CORONADO
Savings & Loan Association

'74 Annual Report

To our stockholders, customers and friends:

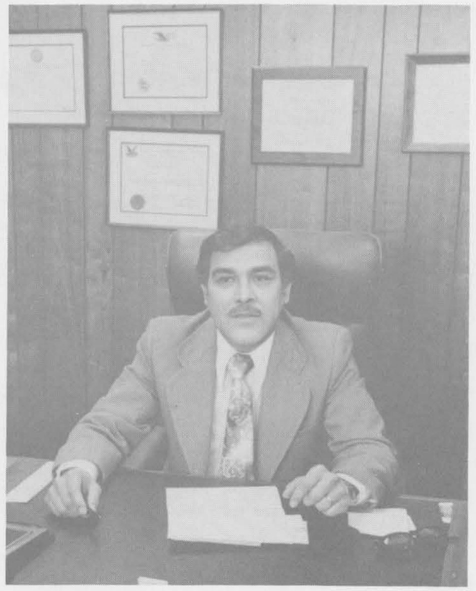
We are pleased to report to you that in 1974 substantial growth took place at Coronado Savings and Loan. Our total assets and deposits were the largest percentage growth of the City's insured savings and loan associations. Assets increased 54% and savings 62%.

Highlights of the report...

	1974	1973	1972	Per cent Increase 1973-1974
Total Assets	**5,208,469**	3,374,224	1,652,553	54%
Loans	**3,603,057**	3,014,296	1,703,229	20%
Total Savings	**4,468,964**	2,755,234	1,088,643	62%

Un viaje de diaz mil pasos comienza con solamente uno

Avelino V. Gutierrez
Chairman of the Board



Arthur C. Trujillo
President

The growth experienced by your association during the past year came about as a direct result of a very substantial commitment of the Board of Directors and its stockholders and officers, coupled with the opening of our new branch office on the West side of Albuquerque.

Savings during this past year will contribute significantly toward the achievement of the ambitious goals and objectives which management has established for 1975 and years ahead.

We acknowledge with sincere gratitude the loyalty and support of stockholders, customers, the members of our Board of Directors, officers and employees who make up our dedicated staff.

Respectfully submitted,

Avelino V. Gutierrez
Chairman of the Board

Arthur C. Trujillo
President

National scene

As a general statement, the industry's rush toward a far less restricted and far more competitive posture will continue to accelerate, at least through this decade. The great public benefit produced by this movement will result in increasing reward potential for consumer-conscious and skillfully managed associations.

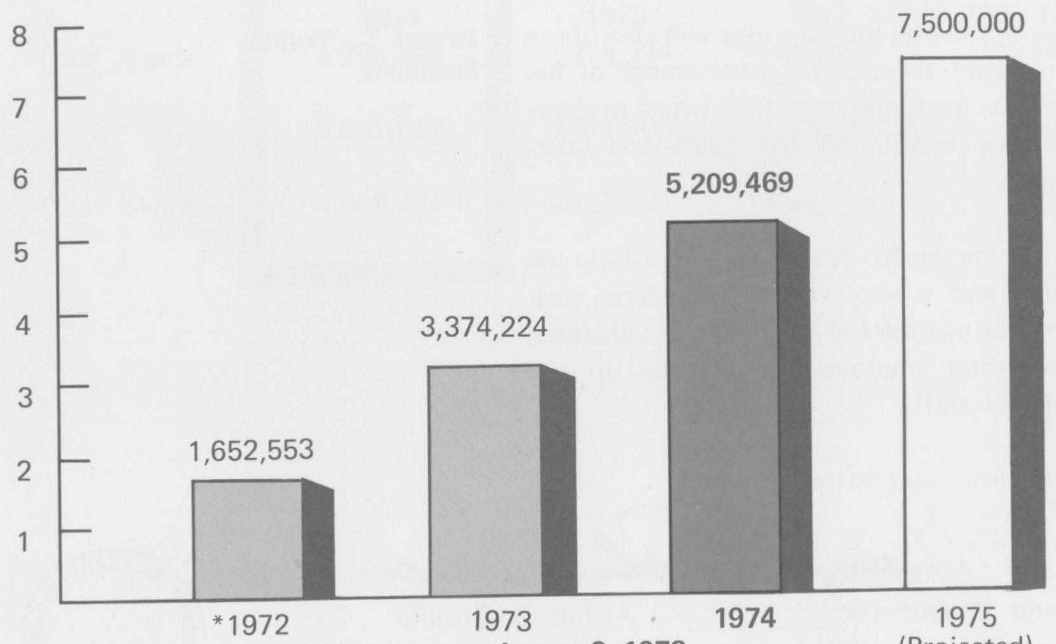
The future outlook for the S & L industry is highly positive, During 1974, there were several changes that will promote the welfare of the industry. Among the more significant developments are:

- The FSLIC-insured coverage on savings accounts was doubled to $40,000 and FSLIC-insurance for public funds was increased to $100,000. At long last, we can now compete for public unit accounts.
- Loan limits were increased.
- More than 100 regulatory changes have been advanced with the majority of them liberalizing in nature.
- Service corporations are moving rapidly in innovative new services and businesses.

In our opinion the outlook for 1975 is good, although the recovery in housing will get off to a slow start early in the year, but will gain momentum as credit conditions continue to ease. We are anticipating a year with better savings flows than experienced last year and, thus, more lending opportunity. Hopefully as we go through 1975, we as a nation will continue to develop effective solutions to the problems of rising prices, inflation, and recession.

Coronado Savings and Loan Association

Total assets Growth (in millions of dollars)



* Association opened for business on August 3, 1972

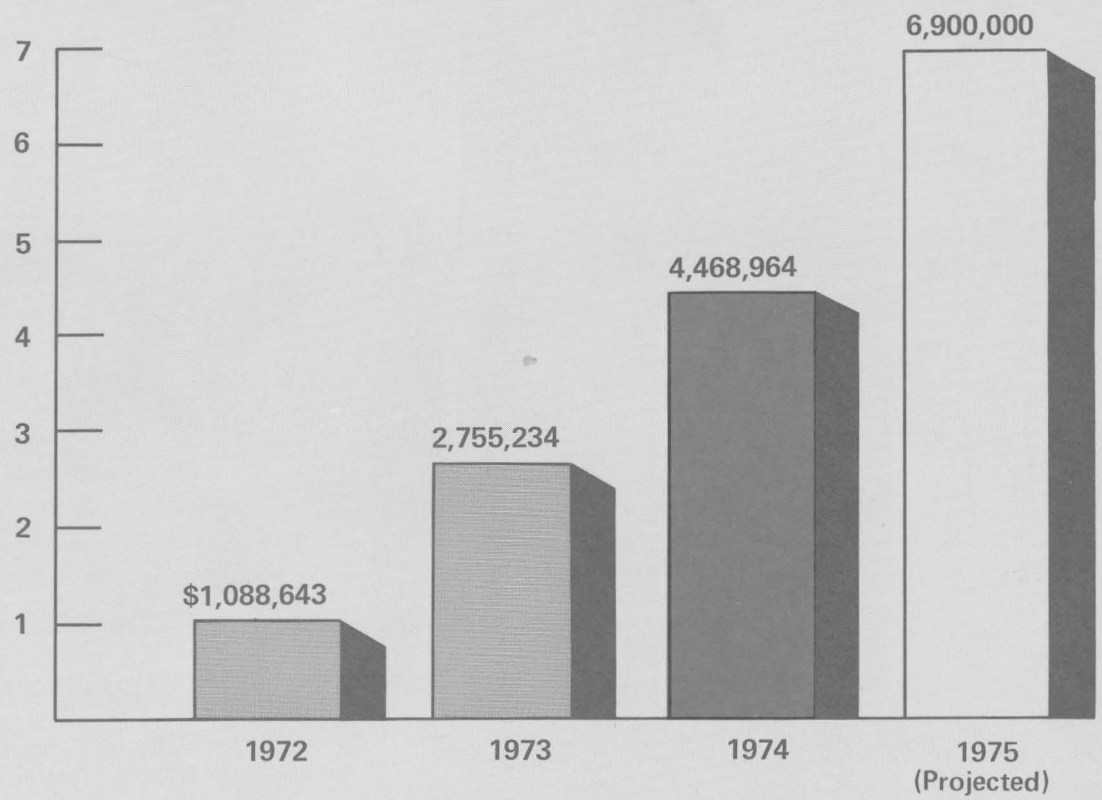
savings reach $4.4 million in 1974

At the close of 1974, savings deposits at CORONADO SAVINGS AND LOAN ASSOCIATION amounted to $4,468,964. This was up $1,713,730 from a year ago and was an increase of 62%.

During 1974 loan repayments held strong and coupled with the inflow of savings helped to provide funds for the community's mortgage lending needs.

Coronado Savings and Loan Association

savings growth (in millions of dollars)



CORONADO Savings & Loan Association

STATEMENT OF CONDITION

ENDING DECEMBER 31, 1974

OFFICERS

Arthur C. Trujillo
President

Tina Yslas
Vice President

G. P. Reyes
Secretary

Richard E. Padilla
Treasurer

Ortie Casaus
Assistant Secretary

Orlando R. Montoya
Branch Manager

ASSETS	
Loans - First Mortgage Real Estate	$3,603,057.48
Loans on Savings Accounts	215,985.35
Other Secured Loans	6,857.38
Stock in Federal Home Loan Bank	30,200.00
Cash and Short Term Liquid Investments	1,210,604.29
Leasehold Improvements	10,036.06
Furniture and Fixtures	21,522.96
Other Assets and Prepaid Expense	12,050.15
Office Building and Land	98,469.40
Total	$5,208,783.07
LIABILITIES/NET WORTH	
Savings and Certificate Accounts	$4,468,964.37
Advances from Federal Home Loan Bank	78,800.00
Loans Process	75,875.00
Mortgage Payable on Office and Real Estate Owned	48,250.00
Advance Payment by Borrowers for Taxes and Insurance	42,550.00
Other Liabilities	2,607.69
Deferred Income	14,834.21
General Reserves and Capital Stock	476,901.80
Total	$5,208,783.07

MEMBER FSLIC Federal Savings & Loan Insurance Corp. Your Savings Insured to $40,000

FEDERAL HOME LOAN BANK SYSTEM MEMBER

your savings account is insured up to $40,000 by the federal savings and loan insurance corporation.

Michael Alarid
Vice Chairman

Nino Trujillo
Director

G. P. Reyes
Director

Sylvester A. Baca
Director

Arthur C. Trujillo
President/Director

Avelino V. Gutierrez
Chairman of the Board
Not Pictured

Richard E. Padilla
Director
Not Pictured

BOARD OF DIRECTORS

CORONADO Savings & Loan Association
now two offices to serve you
Main: 208 Central, S.W. Albuquerque, New Mexico 87102 (505) 842-9890
West Branch: 5500 Central, S.W. Albuquerque, New Mexico 87105 (505) 836-0655

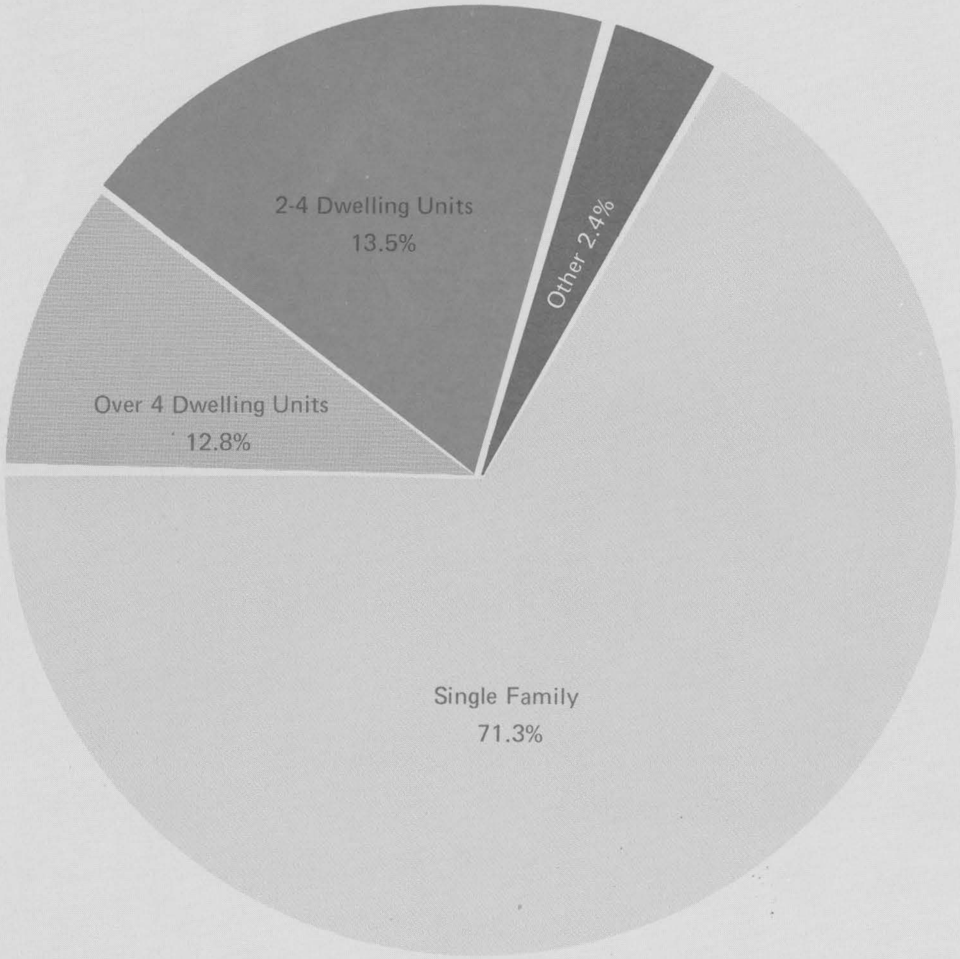
MORTGAGE DEMAND INCREASED IN 1974

Total mortgage loans on CORONADO SAVINGS books amount to $3,603,057. Of this amount $2,570,158 went to finance the purchase and refinance of 110 single-family homes. The balance went to finance apartments and commercial buildings.

CORONADO SAVINGS continues to observe a very conservative lending policy. Included in this policy is a requirement that a careful appraisal be made of every property and a thorough review of the borrower's credit record. This careful policy affords protection for our savers and at the same time allows us to offer advantageous and realistic loan terms to our borrowers.

LOANS

Conventional	Amount	Per Cent
Single-family	$2,570,158	71.3%
2-4 Dwelling Units	484,792	13.5%
Over 4 Dwelling Units	463,139	12.8%
Other	84,968	2.4%
	$3,603,057	



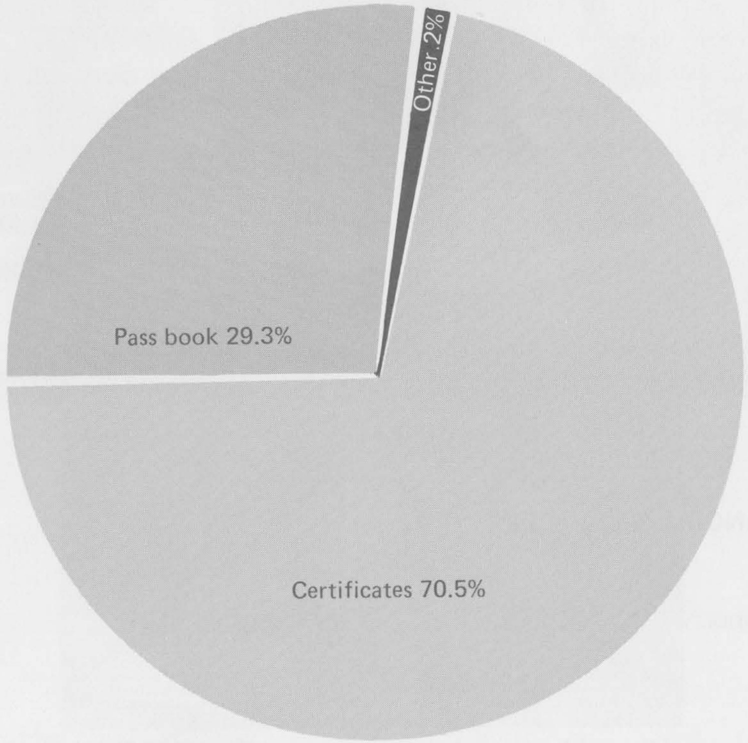
Interest payment to savers substantial.

CORONADO SAVINGS paid its savers $205,638 in interest during 1974. The policy of this institution has been to pay the highest rate on savings consistent with the judicious and safe investment of savings funds intrusted to our care. Currently, we are paying an interest rate of 5.25 per cent on passbook savings. We are also offering certificates to persons committing funds for a specific period of time. The details of these certificates plans are as follows:

ANNUAL INTEREST RATE	ANNUAL INTEREST YIELD		
5.75%	5.918%	90 Day Certificate,	$500 Min.
6.50%	6.715%	1 Year Certificate,	$1000 Min.
6.75%	6.982%	30 Month Certificate,	$1000 Min.
7.50%	7.79%	4 Year Certificate,	$1000 Min.
7.75%	8.06%	6 Year Certificate,	$1000 Min.
8.00%	8.32%	1 Year Certificate,	$100,000 Min.

Coronado Savings and Loan Association

Money paid on savings



Pass book	$ 60,297	29.3%
Certificates	145,026	70.5%
Other	315	.2%
	$205,638	

LOOKING AHEAD TO 1975

We now stand looking ahead to 1975, and looking back at 1974, we feel that despite its problems it was a good year. In view of the progress made, 1975 offers bright prospects.

Hopefully, these expectations for a good year will come true. We wish the same for all our stockholders, customers, and friends.

CORONADO SAVINGS will be looking at the feasibility of opening a second branch in the future. We are also considering the possibility of creating a service corporation. This will enable the association to participate in other profitable ventures.

TOTAL FINANCIAL SERVICES

Property Improvement • Free Customer Parking

Home Mortgage Loans • Travelers Checks

Christmas Club • Save-by-mail

PHYSICAL IMPROVEMENTS

We are pleased to report to you that in 1974 CORONADO became the first savings and loan association to open a branch office on the west side of Albuquerque. This is the only S & L located west of the Rio Grando River within Albuquerque's city limits. Located at 5500 Central S.W. and designed to provide the 100,000 people of the area a more convenient service center for most banking needs. Drive-up facilities are available for added convenience for the customers of CORONADO.

Since the opening of the branch office in mid-October, substantial activity and growth has been experienced. Over 100 accounts, totaling more than $125,000 in net savings, have been opened in this short span of time.

During 1975, we are anticipating continued substantial growth from our branch office. This is attributed to the tremendous market that exists in this locale.

Looking ahead to 1975, the main office now located at 208 Central Avenue S.W., will be moving sometime in May into the Plaza del Sol now under construction at 600 Second Street N.W., across from the Albuquerque Convention Center. Our new quarters in this beautiful landmark building will allow maximum growth and service to our customers. CORONADO will be one of the major tenants occupying more than 2,300 square feet on the main floor.

The "New" CORONADO SAVINGS SERVICE CENTER will be furnished and equipped with the most modern facilities. Remote television camera will be utilized to provide easy drive-up facilities for all customers. Safe deposit boxes will be available in addition to all services presently offered to the customers of CORONADO.

Tina Yslas
Vice President

A journey of ten thousand steps starts with a single one.

A building starts with a single stone.
A symphony starts with a single tone.
A masterpiece starts with a single stroke.
The greatest dreams from a ray of hope.
A family begins with one simple vow.
Care for the family can begin right now.
At Coronado Savings and Loan
A future,
Your future,
Can start with a single one.

One dollar will open a Coronado account that will pay you daily the highest insured rate allowed by law.

CORONADO *Savings & Loan Association*
now two offices to serve you
Main: 208 Central, S.W. Albuquerque, New Mexico 87102 (505) 842-9890
West Branch: 5500 Central, S.W. Albuquerque, New Mexico 87105 (505) 836-0655

Discussion Paper

on

A Proposal
for Obtaining a Technical Assistance Grant
to Assist Minority Savings and Loan Associations
in Establishing Financial Service Corporations

February 1975

Submitted by:

Alliance of Savings & Loan Associations
P.O. Box 511
Albuquerque, New Mexico 87103
Art Trujillo, President

Washington Representative:

InterAmerica Research Associates
2001 Wisconsin Avenue, N.W.
Washington, D. C. 20007
Richard J. Bela, Esquire, Counsel

I. INTRODUCTION

A. <u>The Service Corporation</u>

Savings and loan associations are institutions authorized under either state or federal authority or both and are limited to specific areas of activities. This is necessary in order to protect the public trust and responsibility they bear.

Their basic purpose is to encourage thrift and allow for individual home ownership in their respective communities. Their loans are generally restricted to first mortgages for home building and ownership or home improvement. The Federal Home Loan Bank Board (FHLBB) grants federal charters, obtains the insurance for their individual accounts, and audits and regulates the industry. Under federal congressional authority, as expressed in the Housing Act of 1964, the FHLBB has provided for the establishment of service corporations and participation by savings and loan associations in such corporations. Participation in service corporations is carefully regulated by the FHLBB and is accomplished through a savings and loan association's purchase of a percentage of the service corporation's stock as an investment. The by-product to the participating savings and loan association and the community is much more than a simple return on capital; it is the development of a viable corporate vehicle capable of providing an extensive array of services corollary to those provided by the savings and loan association itself. It can, for example, provide managerial and professional services to the savings and loan association itself such as accounting, data processing, appraisals, and advertising, to name a few. But its most important value is in making available to the community services reasonably related to the activities of a federal savings and loan association which it may not be authorized to do in a direct manner. These services may include making secured loans on other than a first lien, conducting mortgage banking activities, acquiring raw land for purposes of development, acquiring improved residential real estate for resale or rental, and the managing of real estate owned by the service corporation or its parent savings and loan association.

Operated properly, the service corporation is a meaningful economic instrument which can significantly strengthen the economic base of a savings and loan association and increase services to its community. It is a proper and sanctioned method for federal savings and loan associations. It is an avenue which the Latino savings and loan associations must explore and utilize if they are to mature to a status of effective permanence.

B. The Purpose of the Alliance of Savings and Loan Associations

Just as every successful business and professional group in this country has found it expedient and necessary to unite in a common cause for a common interest and just as every ethnic group has historically used such efforts as basic steps toward economic assimilation so is it also expedient and necessary that the fifteen million American Latinos recognize and utilize this well proven path to economic viability in America.

May 5, 1974 is a memorable date for the Latino minority savings and loan associations. On that day in El Paso, Texas they united to form the Alliance of Savings and Loan Associations (ASLA), which today has its headquarters in Albuquerque, New Mexico and represents all 39

Hispanic savings and loan associations in the United States and Puerto Rico. ASLA's purpose is to strengthen cultural ties and to improve the economic position of their client communities by promoting thrift and by providing the funds needed for barrio development and home ownership on a broad scale.

Presented below is a program to provide ASLA member associations with the necessary vehicle to ensure this development and the necessary technical and managerial assistance.

Succinctly rendered, this proposal seeks to provide the necessary technical and managerial assistance to Latino savings and loan associations in the establishment of savings and loan service corporations and a consortium of service corporations under the auspices of ASLA.

II. THE NEED FOR FEDERAL ASSISTANCE

A. The Spanish-Surnamed

The Spanish-surnamed population of the United States is unique because it is an ethnic segmented group amounting to some eight percent of the total population, a conglomerate universe ranging from immigrants to fourth generation native Americans, and tied together by common cultural ties and a common language. The 2.6 million families identified by the Bureau of the Census represent a comparatively young population (median age of 20.1 years versus a median of 28.4 years for all others). This age group is at the threshold of its economic needs in terms of greater economic understanding and economic opportunity.

No space shall be utilized in this proposal to detail a sad story regarding the need of Latino savings and loan associations for technical and managerial assistance and for the organization and development of service corporations. Suffice it to say that any emerging minority group of savings and loan associations is worthy of federal support and that the Latino minority in particular deserves the support and will benefit greatly from a specific effort of this nature.

B. The Spanish-Speaking

Primarily clustered in metropolitan areas (New York, Los Angeles, San Francisco, Albuquerque, Chicago, San Antonio, and Miami), the Spanish-surnamed tend to be culturally isolated because of their language preferences or limitations. It has been found that about two-thirds still speak their native language at home.

Simple translation from English to Spanish is not sufficient. Communications must be oriented toward a logic process which is different from that of the majority community.

Communication is further complicated because of background differences across the population of Puerto Rican, Cuban, South American, and Mexican origins coupled with resentment toward the two-sided attitude of paternalism/condescension and apathy/negligence on the part of the general public.

This is a communication challenge which can be best addressed by financial leaders and institutions within the Spanish-surnamed community itself.

III. WORK PROGRAM

A. Services to be Rendered

The nature of the work program envisioned under this proposal is two-fold: (1) the provision of planning and technical assistance to interested Latino savings and loan associations in the utilization and development of service corporations and (2) the provision of technical assistance in the establishment and management of service corporations.

It is expected that the savings and loan associations will choose to incorporate such vehicles on a joint basis with other savings and loan associations and investors and that in so doing they will utilize such corporations to provide better and more modern methods of management, promotions, accounting, data processing, appraisals and other services for themselves at a lower cost. Conversely, as a joint venture effort such corporations will be utilized to strengthen their economic base. Therefore, ASLA will encourage the use of service corporations as a cooperative economic effort.

B. Contractor

The contractor responsible for this technical and management assistance effort shall be the ASLA. Its staff shall consist of a small cadre of technicians with limited support staff and resources operating out of the ASLA headquarters. A subcontractor, InterAmerica Research Associates of Washington, D. C., will be utilized to augment the technical effort and provide specific technical and research back-up to the staff.

C. Estimated Time and Cost

The program should be a one-time only type project lasting from 18 to 24 months, at a cost of approximately $200,000; after which it is expected that a similar activity be continued on a self-supportive basis.