

2025 Annual Report

OUR #1 PRIORITY IS YOU!



NW PRIORITY
CREDIT UNION





Board Report

Sheryl Scarbrough

The Board of Directors, management team, Supervisory Committee, and staff of NW Priority Credit Union (NWPCU) thank our members for your continued trust and support throughout 2025.

My name is Sheryl Scarbrough, and I am honored to serve as your Board Chair, effective April 2025. I have proudly been a member of NWPCU since 1994, and I remain deeply grateful for the strength, stability, and people first values that define our Credit Union.

Because of your loyalty and support over our **98 years of service**, NWPCU continues to grow and thrive. As we move into 2026, the Board and Management Team remain committed to providing excellent, personalized service while ensuring the long term financial security of the Credit Union. Our dedicated staff works every day to deliver a positive experience for you and your families.

In a time of global and financial uncertainty, NWPCU stands apart. We are strong yet innovative; conservative yet creative. We are not “Big Finance.” We do not engage in cryptocurrency speculation, offer unsustainable short term rates, or charge predatory fees. Instead, we focus on serving our members responsibly and with integrity.

What we do best is support our members every day—answering calls, assisting with online and digital banking needs, and helping protect members from fraud and scams. We invest in state of the art technology and controls to

safeguard your financial security, while also providing personal assistance when members need it most. At NWPCU, you are never just an account number.

Recognizing the growing importance of digital services, we are expanding our contact center in 2026 to further support members with online transactions and electronic products.

In December, we proudly opened our newest branch in Beaverton, conveniently located near Highway 217 and Beaverton Hillsdale Highway. The branch offers ample parking and a drive up—features members have asked for and value.

NWPCU’s cooperative structure depends on volunteer member owners who serve on the Board of Directors and Supervisory Committee. These volunteers work closely with management to set policies, ensure regulatory compliance, maintain strong internal controls, and plan strategically for the future.

In **2028**, NWPCU will celebrate **100 years of service**. Founded by nine postal workers who believed in the principle of “People Helping People,” our Credit Union has served generations of members and their families. As we approach this milestone, we remain committed to those same cooperative values.

Thank you for your continued trust and support. On behalf of the Board of Directors, we wish you a **prosperous and successful 2026**.



CEO | President's Report

Christine Torland

As we enter our **98th year** of service, I am pleased to present the 2025 CEO Annual Report. Our Oregon state-chartered cooperative remains a pillar of stability; currently managing **\$245 million in assets** for our **11,500+ members**.

Over the past year, we have focused on strengthening the internal processes that keep your Credit Union strong.

- **Digital Access:** The Credit Union successfully launched Meridian Link; streamlining the online application process to open new accounts and loans.
- **Branch Relocation:** Our Beaverton branch move to SW Griffith Drive was completed. The new branch features drive-up access and room to grow.
- **Financial Strength:** The Credit Union maintained a healthy net worth ratio over 16%, ensuring your funds remain secure.

THE PATH FORWARD: 2026 OBJECTIVES

As we look toward the remainder of **2026**, we are excited to roll out several highly anticipated service and branch upgrades:

- **Parking Lot:** Earlier this month, the SE Division Street branch went through a much-needed upgrade to our parking lot.
- **New Contact Center:** We will officially open our dedicated Contact Center later this year to provide more efficient, expert phone support for our members.
- **Tap Cards & Security:** We are transitioning to contactless tap cards and deploying increased fraud prevention protocols to stay ahead of modern security threats.

LEADERSHIP & GOVERNANCE

I am truly honored and grateful for the Board's confidence in offering me the role of CEO. After 30 years with this Credit Union, it feels both meaningful and exciting to take on this new chapter. I look forward to leading our organization into the future alongside our dedicated team and members.

Thank you for being a member-owner of NW Priority Credit Union.



Supervisory Committee Report

by Fred Carter

Dear NW Priority Credit Union Members:

As Chairperson of the Supervisory Committee, I would like to say it was a pleasure to serve you, the members, for the year 2025.

The members of the Supervisory Committee are appointed by the Board of Directors for a three year term and is comprised entirely of volunteers, of good standings, from the membership. Committee members can be reappointed every three years.

Currently, there are five members on the Committee:

Fred Carter: CPA Chairperson

Frankie Aubrey: Vice Chairperson

Jana Bailey: Secretary

Alva Houston: Member

Tasha Patton: Member

Since the Committee acts as a “watchdog” on behalf of all Credit Union members, it is very important that the Supervisory Committee function independently of the Board and management in performance of our duties.

One of the most important functions of the Supervisory Committee is to oversee the annual audit of the Credit Union’s financial condition and internal accounting procedures. The Committee engaged Richards & Associates, CPA’s to perform the 2025 financial statement audit. The Committee, along with the CEO and CFO, meet with the auditors to review the audit and auditor’s report to make sure NW Priority Credit Union is in compliance with the requirements and regulations of the Federal Credit Union Act. When the audit is

completed, any member of NWPCU can review the auditor’s report at the Credit Union’s Main Office.

The State of Oregon Division of Financial Regulation, the Credit Union’s primary regulator, also conducted their examination of our records and operations.

Based on the results of the annual audit and the State of Oregon examination, we are proud to announce that NWPCU has satisfactory financial controls and is financially sound.

At least once every two years, the Committee have our auditor verify that members accounts are valid and accurate.

Some of the other duties we performed during 2025 were:

- We inspect the Credit Union's records for accuracy, its assets for security, and its procedures for the proper handling and use of funds.
- We reviewed weekly bank reconciliations.
- We determined whether all Credit Union departments are carrying out the policies and procedures for which they are responsible.
- We met with members of the management team and other employees to discuss their duties, risks and challenges they face.
- We performed surprise cash counts at the branches.
- We made sure that Board and Supervisory Committee members attended the required amount of meetings.



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- We reviewed loans made to Board and Supervisory Committee members, management, employees and their families to make sure they followed proper procedures.
- We attended the Planning Session and the Annual Meeting.
- We were involved with various working committees of the Board as non-voting members.

In order to ensure that we had the tools to perform our duties and responsibilities, Committee

members attended conferences, took self study (CUES) courses, had various training at our monthly meeting and attended training held at Board meetings.

We extend our gratitude to the Board, Management and Staff for their ongoing commitment to making sure that NWPCU has satisfactory financial controls, is financially sound, and maintain stability for the membership.

Thank you and God bless us all.



Legislative Report

by Marc Orange

Committee Members:

Marc Orange: Chairman
Chistine Torland: CEO
Mark Gonzalez: COO
Sheryl Scarbrough: Board Chair
Willie Groshell: Board Member

Credit Union Advocacy: NWPCU Legislative Committee partners with State and National advocacy groups to deliver a common theme to our elected officials: **Common Sense Regulations, “Credit Unions Make a Difference.”**

Nationally, the legislative committee partners with the America’s Credit Union advocacy group to ensure representatives in Washington, DC are aware of our concerns and the impact CU’s play within our communities. NWPCU also partners with Go West Credit Union Association to deliver our message to Oregon House & Senate representatives as a means to further CU Legislation that ensures CU sustainability.

At the start of and throughout 2026 our message has focused on support for key legislation to modernize the Federal Credit Union Act, and encouraging “right-sized” regulation for community financial institutions, as well as support for Credit Union’s not-for-profit tax status.

Small Credit Unions face unique challenges. Even when new rules are designed to help, the compliance lift can feel heavier for smaller shops, and adopting new technologies can be cost prohibitive. Combined regulatory advocacy efforts continue to focus on securing practical relief and tangible resources that make a difference.

In conjunction with our partners, Credit Unions continue to operate in a regulatory environment that is shifting toward greater flexibility, reduced burden, and more principles-based oversight. Throughout Q1 2026, key federal agencies including the NCUA, CFPB, and the CDFI Fund advanced rulemakings and structural changes that will meaningfully shape compliance expectations for smaller institutions.

With the current administration the Consumer Financial Protection Board (CFPB), leadership has almost exclusively focused on rolling back punishments, fines, and penalties on companies for deceptive practices. While the CFPB experienced funding uncertainty in late 2025, operations are expected to remain somewhat stable through 2026. Most notably there was a new proposal on the Section 1071 Small Business Lending Rule. The CFPB has proposed significant changes that would:

- Raise the data collection threshold from 100 to 1,000 small business loan originations
- Narrow the definition of “small business” from \$5M revenue to \$1M
- Exempt nearly all Credit Unions from reporting

This long-advocated change dramatically reduces what would have been one of the largest new compliance burdens for small Credit Unions.

Other CFPB developments include annual updates to Reg Z, Reg M, and the Fair Credit Reporting Act (FCRA) fee caps requiring modest technical adjustments in compliance systems.

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CDFI: Community Development Financial Institution Fund

Unfortunately, 2025 ended with a difficult CDFI application environment, especially around certification window closures and system upgrades. However, for 2026 the outlook is significantly more positive:

- Congress is expected to maintain \$324M in CDFI Fund appropriations
- The Community Development Revolving Loan Fund (CDRLF) is reinstated with \$3.4M for
- Small CU technical assistance

The CDFI Fund is also increasing emphasis on documented community impact rather than process alone, which aligns strongly with Credit Union mission and strengths. Additionally, GoWest is advocating for more flexible certification rules, reduced administrative requirements, and easier recertification processes for Credit Unions.

The bottom line for small Credit Unions is that across federal agencies, 2026 is shaping up to be a year of lower regulatory burden, more flexible exam environments, reduced compliance costs, and exemptions from complex new data collection rules.

Economic Update:

Credit Unions performed well throughout 2025. In the GoWest region, all states saw asset growth through the third quarter of 2025. At the same time, outstanding loans grew by 0.3 percent at the median. The median loan-to-share ratio was 70 percent at the end of the third quarter of 2025.

Oregon Credit Union Economic Impact Data:

- Oregon CU's serve 2.3 million members

- Over 14,800 Jobs Supported in the Economy
- \$1.9 Billion Total Impact for Oregon Economy
- \$229 Million in direct financial benefits to members
- 6500 Direct Credit Union Jobs

Credit Unions are a cornerstone of financial well-being for more than 140 million people. Credit Union membership continued to grow in the aggregate over the year ending in the third quarter of 2025. Eighty-eight percent of Credit Unions had positive year-to-date net income in the third quarter of 2025, compared with 85 percent the year before.

Nationally, the fourth quarter of 2025 was marked by significant economic and market developments that Credit Unions should note. A historic 43-day government shutdown delayed key economic reports and added uncertainty. While the labor market softened and unemployment reached a four-year high, consumer spending remained resilient.

2026 Outlook:

As we enter 2026, we expect some uncertainty with interest rates, strong corporate earnings buoyed by accelerated capital depreciation, and continued AI innovation to drive the economy. Worker productivity is expected to continue to increase as AI applications expand, and new uses develop across economic sectors. Housing and vehicle prices for both new and used autos are expected to be relatively stable in 2026. Recent data points to some softening in the economy with heavy truck sales down sharply and manufacturing activity remaining relatively weak based on the latest manufacturing index readings.



Condensed Independent Auditor's Report

Richards & Associates, CPAs

To the Members of NW Priority Credit Union:

Opinion

We have audited the accompanying financial statements of NW Priority Credit Union which comprise the statements of financial condition as of December 31, 2025 and 2024 and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements (not presented herein).

In our report, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

RICHARDS & ASSOCIATES
Certified Public Accountants
Yorba Linda, California

April 13, 2026

2025 Financial Statement

DECEMBER 31, 2025 & 2024

Condensed Statements of Financial Condition

ASSETS	2025	2024
Cash & Cash Equivalents	\$ 59,077,476	\$ 26,926,114
Investments	\$ 126,301,140	\$ 161,501,364
Loans to Members, Net	\$ 52,894,182	\$ 56,817,408
Property and Equipment, Net	\$ 1,827,532	\$ 1,880,589
NCUSIF Deposit	\$ 1,960,071	\$ 2,052,465
Other Assets	\$ 2,999,087	\$ 2,627,931
TOTAL ASSETS	\$ 245,059,488	\$ 251,805,871
LIABILITIES & MEMBERS' EQUITY		
Members' Shares and Deposits	\$ 202,704,415	\$ 209,020,616
Accrued Expenses and Other Liabilities	\$ 733,527	\$ 1,986,466
Members' Equity	\$ 41,621,546	\$ 40,798,789
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 245,059,488	\$ 251,805,871

Condensed Statements of Income

INCOME AND EXPENSES	2025	2024
Interest Income	\$ 8,944,717	\$ 7,142,767
Interest Expense	\$ 942,691	\$ 1,138,238
NET INTEREST INCOME	\$ 8,002,026	\$ 6,004,529
Provision for Loan Losses/ Credit Losses	\$ 60,000	\$ 70,000
NET INTEREST INCOME AFTER PROVISION	\$ 7,942,026	\$ 5,934,529
Non-Interest Income	\$ 1,156,463	\$ 1,192,876
Non-Interest Expense	\$ 7,116,109	\$ 6,620,812
NET INCOME	\$ 1,982,380	\$ 506,593



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