



CREDIT UNION INITIATIVE

Letter of Support for the George Washington University Credit Union Initiative

Overview

Since September, 2017 GWUCUI has been working to charter a student-run credit union at GWU. They aim to create a modern, digital financial services experience that provides the safety and structure offered by the credit union model. Students and alumni will be able to easily manage their savings and checking accounts, set aside money to safely build their credit scores and apply for small loans to fund their innovations and passions through cutting-edge web and mobile interfaces. GWU student organizations will be able to secure small loans to finance their projects on campus. Everything happens in one place, and it all happens with higher savings dividends, lower fees, lower loan interest rates and most importantly, lower risk than at another credit union or bank.

Within 3-4 years, they hope to be sustaining the proposed federal credit union's (PFCU) operations as the completely digital provider of a financial services experience built around the needs and wants of the GWU student and alumni populations. Initially, they expect to be serving the GWU student body as an additional provider of select financial services as they grow and work to become their main and/or sole provider.

How it helps the community

A student-run credit union at GWU will improve financial literacy for GWU students through educational programs and encouraging students to actively participate in managing their finances. The 100% digital, completely student-run operating structure they propose will allow for very low operating costs. This will allow the credit union to offer very competitive products to students; savings account with higher dividends, checking accounts with lower fees, and lower interest rates on loans than their competitors. Their student and community focus means they can offer products tailored to the GWU community. Instead of using inherently risky credit cards, which are even riskier for college students who may not have been taught how to properly manage one, the credit union will provide a risk-free credit building

program. For a fee of \$50, students can establish themselves as responsible borrowers and will be offered basic lessons about how their credit score is calculated, why it is important, and how to manage a credit card in the future. They will also offer small loans to student organizations on campus who currently have a demonstrated need for, yet little access to, affordable credit.

How it helps GWU/GWSB student-job placement and alumni

Other student-run credit unions nationwide have become respected hiring pipelines, helping students find jobs at prestigious banks, law firms, consulting firms, and other businesses. A student-run credit union at GWU will provide a high-intensity work opportunity on campus, cultivating skills that will boost their likelihood of being hired by respected firms. When alumni search their alma mater for qualified candidates to work at their firms, they will find exceptional candidates at the student-run credit union. This will increase their engagement with the school.

What GWSB will do to help

GWSB can offer meaningful support to GWUCUI. In order to help with recruitment and grassroots fundraising, GWSB can provide the initiative with reasonable access to its advertising channels and other communications tools. This will help the initiative reach out to the student body as effectively as possible. In addition, access to the GWSB alumni network can help the initiative raise support and funds from our graduates. GWSB will also be an advocate for the initiative as they appeal to other schools on campus for support and as they negotiate with GWU administration for financial support.

On behalf of The George Washington University School of Business, I, Dean Anuj Mehrotra, endorse and support the George Washington University Credit Union Initiative

Signature:  _____

Date: 11/29/18