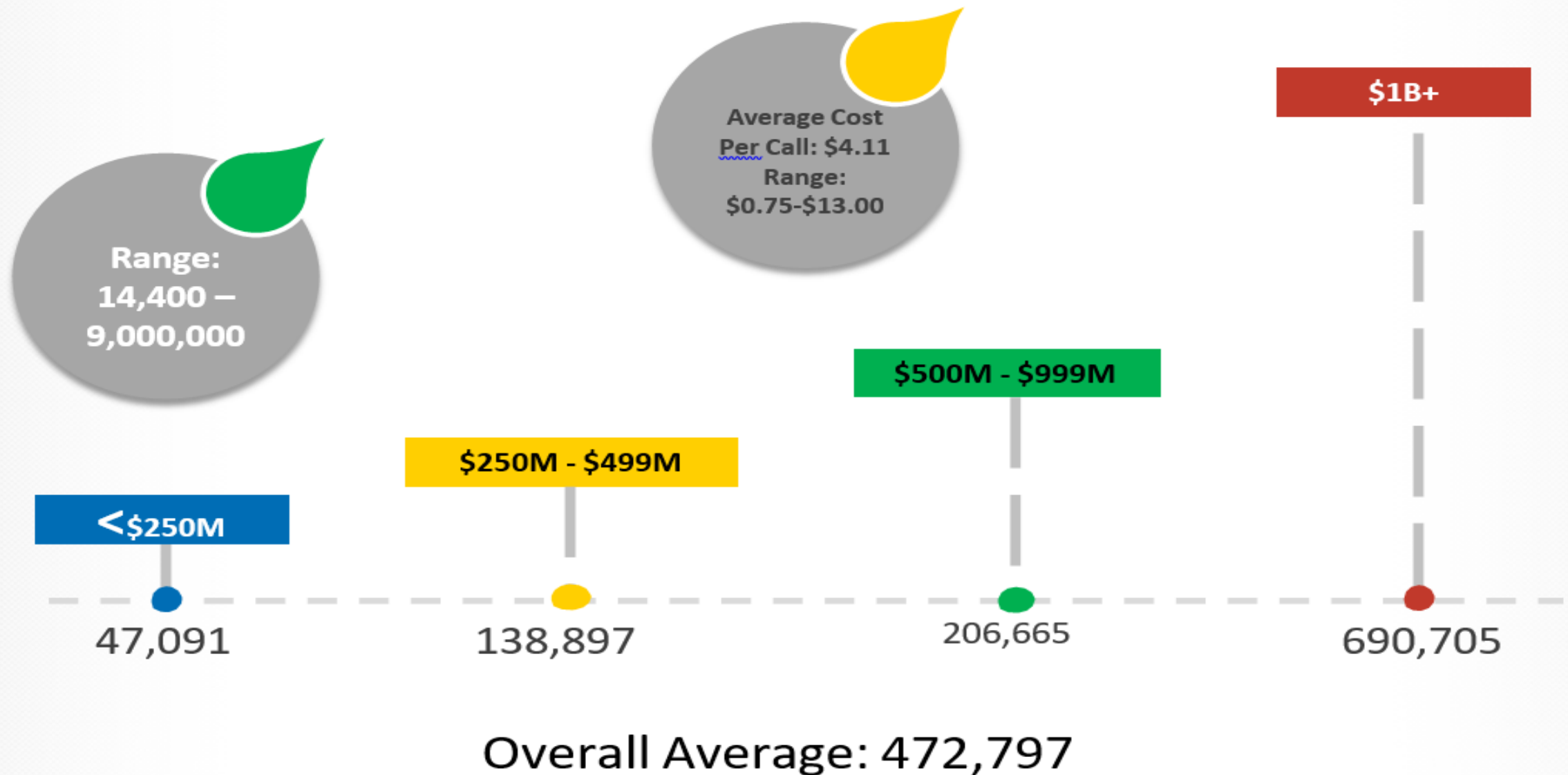
- 15,500 MEMBERS
- \$74 MILLION IN ASSETS
- 3 BRANCHES
 - 1001 N. PINAL, CASA GRANDE, AZ (WALK-UP AND DRIVE-UP ATMS)
 - 958 E. RODEO RD, CASA GRANDE, AZ (LOAN PROCESSING CENTER)
 - 1 MAIN ST., SELLS, AZ (WALK-UP ATM)
 - COMING SOON: TSE BONITO, AZ BRANCH AND WALK-UP ATM



Tap. Snap.
Deposit.



Annual Inbound Call Volume (average)

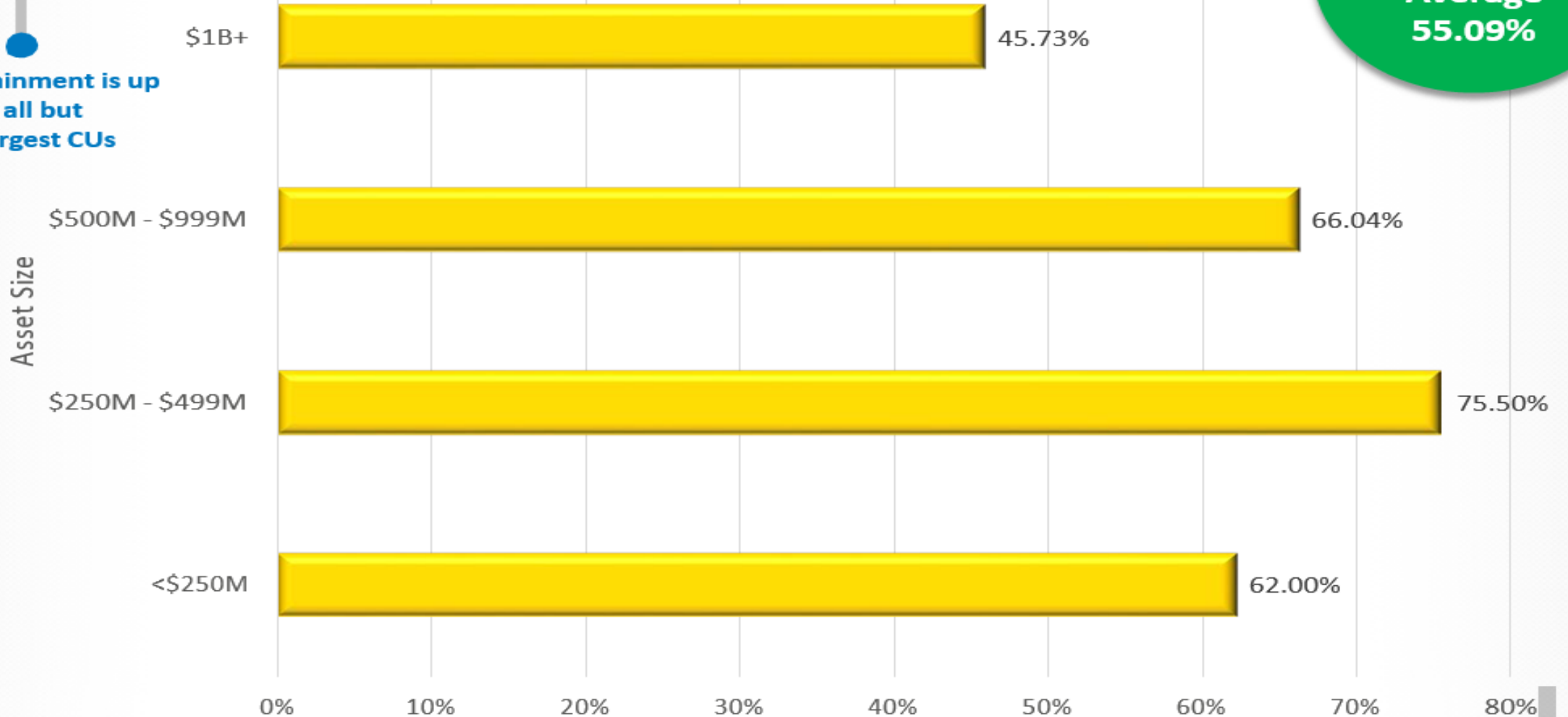


Percent of Calls Handled in IVR (also known as Containment Rate)

Δ CHANGE

IVR containment is up for all but the largest CUs

Overall Average 55.09%



Call Analysis	Jan	Feb	Mar	Apr	May	Jun	Jul
	2018	2018	2018	2018	2018	2018	2018
Total Service Center Calls Answered	5,166	4,699	5,245	4,790	4,947	5,213	4,317
Service Center Average Talk Time	0:06:00	0:05:17	0:04:53	0:04:15	0:04:21	0:04:47	0:04:44
8:00 am-5:00 pm (Mon-Fri), 9am-2pm Sat							
# Calls Transferred to Audio Response	59	3	95	69	132	200	306
Lending Group							
Inbound Calls	997	770	1,011	1,233	1,383	1,040	1,201
Inbound Average Call Time	0:02:09	0:02:04	0:02:57	0:02:23	0:02:13	0:02:29	0:02:25
24/7 Audio Response							
IVR/ARU Total Calls	30,634	26,798	27,984	24,801	25,499	25,071	24,731
IVR/ARU Member Logins	24,708	22,090	22,480	20,121	20,267	20,217	20,269
IVR/ARU Average Call Time	0:01:44	0:01:39	0:01:40	0:01:37	0:01:36	0:01:35	0:01:34
IVR Transfers	1,696	1,014	1,397	1,206	1,307	1,253	1,270

How consumers feel about branch closings

Drive farther to another branch

34%

No impact to me

25%

Use more digital banking services (online/mobile)

19%

Switched checking account to another institution with a nearby branch

12%

Moved all business over to another institution with a nearby branch

11%

AVERAGE BRANCH AND BRANCH ATM TRANSACTIONS

BRANCH ATM		BRANCH	
DAILY AVERAGE	MONTHLY AVERAGE	DAILY AVERAGE	MONTHLY AVERAGE
148	4,500	871	26,500



Native American Financial Institutions Gathering

Moving toward Action

Reaching Native America

Joanie Buckley

Oneida Nation - Wisconsin

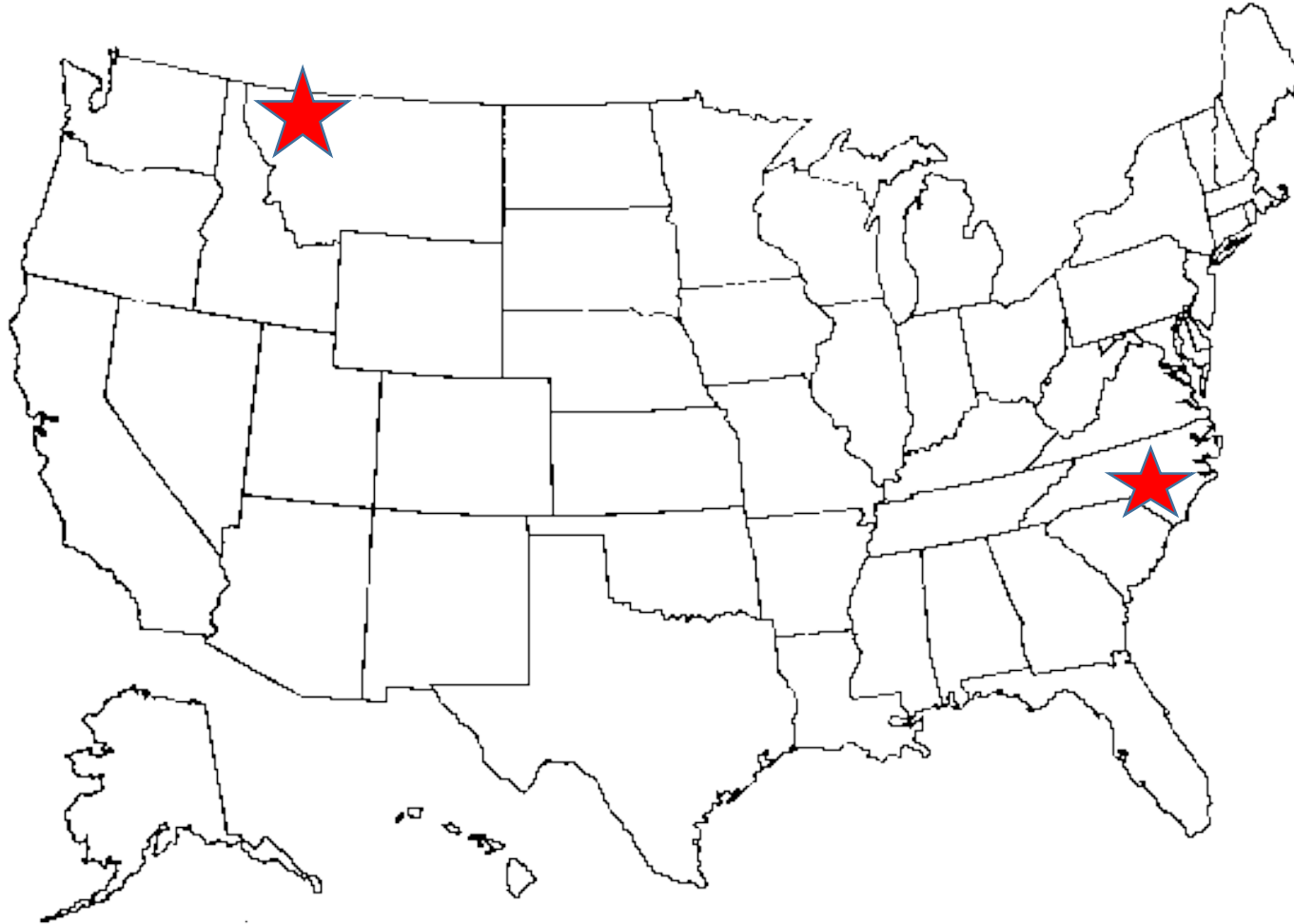
August 27, 2018

The Story Must Be Told

There are “*game changers*” –
determined against all odds to
transform a landscape and to better
an underserved community

Elouise Cobell - Yellow Bird Woman-

It's a long way to an ATM



(1983) 1987 – Browning, MT. - **Blackfeet National Bank**
1971 – Pembroke, N.C. – **Lumbee Guarantee Bank**

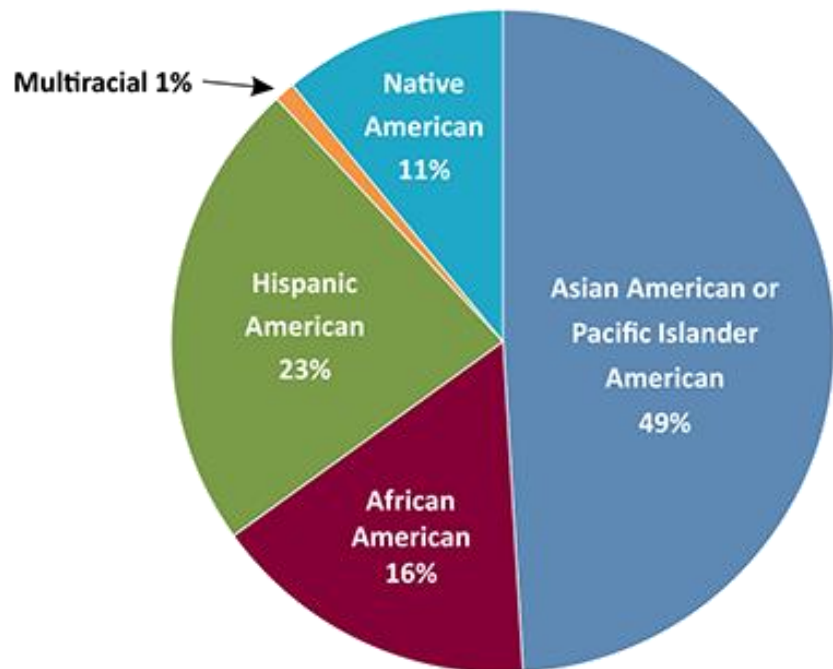
An Untold Story

Native American banks are
changing the landscape for social
and economic community impact?

7th Generation Philosophy

MDI -Native American Banks

Figure 2: MDIs by Ownership Type



Note: This chart combines MDIs that meet the ownership test with MDIs that meet the board member/community test for each racial category.

Source: www.fdic.gov/regulations/resources/minority/MDI.html

Banks merged, failed or lost NatB status

Canyon National Bank (failed and merged 2011)	Palm Springs	CA	Agua Calientes
American Bank (merged 2011)	Baxter Springs	KS	
First State Bank (became Nat. Am. 2010, failed and merged 2011)	Camargo	CA	
Borrego Springs Bank (merged 2014)	La Mesa	CA	Viejas
First State Bank of Porter (merge 2015)	Porter	OK	

Relationship Banking

LOANS



**“Do you have any other collateral...
besides this e-mail from a Nigerian prince?”**



**“Look at the bright side. Bad credit is your
best protection against identity theft.”**

An Untold Story

Bank 2 – Tribal – Oklahoma City, OK

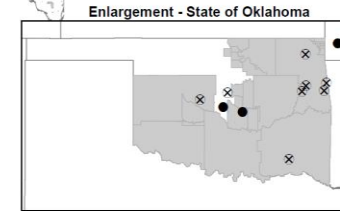
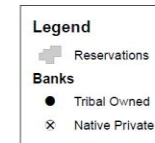
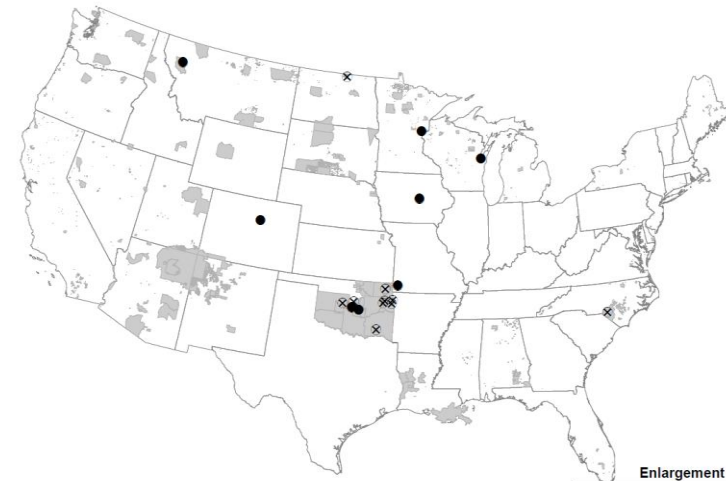
F&M Bank – Private – Edmond, OK

First Nations Bank & Trust – Tribal – Shawnee, OK

Bay Bank – Tribal – Green Bay, WI

Native American Bank – Consortium - Denver, CO

Eagle Bank – Tribal – Polson, MT



Moving toward Action

“ I never realized the impact that a financial institution has in a community – its importance can’t be overstated”

Elouise Cobell – Yellow Bird Woman –



Networking Break

Investment and Lending Collaborations: Native Financial Institutions Working Together

Moderator: Nikki Pieratos, CICD

- Chrystel Cornelius, First Nations Oweesta Development Corporation, Longmont, CO
- Shane Jett, Citizen Potawatomi CDC, Shawnee, OK
- Dawson Her Many Horses, Wells Fargo, Las Vegas, NV
- Tom Ogaard, Native American Bank, Denver, CO



Lunch Program

Keynote Speaker: Annie Donovan, Director, U.S. Treasury
CDFI Fund

Remarks: Andrew West, President, Eagle Bank, Polson,
MT (Confederated Salish and Kootenai Tribes)



Federal Regulatory Policy Updates

Moderator: Amanda Roberts, Federal Reserve Board of Governors

- Anna Alvarez Boyd, Federal Reserve Board of Governors
- Clint Hastings, CDFI Program and Native Initiatives
- Andrew Moss, Office of the Comptroller of the Currency
- Martha Ninichuk, National Credit Union Administration, Credit Union Resources and Expansion
- Betty Rudolph, Federal Deposit Insurance Corporation



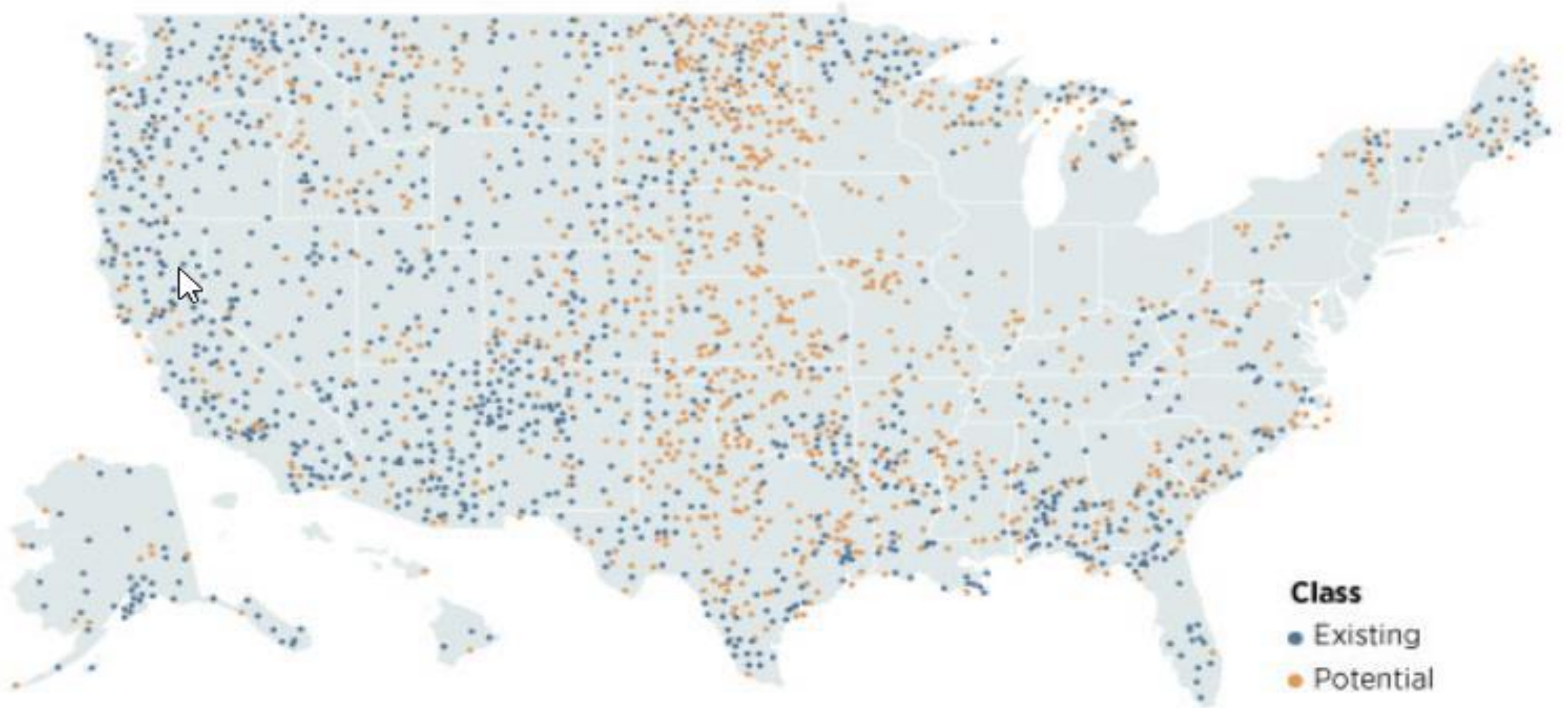
Economic Development Mapping Tools Demonstration

Patrice Kunesh, Federal Reserve Bank of Minneapolis,
Center for Indian Country Development

- [Mapping Native American Financial Institutions](#)
- [Reservation Profiles](#)



The Location of Banking Deserts



SOURCES: Morgan et al. (see references), CASSIDI and authors' calculations.

■ FEDERAL RESERVE BANK OF ST. LOUIS

Partnership Opportunities Beyond Indian Country

Moderator: Clint Hastings, CDFI Fund

- Tanya Fiddler, Native CDFI Network, Rapid City, SD
- Nikki Foster, Northwest Area Foundation, St. Paul, MN
- Steve Scott, Meskwaki Nation Economic Development, Tama, IA
- Jim Baek, Deutsche Bank, New York, NY





Networking Break

Expanding the Impact of Native Financial Institutions

Moderators:

- Charlene Herrick, Federal Reserve Bank of Minneapolis
- Doug Gray, Federal Reserve Bank of Kansas City
- Michou Kokodoko, Federal Reserve Bank of Minneapolis
- Tesia Lemelle, Federal Reserve Bank of Philadelphia
- Amanda Roberts, Federal Reserve Board of Governors



Based on today's discussion, what ideas do you have to better partner with other Native American Financial Institutions in your region?

- What partnerships might help you to better access capital for your institution?
- What partnerships or innovations do you think will help you better reach and serve the financial needs of the members of your community?
- What partnerships might help you expand your retail, commercial, and community development product offerings?



Wrap-up and Looking Forward

Patrice Kunesh, Federal Reserve Bank of Minneapolis,
Center for Indian Country Development



Networking Reception on Flathead Lake

Thank You to Our Sponsors!

- Confederated Salish and Kootenai Tribes
- Bay Bank (Oneida Nation of Wisconsin)
- Casey Family Programs
- Citizen Potawatomi Nation
- Pinnacle Bank (Meskwaki Nation/Sac & Fox Tribe of the Mississippi)