

## CREDIT COMMITTEE REPORT

**Mr. Joseph Vargo, Chairperson**

Volunteer Specialist for AARP  
Former teacher with the Cleveland Municipal School District and Director of Negotiations for the Cleveland Teachers Union

**Mrs. Winnifred Albert, Secretary**

Former Assistant Principal, Cleveland School of Arts, East Technical High School, Carl F. Shuler Jr. High School, Charles Eliot Jr. High School and A.B. Hart Jr. High School

**Mrs. E. Ruth Wesby**

Former teacher, Cleveland Municipal School District

The Credit Committee meets weekly throughout the year to review credit applications, meet with members experiencing extraordinary financial problems and approve loans. The Committee also reviews applications and approved loans to insure we are in compliance with lending regulations and the Credit Union's loan policy. The Credit Committee reviews all special lending products and makes appropriate recommendations to the Board of Directors. The Credit Committee also reviews all loan requests when special considerations are necessary to assist our members in resolving specific financial difficulties.

The Credit Union continues to maintain a well-balanced and financially sound mix within the loan portfolio. The portfolio contains 37% in closed-end mortgages, 30% in collateralized loans such as new and used autos, 24% in home equity loans, and 8% in signature products. Approximately 92% of the loan portfolio is in collateralized loans.

The loan loss reserves have been maintained at levels sufficient to meet any losses associated with the non-payment of loans. The Credit Union continues its aggressive posture in dealing with long-term delinquencies and removing those obligations from our portfolio.

The Credit Committee continues to work with management in the development of credit products for the members' growing financial needs.

Respectfully submitted,

*Credit Committee*  
*Joseph Vargo, Chairperson*

## REPORT OF INDEPENDENT AUDITORS



**Crowe Chizek and Company**  
Member Horwath International

*Board of Directors*  
*The Ohio Educational Credit Union*  
*Cleveland, Ohio*

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheets of The Ohio Educational Credit Union as of December 31, 2006 and 2005 and the related statements of income, changes in members' equity and cash flows for the years then ended, not appearing herein; and in our report dated March 28, 2007, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying financial statements is fairly stated, in all material respects, in relation to the December 31, 2006 and 2005 financial statements from which it has been derived.

*Crowe Chizek and Company LLC*

*Crowe Chizek and Company LLC*  
*Cleveland, Ohio*

*March 28, 2007*