

SchoolsFirst Sees Growth Potential in California

State's Largest Credit Union Moves Into New Tustin HQ

By PETER J. BRENNAN

Since **William Cheney** became chief executive at Tustin's **SchoolsFirst Federal Credit Union** in 2014, its assets have almost tripled to \$28 billion.

"A lot of the growth is organic," Cheney told the Business Journal.

"People ask me all the time about our credit union growth strategy. We look at growth as an outcome of great service and that's worked very well for us.

"Our No. 1 priority is member service. It sounds corny but it's true."

SchoolsFirst has grown into the state's largest credit union and the fifth-largest in the nation, with 1.2 million members. It's by far the largest credit union on the Business Journal's annual list, as No. 2 **NuVision Federal Credit Union** of Huntington Beach reported assets of \$2.9 billion for the period ended June 30.

SchoolsFirst accounts for 68% of ranked firms' assets, similar to last year's list (see story, this page).

SchoolsFirst has big plans for growth in California and in the past year has moved into a new 180,000-square-foot headquarters, located on a 1.8-acre site just off the Costa Mesa (55) Freeway near Edinger Avenue.

The city of Tustin held a dedication ceremony on Oct. 18, attended by Mayor **Austin Lumbard** and other city officials.

The building is oval in the shape of an eye, with an open-air courtyard in the middle. A main cafeteria is on the ground floor and kitchens are spread around the facility. A nearby four-story car garage has rooftop solar panels and charging stations for electric vehicles. The architect was the **SmithGroup** and the builder was **C.W. Driver**.

"I love this building," Cheney said. "It's a modern design. There's a lot of space for collaboration where team members can see each other in the halls."

The credit union's total real estate footprint in the area is now more than 380,000 square feet.

Teacher Heritage

A group of teachers at a Santa Ana school began the credit union in 1934. In 2005, it changed its name from Orange County Teachers Credit Union to reflect its growth statewide.

Cheney joined SchoolsFirst in 2014 when he was hired as CEO and president. One of his biggest moves was in 2020 when SchoolsFirst merged with Sacramento's Schools Financial Credit Union, which added \$2 billion in assets, and helped it expand in Northern California.

While the credit union could technically expand outside the state, Cheney plans to stay in California, saying there's room for growth in areas such as Los Angeles, the Inland Empire and Northern California.

"It's a big state with a lot of people," Cheney noted.

Its largest deposit growth ever was in 2020 due to COVID-19; it reported asset growth climbed 35% for the year ended June 30, 2020.

"Our members didn't have anywhere to



William Cheney
CEO
SchoolsFirst



Tustin City Council members held a ribbon cutting ceremony for SchoolsFirst's new HQ: Letitia Clark, Beckie Gomez, Bill Cheney, Ryan Gallagher, and Mayor Austin Lumbard

SchoolsFirst's
HQ in Tustin



spend it. They couldn't travel, couldn't visit malls, couldn't go out to eat."

The credit union has 2,700 employees and plans to grow in the 6% to 10% range annually, consistent with its membership growth, Cheney said.

It will continue offering branches, a strategy different from many banks that are cutting back because of online technology.

"Our members use them and tell us they like to have them," Cheney said. "When we talk to our younger members, they use our mobile apps more, but they also use our branches. When they want to discuss a serious matter like buying a home, they like to come into the branches."

Son of a Banker

Cheney, who was raised in the Dallas area, has long known the financial industry as his father was a banker.

"I didn't dream of being a banker," he quipped.

After he graduated with a degree in finance from the **University of Texas**, Cheney worked as a consultant at Arthur Anderson, the predecessor of **Accenture**.

His career in the industry started in 1987 when a credit union client in San Antonio offered him a job.

Cheney's witnessed the number of banks

and credit unions decline from about 42,000 in the late 1970s to around 10,000 nowadays because of consolidation.

Many credit unions have broadened their focus from company employees to communities to attract more customers. SchoolsFirst intends to continue focusing on teachers for memberships, he said.

More banks are being formed than credit

SchoolsFirst Federal Credit Union

- **BUSINESS:** banking
- **HEADQUARTERS:** Tustin
- **CEO:** William Cheney
- **ASSETS (AS OF JUNE 30, 2022):** \$28B (up 8.5% y/y)
- **NOTABLE:** California's largest credit union moves into new 180,000-SF HQ in Tustin

unions because "there's not the investor for-profit incentive to start a credit union."

Profit is the biggest difference between the two industries.

"There's an old saying in the credit union movement: Not for profit, not for charity, but for service. We're here to serve our members."

Hence, SchoolsFirst can offer services like more slowly raising interest rates on customers.

"In a rising rate environment like right now, we're doing everything we can to increase our rates as slowly as possible on our loans to help our members.

"We can focus on servicing our customers. A bank wants to serve its customers, but it also has to deliver a profit for its investors. That's an advantage for us." ■

The LIST
OC-Based Credit Unions
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CREDIT UNIONS FACE SLOWER ASSET GROWTH

Orange County's credit unions this year reported assets climbed at a slower rate than prior years.

The 17 credit unions on the Business Journal's annual list reported a 7.4% increase to \$41.1 billion in assets for the year ended June 30. That compares to 16% growth in 2021 and 26% in 2020.

All 17 credit unions maintained the same ranking as last year's list.

The biggest grower was Anaheim's **Credit Union of Southern California**, which climbed 10% to \$2.4 billion.

No. 1 **SchoolsFirst Federal Credit**

Union of Tustin had the biggest increase in dollar terms with a \$2.19 billion boost to \$28.1 billion.

The biggest decline was 9% at Brea's **AdelFi Credit Union**, which fell to \$563 million in assets.

The credit unions reported net income increased 20% to \$144.1 million for the first half ended June 30.

Employment at credit unions was up 7.7% to 4,154. The firms reported OC memberships increased 3.7% to 798,726.

— Peter J. Brennan

THE LIST OC-BASED CREDIT UNIONS

▶ NEXT WEEK'S LIST *Shopping Centers*

RANKED BY ASSETS

Rank	Credit union •Address	Company logo	Assets as of June 30, 2022 •yearly % change	Net income (loss) for six months ended: -June 30, 2022 -June 30, 2021	OC branches OC employees •yearly % change	OC members •yearly % change	Eligible members	Top local official(s) •Title •Phone/fax	
1	SchoolsFirst Federal Credit Union 15332 Newport Ave. Tustin 92780-6408 Website: schoolsfirstfcu.org		\$28.1 billion 8.5%	\$96.3 million \$80.4 million	22 2,700 8%	504,119 3.2%	California education industry employees and retirees, college students with teaching requirements, and immediate family of current members	Bill Cheney CEO (714) 258-4000	
2	NuVision Federal Credit Union 7812 Edinger Ave. Huntington Beach 92647-1220 Website: nuvisionfederal.com Email: kim.gulledge@nuvisioncu.org		\$2.9 billion 3.9%	\$8.2 million \$12.2 million	7 148 0%	22,844 -7.6%	Employees and family members of Boeing, The Gas Company/Sempra Energy, Tesoro Corp., residents of Leisure World, other select employee groups	Roger Ballard CEO (714) 375-8000	
3	Orange County's Credit Union 1701 E. Saint Andrew Place Santa Ana 92705-4934 Website: orangecountyscu.org Email: info@orangecountyscu.org		\$2.4 billion 6.6%	\$9.2 million \$4 million	10 350 8.7%	127,000 4.5%	Anyone who lives or works in Orange, Los Angeles, Riverside, and San Bernardino counties	Lucy Ito CEO (714) 755-5900/(714) 885-7618	
4	Credit Union of Southern California 8101 E. Kaiser Blvd., Ste. 300 Anaheim 92808-2243 Website: cusocal.org Email: mhunter@cusocal.org		\$2.4 billion 10.4%	\$12.9 million \$12.3 million	7 245 ⁽¹⁾ NA	28,151 ⁽¹⁾ NA	Individuals who live, work, worship, or attend school in Orange County, Los Angeles County, Riverside County, and San Bernardino Counties and their families	Dave Gunderson CEO/president (562) 698-8326/(714) 990-5492	
5	LBS Financial Credit Union 5505 Garden Grove Blvd. Westminster 92683-1892 Website: lbsfcu.org Email: info@lbsfcu.org		\$2.1 billion 5.9%	\$8.3 million \$5.4 million	1 163 0%	17,819 66.1%	People who reside or work in the Counties of Orange, Riverside, San Diego, San Bernardino, and 50 Los Angeles County cities	Jeffrey A. Napper CEO/president (714) 893-5111/163	
6	Southland Credit Union 10701 Los Alamitos Blvd. Los Alamitos 90720-2330 Website: southlandcu.org Email: info@southlandcu.org		\$1 billion 0.5%	\$2.1 million \$579,412	1 80 14.3%	8,300 0%	People who live, work, go to school or worship in Orange County or Los Angeles County	Thomas Lent CEO/president (562) 862-6831/(866) 526-5854	
7	American First Credit Union 6 Pointe Drive, Ste. 400 Brea 92821-6322 Website: amerfirst.org Email: contactus@amerfirst.org		\$871.1 million 7.1%	\$4.4 million \$3 million	5 140 ⁽¹⁾ NA	11,800 ⁽¹⁾ NA	Individuals who live, work, attend school or worship in any city in Orange County, Riverside County, San Bernardino County, 14 adjacent cities in Los Angeles County, or are employed by one of the 100 Affinity Groups	Jon Shigematsu CEO (800) 290-1112	
8	AdelFi Credit Union ²⁾ 955 W. Imperial Highway, Ste. 100 Brea 92821-3814 Website: adelfibanking.com Email: memberservice@adelfibanking.com		\$563.1 million -9%	\$1.5 million \$703,205	0 110 2.8%	12,300 -3.5%	Christians who agree to our statement of faith, including individuals, families, nonprofits, and businesses	Abel Pomar CEO (800) 634-3228/(714) 671-5775	
9	Eagle Community Credit Union 27042 Towne Centre Drive, Ste. 100 Foothill Ranch 92610-2810 Website: eaglecu.org Email: info@eaglecu.org		\$338.1 million 6%	\$1.3 million \$1.5 million	5 99 4.2%	22,500 12.5%	People who live, work, worship or go to school in Orange County	Scott Rains CEO/president (949) 588-9400	
10	Sea Air Federal Credit Union 800 Seal Beach Blvd., Bldg. 12 Seal Beach 90740-5607 Website: seaairfcu.org Email: mbrservices@seaairfcu.org		\$139.9 million -1.6%	(\$321,335) (\$118,146)	2 18 20%	6,609 1.5%	Employees, contractors, military personnel of Naval Weapons Station Seal Beach/Norco and Los Alamitos Joint Forces Training Base; Seal Beach city employees, Leisure World employees, Sunset Beach Community Association, USA Water Polo employees and members	Michael Pardon/Marissa Rabaja CEO, president/executive VP (888) 732-2471/(562) 430-3921	
11	Santa Ana Federal Credit Union 800 W. Santa Ana Blvd. Santa Ana 92701-4530 Website: safcu.org		\$99.4 million 6.4%	\$271,812 \$370,630	1 15 0%	6,019 -0.5%	People who live, work, go to school or worship in Santa Ana	Jill Mahany CEO (714) 834-1341/(714) 834-0461	
12	Union Yes Federal Credit Union 1918 W. Chapman Ave., Ste. 100 Orange 92868-2629 Website: uyfcu.org Email: cucucu@msn.com		\$82.5 million -1.2%	(\$44,348) \$40,833	1 11 0%	21,539 0.4%	Union members, employees of union shops, their families	William W. Byerly Jr. CEO/president (714) 704-2800/(714) 978-0965	
13	Huntington Beach Credit Union 2000 Main St., Ste. B272 Huntington Beach 92648-2702 Website: huntingtonbeachcu.org Email: info@huntingtonbeachcu.org		\$62.1 million -1.8%	(\$112,335) (\$86,024)	1 8 33.3%	2,400 0%	Exclusively for individuals who live, work, worship or go to school and businesses and other legal non-natural person entities located within the city of Huntington Beach	Angela K. Clitherow CEO/president (714) 536-6517/(714) 969-0817	
14	Capstone Federal Credit Union 3 Polaris Way, Ste. 31B Aliso Viejo 92656-5356 Website: capstonefcu.coop Email: candice.landeros@capstonefcu.coop		\$39.3 million -3.2%	(\$34,930) \$17,031	1 5 0%	2,086 -4.3%	Select employer groups, including Fluor Corp., Soka University, Quest, Costco Wholesale Corp.	Candice Landeros president (949) 716-5746/(949) 716-5756	
15	California Agribusiness Credit Union 6281 Beach Blvd., Ste. 87 Buena Park 90621-2293 Website: calagcu.org Email: info@calagcu.org		\$28.1 million -7.6%	(\$39,013) (\$40,446)	2 5 0%	3,536 -0.1%	Agriculture, food, dairy company employees, their families	Angel Hernandez CEO (714) 690-4865/(714) 690-4863	
16	Comunidad Latina Federal Credit Union 1317 W. Warner Ave. Santa Ana 92704-5118 Website: clfcu.org Email: info@clfcu.org		\$7.2 million 8.3%	\$125,035 \$116,527	1 6 100%	1,501 3.9%	Individuals who live, work, worship, or attend school in the city of Santa Ana or through an immediate family member that is currently a member	Azul Sanchez CEO (714) 754-7675/(714) 754-7820	
17	Fountain Valley Credit Union 10200 Slater Ave. Fountain Valley 92708-4736 Website: N/A Email: silvialopezs@aol.com		\$3 million 7.6%	(\$21,191) \$14,150	1 1 0%	203 -7.7%	Fountain Valley city employees, their families	Silvia Lopez manager (714) 968-3080/(714) 968-2718	

Sources: National Credit Union Administration, California Department of Financial Institutions and the credit unions

Abbreviations: NA: not applicable

Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first

top official listed.

⁽¹⁾ Business Journal estimate

⁽²⁾ Previously listed as Evangelical Christian Credit Union

Researched by Meghan Kliever