



**MOUNTAIN AMERICA**  
CREDIT UNION

2020 Annual Report

**GUIDING YOU  
FORWARD**



# OUR MISSION

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We provide exceptional member experiences by hiring and developing the best people who make it easy to do business, deliver quality service and technology, and provide valuable financial guidance.







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## PRESIDENT'S REPORT

**“** *We have the opportunity to make the most impact in the lives of others during times of difficulty rather than times of ease. 2020 was an opportunity for Mountain America to shine and show the credit union difference.* **”**

So what is the credit union difference? Many people may wonder what the real difference is between Mountain America and the bank down the street. After all, the products and services look similar.

The real credit union difference comes in ownership. Mountain America is a federally insured not-for-profit cooperative. We are owned by our members. The bank down the street is owned by its shareholders. Banks have the challenge of keeping the true owners and customers happy. You know who wins that battle—the shareholders.

The Mountain America difference is clear. Credit unions are here to serve their members. Our goal is to help members define and achieve their financial dreams. We are here to offer a guiding hand as our members navigate a sometimes difficult financial road. We seek to offer better rates, lower fees and personalized service.

One of our highest priorities this past year has been helping our members navigate the pandemic. To help those in uncertain financial situations, we completed tens of thousands of loan modifications and provided options to skip a loan payment. We were the top credit union issuer of SBA Paycheck Protection Program loans during this past year. Our goal was to keep small businesses going, support employment in our community and make for a quick economic recovery.

During the past year, we reached out to many members to help them refinance their loans. These rescued loans will save our members over \$125 million in interest on \$670 million in total loan balances. On top of that, over \$2.6 billion in mortgages were issued at historically low rates. Our priority is to place our membership in a strong financial position.

Another critical aspect of navigating through this past year has been our efforts to take care of employees. We want each of our great and dedicated team members to know that we are here for them. By restricting lobby traffic instead of closing branches, we were able to quickly adapt to keep everyone safe. Our member service center added staff to meet the increasing call demand. Corporate employees transitioned to remote work. These efforts were able to successfully keep both our members and our employees safe and well-served.

I am grateful for the trust you place in Mountain America Credit Union. We will never take that for granted. Be sure to share the Mountain America difference with your friends and family.

**STERLING NIELSEN**

*President/CEO*





## CHAIRPERSON'S REPORT

“ *This past year was a unique experience. We have all had to navigate rough waters through the pandemic. Mountain America had to be nimble and adjust to perform well during this difficult time.* ”

Today, the credit union is stronger and more successful than ever. This is evidenced in the many awards and honors that have been bestowed on the company by those outside the credit union. We can thank our great employees and strong management team for these achievements.

As further evidence of our strength and success, Mountain America now has over \$12 billion in total assets and over \$1 billion in reserves. We provide our one million members with 24/7 access to our online and mobile banking platforms and are about to open our 100th branch. These numbers place Mountain America among the largest, best-performing credit unions in the country.

Even though we are represented by large numbers, Mountain America's focus remains on the experience of the individual. Our priority is to find ways to make life better for each member and support you in achieving



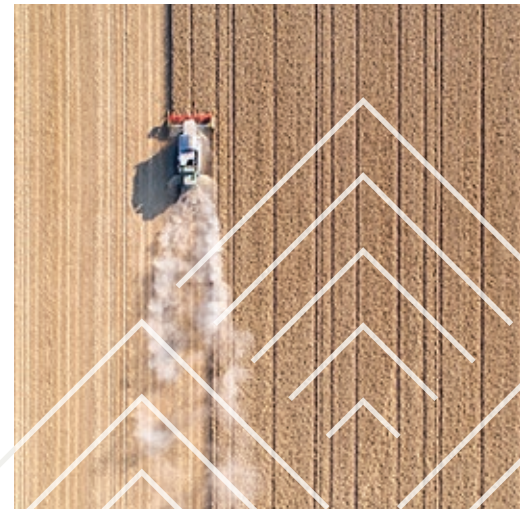
your financial dreams. Our employees consistently look for ways to guide you toward financial success and safety while assessing your true financial needs. Life is easier when you are in control of your finances, and we are striving to help members experience that reality.

Let me share just one example. Because an employee asked some simple questions, one member was able to refinance a home loan and save \$157,000 in interest while reducing his loan term by 12 years. This is just one way we can make a significant impact in the lives of our members.

We hope our members view Mountain America as a financial partner ready to provide personalized solutions. The past year has been a challenge, and there will continue to be challenges. The Board of Directors and management team, along with the employees, are planning for those challenges with vigor and will strive to build and strengthen our credit union, earn your trust and loyalty, and enhance services for the benefit of all members.

Our focus and commitment is to offer our members exceptional value. We are planning to improve member experiences using technology, training and expansion in our markets. We are also adding enhanced security and safety measures. We will further implement a framework that builds and develops employees into leaders and will eliminate inefficiencies through better process optimization and data-driven decisions. The future is bright for Mountain America to overcome challenges and find success through vision, hard work and valuable financial guidance for our membership.

We as members, employees and board volunteers can be proud of what we own. The credit union belongs to all of us. It exists to help us all overcome





financial challenges and improve our lives. Thank you for the loyalty and support you have placed in Mountain America as your financial institution.

It is my pledge to you, as members, that the board of directors, management and employees will continue the path of success that has helped Mountain America become one of the strongest and most successful credit unions in the country. We will continue to provide you with the cutting-edge tools, world-class service and guidance you need to be financially sound.

**SCOTT J. BURT**

*Board Chair*







# SUPERVISORY AUDITS

The Supervisory Committee oversees ongoing credit union audits to ensure that internal controls are in place and followed. The audits also ensure that accounting records and reports accurately reflect the credit union's financial position and operations, thus protecting our members' assets. Most of these audits were conducted remotely due to the pandemic.

## **DURING 2020:**

- ▶ Internal audit conducted 50 branch audit engagements, 27 IT/operational/compliance audit engagements and 78 targeted/ad-hoc reviews of various credit union areas.
- ▶ The credit union was examined by the National Credit Union Administration (NCUA).
- ▶ The financial statements were audited by the independent Certified Public Accounting firm of Moss Adams LLP.



# OUR VISION

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We help our members define  
and achieve their financial dreams.



# BOARD OF DIRECTORS

Scott Burt, *Chair*

Lynn Ure, *Vice Chair*

Charlie Fulks, *Secretary*

Michael Allen

Sam Blundell

Bruce Reading

Joel Steadman

David Swan

Julie Wray

# SUPERVISORY COMMITTEE

Matthew Taggart, *Chair*

Trent Bingham

J. Teresa Davis

David Kwant

Melody Richardson



## IMPROVING MEMBERS' LIVES

This year brought an increased need to reach out to members with financial education resources. By expanding our educational offerings online through private coaching sessions, webinars, podcasts, gamified education resources and blog articles, Mountain America was able to reach many more individuals than in previous years while providing a more tailored approach.

In 2020, these efforts reached more than one million people in our communities. This personalized approach to educational offerings and branch service helped more than 25,000 members improve their financial situation.

Mountain America is committed to enhancing people's lives by offering valuable financial guidance. These stories highlight how beneficial these services can be in changing the course of our members' financial lives.

One member shared, "Thank you so much for taking the time to run through a working system for success. I have never had the opportunity before to speak with a financial counselor who addresses the psychology



of compulsive spending. With these tools and information, I can adequately chart my course to financial independence, responsible spending and a stable future.”

Another member had this to say: “I can’t thank you enough for your financial coaching support. I am more mindful of my spending, and I even made it through the month without overdrawing my account. I love being able to transfer my paycheck from checking into categorized accounts for each of my expenses and begin working toward my savings goals. I will refer anyone who needs this kind of coaching to Mountain America.”

This final story highlights the efforts of our committed employees who go out of their way to serve the membership. As a branch employee reached out to local members, she learned of a family’s pressing personal hardships as the husband faced a cancer diagnosis. With five children, \$40,000 in unsecured debt, an auto loan, a mortgage and now medical bills, the family was feeling the weight of their mounting expenses. The branch team determined that a mortgage refinance would allow the family to consolidate their debts, save \$1,400 each month, reduce their mortgage term and save \$70,000 in interest. Due to the husband’s increased health risk, the team even made special arrangements when the branch was closed on a Saturday to finalize the loan and have a special celebration.











## HONORING EXCELLENCE

Mountain America continues to receive recognition and awards in a variety of categories:

- ▶ Best Companies to Work For 2020 (2,500+ employees), *Utah Business magazine*
- ▶ Best-In-State Credit Unions (Utah, Arizona and Idaho), *Forbes*
- ▶ Utah Best of State, Financial Services category
- ▶ Healthy Worksite Award, Platinum Level, *Utah Worksite Wellness Council*
- ▶ 2020 The Best of State® Statue Winner, BOSS® award, Business Services
- ▶ Trent Savage named HR Disruptor of the Year, *Utah Business magazine*
- ▶ 2020 Top 30 Program Managers, Chad Waddoups, *Bank Investment Consultant*
- ▶ Top credit union lender for the Paycheck Protection Program
- ▶ Top credit union SBA lender nationwide, Callahan & Associates
- ▶ Diamond Award recipient, CUNA

# CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$1,944,246	\$681,751
Interest-bearing deposits with other financial institutions	3,528	54,036
Securities available-for-sale, at fair value	87,986	10,301
Investments in membership stock, at cost	43,276	21,255
Loans held-for-sale	46,402	27,173
Loans, net	9,023,415	7,959,708
Accrued interest receivable	29,740	28,033
Mortgage servicing rights, net	12,690	9,010
Foreclosed and repossessed assets, net	2,819	5,568
Premises and equipment, net	395,437	373,667
NCUSIF deposit	85,959	70,741
Intangible assets, net	10,058	10,286
Prepaid expenses and other assets	300,643	97,282
<b>TOTAL ASSETS</b>	<b>\$11,986,199</b>	<b>\$9,348,811</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Shares and deposits	\$10,567,187	\$8,089,048
Borrowed funds	285,000	285,000
Official checks	18,424	11,597
Other liabilities	76,759	82,361
<b>TOTAL LIABILITIES</b>	<b>\$10,947,370</b>	<b>\$8,468,006</b>
<b>MEMBERS' EQUITY</b>		
Regular reserve	\$63,045	\$63,045
Undivided earnings	973,120	815,386
Equity acquired in business combinations	2,463	2,463
Accumulated other comprehensive income (loss)	201	(89)
<b>TOTAL MEMBERS' EQUITY</b>	<b>\$1,038,829</b>	<b>\$880,805</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$11,986,199</b>	<b>\$9,348,811</b>

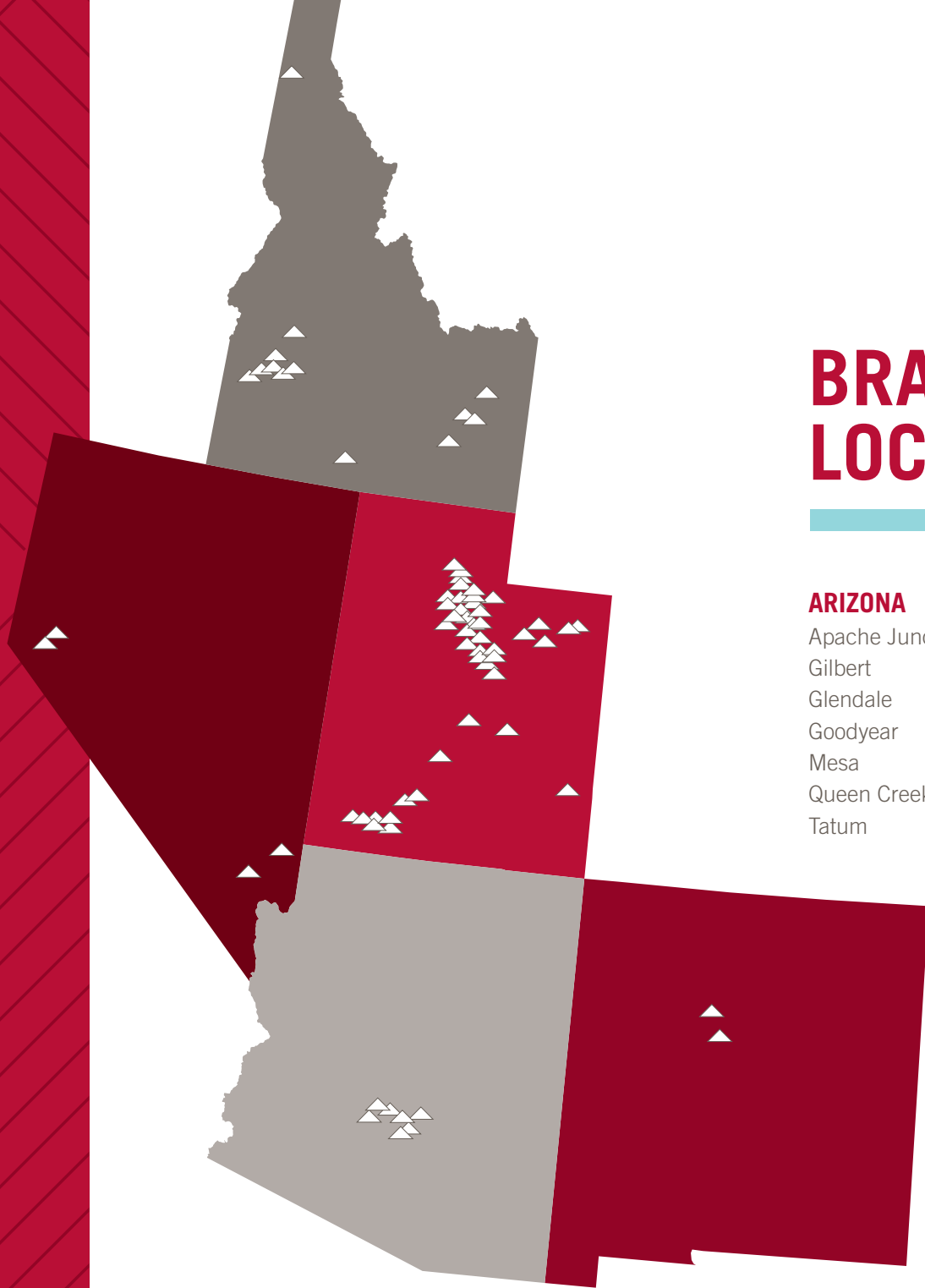
As of December 31, 2020 and 2019 (dollars in thousands)



# CONSOLIDATED STATEMENTS OF INCOME

	<u>2020</u>	<u>2019</u>
<b>INTEREST INCOME</b>		
Loans, including fees	\$463,558	\$420,353
Other	4,518	20,446
<b>TOTAL</b>	<b>\$468,076</b>	<b>\$440,799</b>
<b>DIVIDEND AND INTEREST EXPENSE</b>		
Shares and deposits	\$80,522	\$91,335
Borrowed funds	5,598	5,677
<b>TOTAL</b>	<b>\$86,120</b>	<b>\$97,012</b>
<b>NET INTEREST INCOME</b>	<b>\$381,956</b>	<b>\$343,787</b>
Provision for loan losses	69,250	63,750
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>\$312,706</b>	<b>\$280,037</b>
<b>NON-INTEREST INCOME</b>		
Fees and service charges	\$167,820	\$158,122
Net realized gain on sold loans	58,998	15,222
Gain on sale of Visa® shares	10,813	-
Gain (loss) on foreclosed and repossessed assets, net	1,378	(366)
Other	37,956	35,183
<b>TOTAL</b>	<b>\$276,965</b>	<b>\$208,161</b>
<b>NON-INTEREST EXPENSES</b>		
Compensation and benefits	\$243,690	\$199,064
Loan servicing	58,110	50,224
Occupancy and equipment	47,524	42,423
Professional and outside services	28,387	27,438
Depreciation and amortization	25,583	22,841
Education and marketing	18,618	22,948
Loss on disposal of premises and equipment, net	475	674
Other	9,550	7,918
<b>TOTAL</b>	<b>\$431,937</b>	<b>\$373,530</b>
<b>NET INCOME</b>	<b>\$157,734</b>	<b>\$114,668</b>

As of December 31, 2020 and 2019 (dollars in thousands)



# BRANCH LOCATIONS

## ARIZONA

- Apache Junction
- Gilbert
- Glendale
- Goodyear
- Mesa
- Queen Creek
- Tatum

## IDAHO

- Ammon
- Boise—3rd Street
- Boise—Ustick Road
- Eagle
- Garden City
- Garden Valley
- Idaho Falls
- Meridian
- Nampa
- Pocatello
- Post Falls
- Rexburg
- Twin Falls

## NEVADA

- Las Vegas
- Mesquite
- Reno
- Sparks



## NEW MEXICO

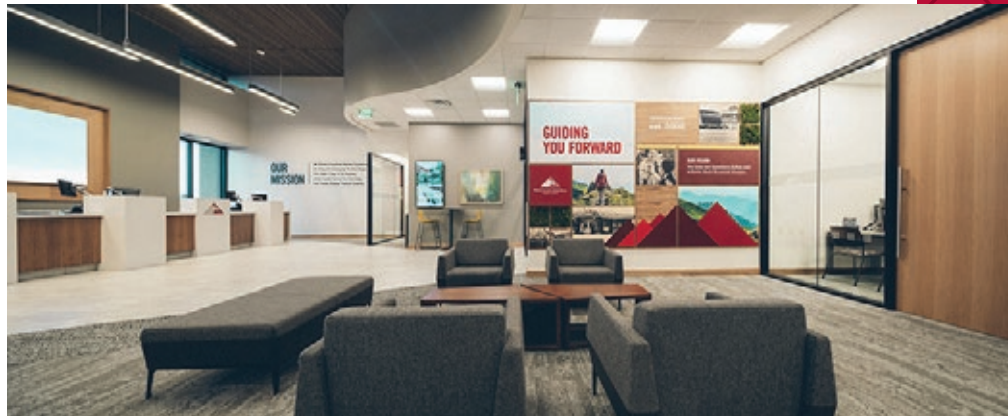
Albuquerque—Golf Course Road  
Albuquerque—Paseo Del Norte Boulevard

## UTAH

Altamont  
American Fork  
Cedar City—Main Street  
Cedar City—Providence  
Centerville  
Clinton  
Cottonwood Heights  
Draper  
Duchesne  
Ephraim  
Farmington  
Heber  
Herriman  
Holladay—Highland Drive  
Holladay—Murray Holladay Road  
Hurricane  
Kanab  
Kaysville  
Kearns—4015 West  
Kearns—5600 West  
Kimball Junction  
Layton  
Lehi  
Logan—706 South  
Logan—1425 North  
Magna  
Midvale  
Millcreek  
Moab

Murray  
Ogden—40th Street  
Ogden—Five Points  
Orem—North State Street  
Orem—University Place  
Payson  
Pleasant Grove  
Price  
Provo  
Richfield  
Riverton  
Roosevelt  
Rose Park  
St. George—River Road  
St. George—Sunset Boulevard  
Salt Lake—325 South State  
Salt Lake—735 South State  
Salt Lake—Redwood Road  
Sandy—94th South  
Sandy—9640 South State  
Sandy—106th South

Santa Clara  
Saratoga Springs  
South Jordan—104th South  
South Jordan—Daybreak  
South Jordan—River Park  
Spanish Fork  
Springville  
Stansbury Park  
Sugar House  
Taylorsville—47th South  
Taylorsville—54th South  
Tooele  
Vernal—East Highway 40  
Vernal—West Highway 40  
Washington  
Washington Fields  
West Jordan—90th South  
West Jordan—Jordan Landing  
West Jordan—Redwood Road  
West Valley  
Woods Cross



Listing current as of December 31, 2020.





**MOUNTAIN AMERICA**  
CREDIT UNION

