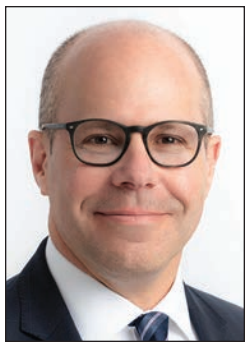


A Digital Native Credit Union

An Interview with Charles Krawitz, Senior Vice President and Chief Capital Markets Officer, Alliant Credit Union

EDITORS' NOTE Charles Krawitz is a key member of Alliant's executive leadership team. He is a highly regarded innovator, creating long-term value for Alliant's members through his commercial real estate, loan trading and fintech initiatives. Krawitz has more than 30 years of experience in financial services with financial institutions including ABN AMRO, KeyBank, and Fifth Third Bank. In addition to other honors, he was named to the Midwest Commercial Real Estate Hall of Fame in 2020 and selected as a Manager of the Year finalist by Gallup in 2021. Krawitz earned a bachelor's degree in finance from the University of Illinois, a master's in regional and urban planning from the London School of Economics, and was awarded an executive scholar designation in general management from Northwestern University's Kellogg School of Management.



Charles Krawitz

ORGANIZATION BRIEF Headquartered in Chicago and founded in 1935, Alliant Credit Union (alliantcreditunion.org) is one of the 10 largest credit unions in the U.S. with more than 700,000 members and over \$18 billion in assets. As a digital credit union, Alliant's mission is to provide members consistently superior financial value while simplifying and enabling how people save, borrow, and pay.

Will you provide an overview of your role and areas of focus?

I'm passionate about my role at Alliant because it provides me with the opportunity to innovate and positively impact the financial well-being of so many. As Alliant Credit Union's Senior Vice President, Chief Capital Markets Officer, and Head of Commercial Lending, I focus on four key areas of responsibility: loan trading, fintech partnerships, commercial real estate lending and, more recently, overseeing our relationships with key corporate partners to bring best-in-class financial products and services to their employees. We are a digital native credit union, which means we serve our members through easy-to-use electronic channels focused on achieving laudatory experiences.

The willingness of Alliant to try new and innovative ideas that are not the norm in the

broader financial services space is one of our biggest differentiators, and a significant part of my leadership role. Shaping and implementing strategy to achieve impactful results in service to our members is at the core of my responsibilities. I am required to be an effective enterprise leader and that means being able to identify opportunities, design plans, secure resources, inspire colleagues, and achieve results. By working with and through others, I have been effective at instilling a destination-driven mindset. People don't

work for me; they work with me, and together we make great things happen for our members and partners.

Will you highlight Alliant Credit Union's history and how the business has evolved?

Alliant was originally formed in 1935 as the United Airlines Employees' Credit Union, and for the last 87 years it has been a business built on the idea of people helping people. In 2003, we expanded our membership beyond United Airlines and took on the name Alliant. Since our inception, we have served borrowers and savers across the country; those roots have allowed us to become a fully digital financial institution over the years, something our members have appreciated more and more every year.

We have long embraced innovative opportunities to serve our members including fintech partnerships that lean into our digital approach and provide membership expansion opportunities aligned with our mission. Through such partnerships, we have experimented with lending to fund a wide range of projects including solar, personal term loans, home equity loans, and more. On the commercial real estate lending front, we have pursued well-located properties owned by highly experienced investors and built a portfolio that totals nearly \$2 billion. Our typical transaction is a term loan secured by stabilized institutional caliber property, but we also provide capital to niche lenders that pursue bridge and construction loan opportunities.

How do you describe Alliant Credit Union's culture and how critical is culture to the success of the organization?

We have the tight-knit culture of a small company. Everyone's influence and

input is welcomed, and Alliant as an organization is not hierarchical in nature. People are encouraged to move outside of their lanes and try new things. In this way, each employee is well positioned to contribute to the broader business.

As a well-known and regarded credit union that routinely finds new and better ways to serve our members, we have inspired our peers to be similarly venturesome. We take our leadership in the credit union space seriously, and routinely distribute loans through participation sales to other credit unions. That collaboration strategy provides other credit unions with the opportunity to experiment with new products, diversify risk, and enhance returns – all activities that benefit their members as well.

What have been the keys to the growth of Alliant Credit Union's commercial mortgage portfolio?

When I joined Alliant in 2017, I immediately made customer service our paramount focus. The goal was to attract lending opportunities through high-caliber commercial mortgage brokers by impressing them with our acumen, responsiveness, and creativity. I was fortunate to bring long-established relationships with commercial mortgage brokers to Alliant and to parlay my personal connectivity into quick wins. These early successes were critical to telling our story on a national basis and reinforcing our relevance with respect to a wide variety of property types. We quickly became a top-of-mind lender and, by offering highly competitive terms, a true "go to" source of capital. Our strategy focused on high-quality customer service, knowing what high-quality borrowers were looking for, and delivering it to them.

Where do you see the greatest opportunities for growth for the business?

There's a misperception in the financial community that credit unions aren't interested in participating in complex lending transactions, so once that myth is dispelled, there will be a lot of opportunity. In particular, we are expanding our network of niche lenders in the loan-on-loan space. Over the past five years, we have had a lot of success forging relationships with lenders like Trez Capital, MidCap Financial, and others. The positive outcomes from these partnerships demonstrate our real estate wherewithal and

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highlight our reliability. As we continue to engage in loan-on-loan opportunities, we are confident that we will further our reputation as a capable, competent counterparty that understands and responsibly underwrites our participation in complex transactions.

Likewise, there is great opportunity to expand our membership base through Select Employee Groups (SEGs). By way of our SEG program, we bring the benefits of a digital credit union directly to large employers and their expansive employee base by offering emergency savings programs that involve matching funds along with other targeted products that enhance participation and produce positive financial outcomes. These programs not only hold great promise for the growth of Alliant itself, but for the thousands who work for our SEG partners.

Will you discuss Alliant Credit Union’s commitment to innovation and where innovation is taking place in the business?

From the moment we embraced becoming a digital credit union, we made innovation a part of our DNA. We are in constant conversation with cutting-edge firms and seek to partner and collaborate in ways that allow us to best serve our members. Most recently, this approach has resulted in Alliant making equity investments in fintech lenders and expanding our commercial real estate platform to provide loans on RV parks, self-storage facilities, and other property types.

Currently, we are focused on creating new products to combat financial insecurity. We are partnering with large organizations that prioritize financial wellness for their employees. We offer an exclusive digital Emergency Savings Program (ESP) designed for employees to enjoy cash incentives from their employer, which is augmented by Alliant.

The turnkey program offers a dedicated savings account and nationwide banking with digital and personal access 24 hours a day, seven days a week. The ESP even offers cash incentives provided by Alliant for reaching savings goals on a quarterly basis. These supplemental deposits increase enrollment and challenge participants to save more for their future needs. It’s no coincidence that Alliant offers one of the highest savings rates in the country at 20 times the national

average, along with the highest cash-back credit card in the U.S.

How critical is it for Alliant Credit Union to build a diverse and inclusive workforce?

Diversity is an essential part of any successful business, but even more so to a business accountable to its members. To effectively serve a diverse membership base, you need a range of different kinds of people in positions of influence. As Alliant has a wide array of members across the country, we are focused on ensuring that our team makeup reflects those populations.

We are currently at a 50/50 split of men and women in the company, 43 percent of our executive leadership are women and 40 percent of our employees are people of color. Furthermore, we view inclusion as a way of thinking and doing that promotes understanding, acceptance, and growth throughout our organization. Good ideas come from conversations where all voices feel heard and respected and, to ensure this happens, we have created a few rapidly growing Employee Resource Groups (ERGs), such as ALL (for LGBTQIA+ team members), EMPOWER (our Black Professionals Network) and INCLUDE (a women’s group), with each meeting regularly to network, brainstorm, and problem-solve.

What do you see as Alliant Credit Union’s responsibility to the communities it serves and to be a force for good in society?

Serving our members and communities is as important to Alliant as shareholder performance is to a publicly traded bank. Our member-first philosophy means we are committed to making a positive impact on the financial health of individual people and communities.

As a digital credit union, we are particularly sensitive to access to technology, which is essential to fully participate in today’s world both economically and socially. Unfortunately, millions of people in this country lack access to basic technology such as computers, smartphones, and internet access or lack the skills needed to use digital devices. The disparity between those who can access these technologies and those who cannot is known as the digital divide, and as a digitally focused company, Alliant

is dedicated to bridging this gap to create digital equity for all.

Through the Alliant Credit Union Foundation, we work toward this digital inclusion goal by making partnerships with like-minded organizations, delivering digital skills training courses to impacted communities, and calling upon our community leaders to champion affordable internet access reform.

What do you feel are the keys to effective leadership?

In my experience, the best leadership comes from people who truly value others. I like to surround myself with smart, capable, motivated people, and I encourage them to share their opinions and ideas with me. As an industry, I believe we would do well to move away from a more hierarchical structure and toward a model that gives everyone a voice – great ideas can come from anywhere. I know from experience that if you create an environment that uplifts everyone around you, good things will happen.

I am also very dedicated to mentorship and taking that a step further into sponsorship of those I mentor. It gives me great satisfaction to watch people succeed. There is no better feeling than getting a text from a former mentee thanking me for my help and sharing their accomplishments. I like to think I am a good leader because I am effective at shining the spotlight on others.

What advice do you offer to young people beginning their careers during this uncertain time?

It’s tempting to think that another job or another company will be different, when the reality is that we are all facing the same challenges in an uncertain world. Leaving at the first sign of trouble sometimes means missing out on valuable experience. My advice is to look for opportunities within your organization to keep learning and find mentors to help guide you. I see a lot of Millennials and Gen Z’s leaving a position without ever fully committing themselves to their current roles. Admittedly, I probably did this a bit too much when I was younger. However, in my experience, when change comes suddenly and unexpectedly, those who stay positive and stay the course can learn and grow together with their companies, coworkers, and leadership. ●