



2024 ANNUAL REPORT





Steven J. Berkowitz,  
Chairman of the Board  
board@nihfcu.org



Rick Wieczorek,  
President & CEO  
ceo@nihfcu.org

# Chairman's and President's Report

In 2024, we remained disciplined in executing our strategic plan and focusing on delivering 'Banking With Heart' to ensure your banking experience with us remains best-in-class and unsurpassed. Furthermore, we achieved several notable successes, including:

- Continuing to reward members for their loyalty by maintaining our highly competitive certificate rates and term options to meet their investment needs. Dividends paid on all certificates rose 52% in 2024 to \$6.2 million.
- Outpacing last year's 4.8 Google review score to achieve an almost perfect 4.9 score in 2024. Of our 207 member reviews, 98% were 5-stars. This free 'social proof' is critical as consumers use the experiences of others to make purchase decisions and underscores our unwavering focus on member service.
- Rolling out our new online account and loan application systems, which have significantly improved the speed, simplicity, and ease with which individuals may submit and gain approval to enjoy our various deposit and borrowing programs.
- Enhancing the logic built into our 'Ask Gene' virtual assistant system, available on our website and now inside online banking. The improved intelligence allows Gene to respond to hundreds of inquiries with greater speed and precision than previously available.
- Being recognized by the Washington Business Journal as having one of the Washington area's fastest-growing credit union commercial loan portfolios. Out of 33 credit unions, NIHFCU ranked #2 in year-over-year percentage growth (21.9%) and #3 in year-over-year dollar growth (\$15.4 million).

In 2024, Newsweek recognized the NIHFCU as one of America's Best Regional Banks and Credit Unions. For the third consecutive year, American Banking named us as one of the nation's best credit unions in which to work. We are humbled by these awards and remain honored to serve the financial needs of our members. We thank our dedicated staff and volunteers who remain committed to ensuring that our 'Banking with Heart' promise remains at the forefront of everything we do.

In 2025, our 85th Anniversary year, we have even more exciting initiatives underway to further enhance the member experience and the convenience of banking with us. During the year, we intend to launch a fully redesigned website, unveil a new feature-laden checking program, and add new features to our mobile banking platform.

Thank you for being an NIHFCU member.

## Board of Directors

Your Board of Directors is a volunteer group elected by the membership and is responsible for the strategic direction of the Credit Union, including developing goals and establishing policy. The Board members are dedicated individuals who are committed to ensuring a high level of service to members and enhancing the financial position of the Credit Union. By providing a full range of financial products and exceptional service, your Board of Directors strives to promote the fundamental ideals of the credit union movement.



**Board of Directors members** from left to right:

Steven J. Berkowitz (Chairman of the Board), Donna Adderly, Kimberly Allen, Vicki Buckley, Donald Christoferson, Ann Fitzpatrick, Laura Gent, John Jarman, Lynda Wellen.

## Asset Liability Management Committee

The members of the Asset Liability Management (ALM) Committee are dedicated to managing the inherent risks in the Credit Union's balance sheet. They accomplish this through the establishment and oversight of a wide variety of financial policies. Guidance from these policies meet all relevant regulatory risk compliance mandates and provide management with a sound foundation for maintaining sustainable earnings and adequate capital levels for the Credit Union.

**Asset Liability Management Committee members:**

Donald Christoferson (Treasurer & Chairman), Ann Fitzpatrick, Laura Gent, Weston Ricks, Victoria Ward.



## Treasurer's Report

The NIH Federal Credit Union had a successful year earning \$1.5 million on \$793.4 million of total assets compared to a loss of \$1.8 million on total assets of \$798.8 million in 2023. The improvement in net income was due to fewer credit losses, higher interest income generated from the wide array of consumer, real estate, and business loans we provided our members during the year, and through careful, more efficient expense management, which led to a year over year reduction in NIHFCU's annual operating expenses of \$179 thousand.

The slight decline in total assets occurred because of members drawing on their checking and savings accounts to meet their everyday needs. However, by continuing to offer high certificates of deposit (CD) rates and a variety of different terms that members could choose from to help meet their financial needs, CD balances increased by \$17.5 million, or 11.64%. In 2024 we rewarded our CD holders with over \$6.1 million of dividends, or 52% more than in 2023.

In addition, NIHFCU continued to meet the credit needs of its members all through the year despite prevailing high market interest rates. NIHFCU's first trust mortgage portfolio grew 3.4%, to \$224 million as we helped our members purchase or refinance their homes through nearly \$35 million of fixed and variable rate mortgages. We also experienced another successful year in commercial lending, funding \$13.6 million in loans to businesses which will provide long-term sustainable revenue to the Credit Union. And finally, our home equity loan portfolio grew 23% to \$54 million. These loans are designed to help our members meet their various financial and lifestyle goals by allowing them to consolidate debt or pay for large expenses. In the last quarter of 2024, NIHFCU launched a new loan origination system that now provides members with a more user friendly experience when applying for a loan.

As reflected on the Balance Sheet, throughout 2024 NIHFCU was able to reduce its allowance for credit losses by \$2.7 million, to \$6.0 million. The allowance for credit loss account represents the Credit Union's estimated net charge offs over the life of the loan portfolio and is required by our regulator, the National Credit Union Administration (NCUA). NIHFCU regularly evaluates and maintains an appropriate level of reserves in this account to protect against potential future credit losses.

As your Treasurer, I want to remind you that **our Credit Union continues to remain safe, secure, and well capitalized**, consistent with the standards set by our regulator, the National Credit Union Administration. With nearly \$800 million in assets and a net worth of \$59.4 million as of December 31, 2024, we are well positioned to continue supporting the financial health and well-being of our members.

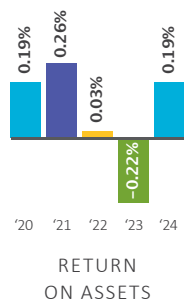
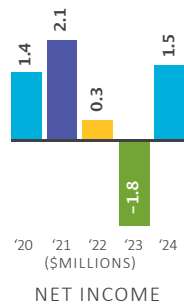
Donald Christoferson, Treasurer

National Institutes of Health Federal Credit Union

# Statements of Income

Years Ended December 31, 2024 and 2023  
(UNAUDITED)

	2024	2023
<b>INTEREST INCOME:</b>		
Loans	\$25,730,988	\$24,216,382
Investments	<u>7,354,081</u>	<u>6,799,589</u>
Total interest income	33,085,068	31,015,971
<b>INTEREST EXPENSE:</b>		
Members' deposits	6,263,172	4,173,633
Borrowings	<u>0</u>	<u>177,625</u>
Net interest income	26,821,896	26,664,714
Provision for loan losses	<u>2,510,650</u>	<u>6,674,074</u>
Net interest income after provision for loan losses	24,311,246	19,990,639
<b>NONINTEREST INCOME:</b>		
Fees and service charges	5,789,384	6,361,496
Net mortgage asset gains	161,065	27,750
Gain on sale of participations	0	0
Gain on sale of investment securities	0	(5,242)
Other	<u>394,282</u>	<u>1,158,235</u>
Total noninterest income	6,344,732	7,542,239
<b>NONINTEREST EXPENSE:</b>		
Compensation and employee benefits	15,060,252	14,540,923
Office operating costs	2,045,735	2,243,204
Computer expenses	4,183,128	4,197,263
Marketing expenses	912,623	781,290
Professional and outside services	3,136,162	3,233,429
Miscellaneous expenses	<u>3,822,744</u>	<u>4,343,461</u>
Total noninterest expense	29,160,645	29,339,569
Net income (loss)	<u>\$1,495,333</u>	<u>(\$1,806,690)</u>



The above financial statements are unaudited. A complete set of audited financial reports for the twelve months ending June 30, 2024 are available upon request.



National Institutes of Health Federal Credit Union

# Statements of Financial Condition

December 31, 2024 and 2023  
(UNAUDITED)

**ASSETS:**

	2024	2023
Cash and cash equivalents	\$66,361,919	\$52,402,152
Investment securities available-for-sale	191,247,071	199,749,698
Investment securities held-to-maturity	534,779	615,359
Other investments	2,872,061	942,839
Loans held for sale	1,523,000	0
Allowance for credit losses	(5,958,044)	(8,662,089)
Deferred loan costs	298,673	238,335
Loans receivable	488,161,019	495,782,501
Accrued interest receivable	2,847,954	2,616,380
Foreclosed and repossessed assets	0	0
Premises and equipment, net	9,682,289	11,126,255
NCUSIF deposit	6,715,775	6,989,018
Prepaid expenses and other assets	29,126,599	36,988,844
<b>Total assets</b>	<b>\$793,413,093</b>	<b>\$798,789,293</b>

**LIABILITIES:**

Members' deposits	\$734,851,209	\$743,253,992
Accrued expenses and other liabilities	17,698,346	19,374,253
Notes payable	0	0
<b>Total liabilities</b>	<b>752,549,555</b>	<b>762,628,244</b>

**MEMBERS' EQUITY:**

Regular reserve	0	0
Undivided earnings	59,432,391	57,937,058
Accumulated other comprehensive loss	(18,568,854)	(21,776,009)
<b>Total members' equity</b>	<b>40,863,538</b>	<b>36,161,048</b>

<b>Total liabilities and members' equity</b>	<b>\$793,413,093</b>	<b>\$798,789,293</b>
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# Supervisory Committee Report

The Supervisory Committee, in accordance with the Federal Credit Union Act, ensures the NIH Federal Credit Union management has in place:

- Practices and procedures to safeguard members' assets.
- Controls so that financial reporting objectives have been met.

The Committee oversees the Internal Audit function where regular audits are completed. The Committee meets monthly to ensure internal controls are established and effectively maintained, applicable laws and regulations are followed, and member concerns are resolved.

In addition, the Committee employs the certified public accounting firm of Turner, Warren, Hwang & Conrad AC (TWHC) to assist them in performing an annual independent audit of the Credit Union's financial statements. TWHC has issued an opinion on the Credit Union's financial statements for the audit period ending June 30, 2024.

Along with the audits performed by TWHC, the NIHFCU is examined by the National Credit Union Administration (NCUA). The NCUA has exclusive authority governing the operation of federally chartered credit unions. We are pleased to report that the NIHFCU is financially sound.

It is the goal of the Committee to ensure the integrity and financial strength of the NIHFCU while continuing the highest level of service to our membership. The Committee is here for your benefit.

## **Supervisory Committee members:**

Lynda Wellen (Chairwoman), Dexter Collins, Avanti Iyer, Shkeda Johnson, Rick Phillips.

## Executive Committee (EC)

The EC is responsible for establishing the agenda for the monthly Board of Directors' meetings, reviewing strategic priorities and addressing sensitive topics in advance of the meetings. The Committee acts as a resource for NIHFCU's President & CEO on all matters pertaining to the credit union's strategic and operational activities.

### Executive Committee members:

Steven J. Berkowitz (Chairman), Laura Gent (Vice-Chair), Donald Christoferson (Treasurer), Ann Fitzpatrick (Secretary).

## Board Governance/ Strategic Planning Committee (BGSPC)

The BGSPC assists the Board of Directors and NIHFCU management in developing the planning process of the credit union's strategic plan. The Committee also monitors progress towards achieving the goals and objectives outlined in the plan. The Committee also provides oversight to the Code of Ethics and various NIHFCU policies as needed.

### Board Governance/Strategic Planning Committee members:

Vicky Buckley (Chairwoman), Kimberly Allen, Steven J. Berkowitz, Collins Odongo, Signe Yock.

## Member Experience Committee (MEC)

The MEC is responsible for enhancing the credit union's brand value among our members and targeted communities. It is the primary advisory body collaborating with NIHFCU management to identify and develop strategies to develop new products, enrich member experiences, and enhance member loyalty and participation in the credit union.

### Member Experience Committee members:

Diana Rutberg (Chairwoman), Thomas Calder, John Jarman, Brian Rabin, Signe Yock.

## Information Technology Steering Committee (ITSC)

The ITSC assists the Board of Directors in fulfilling its corporate governance and oversight responsibilities for the credit union's investments, operations and strategy in relation to technology and information systems. The committee is responsible for helping to maintain the balance between IT budgetary constraints and business priorities.

### Information Technology Steering Committee members:

Laura Gent (Chairwoman), Donna Adderly, Ann Fitzpatrick, Naga Madugula, Javier Negron.





## Website and Online Banking

● [nihfcu.org](https://nihfcu.org)

## Mobile Banking

● [nihfcu.org/remote](https://nihfcu.org/remote)

## E-mail

● [nihfcu@nihfcu.org](mailto:nihfcu@nihfcu.org)

## National Call Center

● 301.718.0208

● 800.877.6440

## TDD/TTY

● 301.881.5822



## NIHFCU Recognition

*For the third year in a row, NIHFCU was named by American Banker as one of the nation's Best Credit Unions to Work For in 2024, citing us for our recognition programs, benefits, and overall work environment.*



## Locations:

The NIH Federal Credit Union serves its members through a network of branches and ATMs throughout the Washington, DC metro area. Members can also enjoy convenient nationwide access to their accounts at over 30,000 network ATMs and 5,000 shared branch locations in addition to a wide range of 24/365 remote services.

Visit [nihfcu.org/locations](https://nihfcu.org/locations) to search for any branch or ATM location.

NIH Federal Credit Union  
P.O. Box 6475  
Rockville, Maryland 20849-6475

## Members of the Senior Leadership Team:

Rick Wieczorek—President & Chief Executive Officer

Jesse Boyer—EVP, Chief Operating Officer

Frank P. Amantia—SVP, Chief Lending Officer

Christiana Anderson—SVP, Chief Human Resources Officer

Timothy Duvall—SVP, Chief Financial Officer

Miglena Doncheva—VP, Lending

Craig Edelin—VP, Internal Audit

Matt Jones—AVP, Director, Member Business Lending

Ashok Khadka—AVP, Associate Controller

Steven Levin—VP, Marketing & Brand Strategy

Christopher Newell—VP, Information Technology

Steven Peschin—VP, Finance & Investments

Michael Stottlemeyer—VP, Risk Management

Stacie Strickland—VP, Retail Development & Business Development

Michael Torcisi—AVP, Loss Mitigation & Administration

Taneka Walton—Courtney—AVP, Payments Support