The History of the First Secular Federal Credit Union Founded in a Low Income Inner City Neighborhood in New York City and State in 1956 and its Influence:

“MOST LOAN SHARKS PUT OUT OF BUSINESS”

With Thanks to:

Norman Eddy, Raymond Rodriguez and Lydia Lopez for their research
and for their writing of this history

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History of East Harlem Protestant Parish Federal Credit Union

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INTRODUCTION

THE PURPOSE FOR WRITING THIS HISTORY

In our world wracked with human suffering caused especially by wars and cruel poverty in the United States and much worse in the third world, there are signs of hope. Norman Eddy (Norm) and Raymond Rodriguez (Ray) are writing this history with the help of Lydia Lopez because they learned a great deal from their personal experience in the starting the Christian Economics Group in 1955, which united its participants in helping the churches and the East Harlem community. The East Harlem Protestant Parish got its federal charter to start a credit union in 1956. This was the first secular, inner city non-religious group in a low income neighborhood to get one after WWII.

The specific purposes are two. First, Ray and Norm learned that spiritually motivated people in low-income neighborhoods can help to overcome many of the injustices they suffer like homelessness, bad housing, bad public schools, and bad health care for many people.

Second, they learned the importance of having a spiritual coordinator and his/her specific tasks. These include the identifying and bringing together committed individuals and then helping them to plan specific goals, to educate themselves about these goals and to unite with others to get the specific tasks done.

This organization united four separate churches with different Protestant denominational backgrounds. It was not one united congregation of church members. Therefore it was not put in the category of “religious” but was considered “secular.” In those days, in low-income, inner city neighborhoods only individual churches with their tight-knit congregations were eligible for credit charters. Secular organizations were not.

The following chapters spell out what they and others learned and did.

The Spirit moves in the hearts of people
Preface

Fish, Fireflies, Acorns
In a low Income Neighborhood

Fish, fireflies, and acorns provide analogies for describing the purpose, the method, and the success of the Christian Economics Group in East Harlem in starting the first post-WWII secular federal credit union in a low-income, inner city neighborhood.

There is the well-known story: “Give a man a fish; he will eat for the day. Teach him to fish and he will eat forever.” In the United States, millions of warm-hearted people and organizations give billions of dollars to non-profit organization which do an excellent job of giving fish to poor people with desperate needs. It is heart-warming and commendable. However, unless the people receiving the fish are taught how to fish for themselves, that is, how to change the system that is making them suffer, they or their friends and families or children will continue to need help.

This history of the founding of the East Harlem Protestant Parish Federal Credit Union in 1956 is a concrete, relevant example of how a spiritual coordinator can teach people to fish for themselves.

What about fireflies? Youngsters would often in neighborhoods with fireflies gather these fireflies in a jar. When gathered in a jar, they give off a bright light and illuminate the darkness. Spiritual coordinators learn how to spot men and women and youth in poor neighborhoods who have in their hearts a burning mixture of feelings. One is a fierce anger and deep frustration. They see an injustice hurting them and their neighbors and can’t do anything about it. The second is love in their hearts, and a desire to take some kind of action to correct it. Then he/she begins the slow process of gathering these fireflies of the spirit into a small group to begin to shine light in the darkness. It will grow into a little group of committed individuals of different religious backgrounds who will share their desire for justice, their concern for truth, their affection for their neighborhood and their willingness to share in prayer or meditation.

Then there are acorns. The people in the local East Harlem neighborhood, who were touched by the members of four churches of the East Harlem Protestant Parish, were able to get the first charter to start a secular credit union in a low-income inner-city neighborhood. They planted this acorn in 1956. It grew, not only into one mighty oak, but also into a forest of both other inner-city credit unions and also a number of organizations committed to helping credit unions everywhere.

One of the mightiest oaks to have grown out of the acorn planted by the Christian Economics Group was the Union Settlement Federal Credit Union started in 1957, described in Chapter VII.

Since the acorn of 1956, the federal credit union landscape of New York City changed dramatically. Though dozens of credit unions have come and gone through the years, according to The National Federation of Community Development Credit Unions, there remain 32 credit unions proudly serving predominantly low-income members in the five boroughs of New York City.
From the little acorn planted in 1956 by the Christian Economics Group and the East Harlem Protestant Parish Federal Credit Union have grown a forest of thirty-two mighty oak trees forty nine years later in 2005.
Chapter I

THE EAST HARLEM COMMUNITY and EAST 100th STREET

“Harlem” has been changing constantly since the Dutch took it over from the Native Americans in the early 17th century and was given its Dutch name.

East Harlem, as its name suggests, is east of Harlem. It is a very different community from its basically Black neighbor. It is bounded by East 96th Street on the south, by 5th Avenue on its west, and by the East River to its north and east.

Its population has tended to be over 100,000 for the past 75 years. It has been flooded with immigrants from many cultures and religions. In the 1950’s there were still many of the 19th century Irish, Germans, Hungarians and other Europeans. There were Catholics, Protestants, Jews and Pentecostals. Italians had come in the late 1800’s. They settled in the 19th century in great numbers in a tight-knit community with its own Catholic churches, stores, restaurants. By the 1950’s the Italians dominated East Harlem’s politics. Congressman Vito Marcantonio was the best known. He had an ability to unite many of the people of different backgrounds.

Puerto Ricans began to come before the First World War and came in ever increasing numbers after it. Blacks from the southern states and the Caribbean arrived steadily. By the 1950’s Puerto Ricans and Blacks made up the majority of the population, but the other ethnic and religious groups remained.

The influence of Puerto Rican culture is sized up in the word “El Barrio”, meaning neighborhood in Spanish. It was used to cover all of East Harlem. The East Harlem Protestant Parish Federal Credit Union started with the group called the Christian Economics Group. It started with 100th Street residents but it soon expanded to include East Harlem residents from East 99th Street to East 106th Street east of Third Avenue.

It was a heterogeneous neighborhood. East 100th Street between 1st and 2nd Avenues had over 4,000 people crowded into its tenements. News stories about its teen age gangs, its drug sellers, its occasional murders, and its prostitution gave it the name “The Worst Block in the City”.
Chapter II

The Revs. Norman and Margaret Eddy
Spiritual Coordinators

Why Norman Eddy and Margaret Eddy got involved with others in starting the EHPP Federal Credit Union.

Norman Eddy, born in 1920 in New Britain, Connecticut, grew up in a well-to-do family and community. Attractive, large homes, with gardens, hedges and driveways leading to two-car garages lined Lincoln Street where he and his brother were raised. He went to a Connecticut preparatory school, Pomfret, with fellow students such as Howard Dean and George Merck. He then went on to Yale in the class of 1942.

In 1942, he joined the American Field Service, a volunteer ambulance corps and sailed to Egypt to serve with the British Eighth Army in the Middle East and then in Italy for three and a half years until WWII ended in Europe.

In the summer of 1943, when his ambulance corps was returning from the Syrian desert on the road to Damascus, he was given a life-changing experience of God’s Spirit. He became a part of all humanity, of all truth and love and beauty. He was filled with joy and thankfulness. The Spirit told him two things; he was to listen to and live by this Spirit for the rest of his life and he was to help other people recognize the work of this Spirit in their hearts and souls and to live by it.

From 1943 to 1948, he sought truth in the teachings of all the great religions. He had been introduced to Signe Toksvig a Danish spiritual seeker, and intellectual by his parents at their summer home on Martha’s Vineyard. She introduced him to the great religious literature of Hinduism, Buddhism, Islam and of the Christian mystics. This enriched his search for spiritual truth immeasurably. Then she gave him another remarkable insight. She told him about how the Danish Lutheran Bishop N.F.S. Grundtvig in the 19th century had helped the Danish people to lift themselves and their country out of desperate poverty. Bishop N.F.S. Grundtvig built on their faith in God, helped them start cooperatives all over the country, and set up little “folk schools” for the ordinary people. In them, they were taught to strengthen their faith in God, to learn more about and to value their Danish tradition, and to recognize and to revive their traditions connected with Danish farmland and the most up-to-date use of it to improve themselves and their country.

The Spirit eventually led Norm to Union Theological Seminary in New York City in 1948. There he heard of an experimental ministry of young Union Seminary graduates and their wives in East Harlem.

Ever a searcher for truth, he explored this movement. Led by the Spirit, he became a seminary intern there in 1949 and moved into a tenement to live. He met a fellow intern and classmate Margaret Ruth (Peg) on the streets of East Harlem. They were married in a little chapel on East 104th Street in 1950 and moved into a two room tenement apartment, 323 East 100th Street.
They lived in three different tenements there for twenty years until they moved to East 105th Street. They were both ordained in their home Congregational churches in 1951, Peg in Cincinnati, Ohio, and Norm in New Britain, Connecticut.

They then became co-pastors of a little store front church of the East Harlem Protestant Parish on East 100th Street. On that then famous….or infamous….block they had their three children.

As Peg and Norm shared their family histories, they discovered that they both had ancestors from Plymouth Colony. Peg’s ancestor Richard Warren and his wife came over the Mayflower. Norm’s ancestors, John and Samuel Eddy arrived ten years later.

Like Norm, Peg was a seeker but in her own way. Unlike Norm whose parents almost never went to church and did not bring their two sons to Sunday school, in their South Congregational Church, Peg was raised and spiritually educated in her Congregational church.

Peg, too, was led by the Spirit to East Harlem. On the summer before entering Union Theological Seminary, she was on the island of Nantucket in 1948. There she happened to meet some workers of the East Harlem Protestant Parish. They filled her with interest and hope. A few days later, one evening near Sankaty Lighthouse she was given a spiritual experience that told her she was meant to work in East Harlem.

Norm and Peg shared the Congregational experience, going back to Plymouth Colony. Both were led spiritually to live and work in East Harlem.

It was in their little apartment in 321 East 100th Street that the Christian Economics Group met, talked, shared, prayed and eventually gave birth to the EHPP Federal Credit Union in 1956.

In forming the Christian Economics Group Norm and Peg brought together and began coordinating a group of ordinary East Harlem residents to accomplish what many would have considered an impossible task. This group started the first non-church credit union in a low-income inner-city neighborhood in the United States.

In the process, Norm remembered how back in 1941 he had discovered his skill as a coordinator and he learned that ordinary people can sometimes do the job experts failed at.

In 1941, during summer vacation from Yale, he hitchhiked across the country. Once he was picked up by a truck driver. Soon the driver slid off the road into deep sand got stuck. Another truck stopped to help. The strong, tough guys in it tried to help the driver by pushing and pushing. No luck. The wheels just kept spinning. Norm Eddy, the naïve, shy college student saw (1) these men were competent and experienced drivers, BUT (2) they didn’t see the obstacle. Wheels spin in the sand. (3) Norm, became the coordinator of the men and of the power in the truck, saw the obstacle. These strong men and the experienced driver didn’t see how to deal with the sand. He did. Rock the truck back and forth. Keep the front wheels straight, push and rock back and forth. They listened to this weak, timid coordinator. Soon the truck was back on the highway. Norm learned that coordination includes: (1) analyze the obstacle (2) size up the abilities and the willingness to help of the participants (3) go to work and get the job done. He didn’t do the job himself. He only coordinated the work of others.

As an ambulance driver in WWII during Italy, he learned that the power to get the job done sometimes lies in surprising places.

In 1944, one of the ambulances got stuck in the deep mud on a dirt mountain road. Several of our drivers tried to help get it out. They failed. Then they called an army tow-truck. Its wheels spun, too. They got a bigger truck with more equipment. No luck.
An Italian farm worker had been watching us. He quietly kept making a suggestion. Had we asked the farmer to help us with his team of oxen? Ridiculous, we thought. Finally since nothing else had worked, we said, why not try it?

The friendly farmer came with two oxen, attached them to the ambulance. They dug their hooves into the deep mud and pulled and pulled. Little by little, the ambulance came out.

Norm knew that he had no particular skills, but the combination of gifts he did have were taught him by these two incidents. He could coordinate others with talents and skills he did not have to do jobs he could not do. He often could see the potential in humble ordinary people who wanted to help but whom most people ignored.

Most important, the spiritual insight given him in Syria on the road to Damascus in 1943 made it possible for him to see the spirit of love and truth working. Later in his career in East Harlem, some people saw him as a spiritual coordinator.

Then, he had been given another gift, his wife, Peg. She had many talents and used them in helping to develop and often to reach out to many excellent projects. She was also a cooperator. She was always ready and willing to work cooperatively with Norm.
Chapter III

Raymond Rodriguez, 100th Street Resident in the 1950’s and Volunteer Treasurer of the East Harlem Protestant Parish Federal Credit Union.

Raymond Rodriguez was the volunteer treasurer of the East Harlem Protestant Parish Federal Credit Union for almost 30 years. He was born in the old Metropolitan Hospital, then located in the East 80’s in 1928. He went to P.S. 121 Elementary School and P.S. 171 Junior High, both in East Harlem. He then went to Central High School of Needle Trades in downtown Manhattan. He had two sisters. The older was born in Puerto Rico in 1925. The younger was born in 1930, died at the age of one. His older sister, Ophelia died in 2006.

His parents were then residing in 315 East 100th Street which was later torn down and was for a long time a vacant lot. It was later turned into a playground by 100th Street volunteers. When he was a baby, his parents decided to send him to Puerto Rico to live with his grandmother while they tried to make better living conditions for the family. He was returned to East Harlem when he was about five to live with his parents in a cold water walk up building at 1986 2nd Avenue. They then moved to 311 East 100th Street, another cold water walk up flat. There were no other types of apartments in the area during those years.

His aunts and uncles and cousins were all part of a family that practiced spiritualism. Some of his aunts and uncles were mediums who held seances, a practice of communicating with the dead and trying to help individuals in their life struggles. The seances were held in the mediums’ apartments. Often the mediums gave messages to Ray from their spiritual insights that helped him immensely. He was with them through his teens. He was awake to and grateful to God’s Spirit. He was baptized in the Catholic Church and often attended services, but it was his family that gave him spiritual guidance.

In 1945 at the age of 17 while still in high school, he enlisted in the U.S. Navy. He was called into service on February 4, 1946. He attended boot camp at Bainbridge, Maryland, and then was transferred to the Submarine Training Base in Connecticut. He was then transferred to the Submarine Squadron Four’s USS Howard W. Gilmore AS-16 where he learned of military ways along with bookkeeping and storekeeping. He served there until April 30, 1953. He is a non-combat WWII and Korean War veteran.

He returned to live in 311 E. 100th St. with his mother, Antia Rodriguez. He had close Puerto Rican relatives on the block and in the neighborhood where he had been brought up.

100th Street where Ray lived was widely known as “The Worst Block in the City” with about 4000 residents in tenements between 1st and 2nd Avenues. It was also a warm, neighborly community. The church people, the friendly social clubs, the little stores all kept neighbors and relatives running into each other in friendly ways. There were great block parties with young and old participating. Then there were the teenagers in gangs like the Enchanters. There were also the drug users and sellers and the men who drank...
and hung out together. They all interlocked in their immoral and some law breaking ways.

Antia was concerned for her son, Ray, when he came back from the service. She thought he might start hanging out with his old friends on the block, a lot of whom drank a lot or were addicts. Some had died of heroin overdoses when he was away. Antia urged him to get to know Norm and Peg, the pastors of her little church on the block. He and Norm got acquainted in a casual way. Ray liked the Bible and prayer. He also liked to help people but had no place to go to share these interests. His belief in the spirit working through mediums was based on his experiences. Also from an early age he had found ways to get paid for little jobs he did and then to give his earnings to his mother. Anita was a strong minded woman with a loving heart. She was forever helping people in a quiet way. Norm Eddy met her when he first came to the block in 1949. She was one of the first members of the East Harlem Protestant Parish’s 100th Street Church in a little storefront which rented for $50.00 a month in the 1950’s. Soon after their marriage in 1950 in East Harlem and their ordination as Congregational ministers in 1951 Norm and Margaret (Peg) Eddy became co-pastors of the 100th Street Church at 322 E. 100th Street. Antia Rodriguez was one of its first members.

In September, 1959, Ray married Ramona Alvarez and moved to Brooklyn after his honeymoon. They have two children. After his discharge from the Navy in 1953 he had a variety of interesting jobs with various branches of the U.S. Government. He finally retired in 1988 from his last job with the U.S. Coast Guard Engineering Division.

When Norm and Peg had the idea of starting a Christian Economics Group in their little three room apartment in 321 E. 100th Street in July, 1955, Norm invited Ray to join. He did and became one of its first members, meeting once a week with eight or ten others. At first, attendees were all young men and women from 100th Street. Later many others joined from neighboring blocks. This was the beginning of the founding of the East Harlem Protestant Parish Federal Credit Union (E.H.P.P. F.C. U.) Ray became its volunteer treasurer when it started in 1956 and continued in this position for about 30 years. Ray continued this volunteer work because he believed in it deeply and liked doing it very much. The Board of Directors did finally vote him a token salary of never more than six dollars a week.
Chapter IV

LOAN SHARKS

GETTING LOANS IN EAST HARLEM IN THE EARLY 1950's

As Norm and Peg got to know the East Harlem community and East 100th Street where they lived and where they had become co-pastors of the 100th Street Church of the East Harlem Protestant Parish, they heard stories from friends and neighbors about loan sharks. They asked questions and began to learn.

Like people everywhere, East Harlem residents needed loans. However, there was not a single bank in all of the neighborhood that gave loans large or small. They couldn’t get any from a legal institution in East Harlem.

This sad reality had given rise to a wide variety of sources of illegal loans. The common term everyone applied to them was “loan sharks”. Some individuals and some little stores would take a borrower’s welfare card and then make a loan. When the welfare recipient got his/her check, the lender would go with the recipient to cash the check. The lender would then both get his/her loan back with a huge interest, perhaps 25%.

There was the owner of a small grocery store on 2nd Avenue between 99 and 100th Street who often made such loans. However, often the borrower had instead of cash taken groceries as loans. From time to time when he/she came with his/her welfare check to make repayment, they would discover that the grocer had added some items they had never purchased to the list of what they owed, plus more interest.

In contrast, there was a friendly store on 100th Street. The owner would sometimes give groceries on credit. The borrower would then repay when their welfare check came in.

Then there was Morgan, the nickname taken from Morgan Bank, who was a responsible working man with a good family on E. 100th St. He made extra money by making loans to friends and neighbors and charging 25% or more interest.

The horror stories about loan sharks came from the ruthless methods of individuals who made loans often demanding jewelry as collateral, often beating up a borrower who was not able to pay back on time, always charging exorbitant interests. Some loan sharks broke a finger of a person who could not meet the payment.

In contrast, there was also a landlady who lived on 100th Street, who made reasonable, though high-interest, loans.

Many old time residents of the neighborhood on and around East 100th Street have more stories of how they got credit or loans. There was Bill who owned a large store on 3rd Avenue, selling furniture, among other things. He was an honest businessman who wanted to make money. He would sell a household item to a resident in the East River public housing on credit. He would then regularly visit the purchasers in their apartments, coming after what was owed him and the high interest… a friendly but persistent visitor.
There were Puerto Ricans, Italians and Blacks, who made all kinds of loans. There was even the kind Irishman with a violent temper on 1st Avenue between 100th and 101st Street who made small loans with little or no interest.

Of course, some East Harlem residents sought loans outside of their neighborhood. If they had the right credentials they often could get them. Local musicians who belonged to the Musicians Credit Union could get loans there. Other people went to Household Finance in Harlem which charged very high interest. Banks with branches outside of East Harlem like Chase and Manufacturers Trust would make loans to some working people with good credentials.

What had long been a severe hardship for East Harlem residents soon became obvious to Norm and Peg as they made more and more friends on 100th Street. They wanted to help.
Chapter V

Founding of the Christian Economics Group in 1955

When Norm and Peg moved into their two room apartment in 323 East 100th Street, as soon as they were married on May 30, 1950 they were coming from a totally different section of American Society. Both had been led by God’s Spirit from their well-to-do old white Congregational (now United Church of Christ – U.C.C.) families descended from the founders of Plymouth Colony in the early 17th century. They had naturally, without thinking about it, gone to Yale and to Smith Colleges.

Since both Norm and Peg were already working in East Harlem as student interns from Union Theological Seminary, the community was not totally strange to them. But they had a lot to learn and they immersed themselves in the diverse community of East 100th Street.

After graduating from Union Seminary, they soon became co-pastors of the little storefront church at 322 East 100th Street, opposite their apartment. From the beginning, the congregation was diverse…..Black, Puerto Rican, a Welshman, a French Canadian woman. The youth groups were a mixture of Blacks and Puerto Ricans.

Steadiily they got to know and to be known up and down the block. Strangers in background though they were, they felt at home and happy very soon.

Both, without thinking about it much, had inherited the Congregational Plymouth Colony conviction that the responsibility lay with the people, not leaders above them. For the first five years, Plymouth Colony had no minister. Their spiritual leader was a layman. Then, there was the Mayflower Compact signed by the men before they left the ship. A key sentence reads with old English spelling “….by these present solemnly and mutually in the presence of God and one of another, covenant and combine ourselves together into a civil body politike, for our better ordering and preservation and furtherance of the ends aforesaid; and by virtue hereof to enact, constitute and frame such just and equal Laws Ordinances, acts, constitutions, officers from time to time as shall be thought most meet and convenient for the general good of the colony….”

Then, Norm had already been deeply influenced by the beliefs and the practices of the 19th Century Danish Lutheran Bishop N.F.S. Grundtvig and his Folk Schools made up of the grassroots people of his country. Getting to know of the Bishop’s work in starting cooperatives was Norm’s introduction to them and to the role that grassroots, low income people had in starting and running them.

On 100th Street, one of the cruel injustices the residents had to try to cope with was the extreme difficulty in getting much needed small loans. After five years on the block and on being ministers to a tight-knit, warm-hearted congregation, Peg and Norm thought up the idea of starting a Christian Economics Group. Inspired by Bishop N.F.S. Grundtvig’s Folk Schools and, without their even having read the Mayflower Compact which brought democracy to their Congregational denomination and American society, they decided that they would try an experiment. They would reach out to young men and women on 100th street that they had been getting to know and invite them to join a weekly study group in their three room apartment in 321 East 100th Street in July, 1955. They had moved there from 323 East 100th Street.

At first, about eight people came. The word went out. Attenders came and went. The records show that as many as forty-five people came at least once. About sixteen
became fairly faithful in attendance. The weekly gathering lasted over two hours. At first, there would be a friendly, frank discussion of many problems on their minds – race prejudice, attitudes toward parents, sex, rearing of children, dreams, especially ways of earning and spending money and different ideas about their religious beliefs and experiences. Norm and Peg led them into spiritual discussions, using the Bible to teach. The second block of time was spent specifically on money and problems related to it. Norm and Peg introduced the idea of starting a credit union as a new, helpful way of dealing with local loan sharks. By September, 1955, the group took the idea seriously. The last part of the evening was spent informally with refreshments and good naturedly getting to know each other well and becoming part of a committed group of friends.

As the purpose of the Christian Economics Group became clearer, and the unity of the group became stronger, it was easy and natural to take the next steps.

The small group of committed members began to dedicate themselves to learning more about credit unions, including their history, the present rules governing them, and examples of successful credit unions. It was, of course, soon clear that inner-city low-income neighborhoods were not permitted by the Bureau of Federal Credit Unions to start credit unions unless they were part of a tight-knit religious congregation whose members knew and trusted each other.

These realities challenged the Group to seek help. They needed to learn more. They reached out to the New York State Credit Union League. It cooperated. It sent as their representative, Sidney Blitz to one of the Group’s meetings. He became a friend and a teacher attending the Group’s meeting regularly. He quickly saw that it did not meet the criteria of a tight-knit congregation, the fundamental requirements for any group from a low-income, inner-city group applying for a charter to start a credit union. However, he soon experienced the unity of the Group’s small core of faithful attenders. He learned that the interdenominational East Harlem Protestant Parish of which the 100th Street Church was one of its four member churches, had two characteristics which might help the Christian Economics Group apply successfully for a charter. Each of the member churches had small, committed congregations. All the churches’ members were from the neighborhood and had many ties with the people of the community from East 99th Street to East 106th Street East of Third Avenue.

Mr. Blitz made two practical suggestions. First, sponsor a well organized meeting at one of the other four East Harlem Protestant Parish churches both to acquaint their members with the idea of a credit union as a means of overcoming the role of vicious loan sharks and of developing Christian unity among grassroots people in starting their own credit union. The second suggestion was that the Christian Economics Group circulate petitions requesting the names of members of the four churches and of people in the community who would like to join a credit union if it was formed.

The meeting was a great success. It was well attended. Good questions were asked and answered. Many raised their hands and said they would join a credit union if the East Harlem Protestant Parish started one. The petition drive was also successful. The volunteers soon had the names of exactly 101 people who said they would definitely join an East Harlem Protestant Parish Credit Union for the community, not just the churches.

By following up on these two suggestions of Sidney Blitz, the Christian Economics Group both found a few more committed local people ready to help in the work of starting a credit union and provided clear evidence of the existence of a core of
reliable local people who would both create the new credit union and reach out to other trustworthy people to join it.

Sidney Blitz was the teacher and the inspirer of this East Harlem equivalent of Bishop Grundtvig’s Denmark’s Folk School’s attended by local people with teachers invited to guide them.

The next step was to get the charter and then to organize the credit union. The Christian Economics Group had applied in 1955, but had been turned down. They applied once again to the Bureau of Federal Credit Unions and the Social Security Administration. In November, 1956, the happy news came. The East Harlem Protestant Parish had been granted Charter No. 11403. The East Harlem Protestant Parish was made up of four separate churches, the East Harlem Protestant Parish Federal Credit Union (EHPP/FCU) reached out not only to the members of the four different churches but also to residents in their immediate surrounding community. Its Federal Charter was the first issued to a non-church organization in a low-income inner-city neighborhood since WWII.
Chapter VI

The East Harlem Protestant Parish Federal Credit Union Gets Started

The local East Harlem residents that had been meeting regularly in the Christian Economics Group had become tight-knit. Small in number though they were, they knew they could reach out to other concerned men and women like them. Inspired by Sidney Blitz of the N.Y. State Credit Union League, their faithful teacher and guide, with compassion in his heart, they were ready to take the leadership in starting their parish credit union. The East Harlem Protestant Parish was an interdenominational organization of four separate churches. It did not meet the standards of unity required by the Federal Credit Union League for credit unions in low-income inner-city neighborhoods. But, determined though they were, the members of the Christian Economics Group applied for a charter in late 1955. They had been turned down but as mentioned about, they applied again and were granted their charter.

On November 28, 1956, temporary members of the three key committees were chosen. They were to be confirmed or replaced or added to by credit union members at formal votes in January, 1957.

Some old-timers who gave their advice on writing the chapter on the founding of the East Harlem Protestant Parish Federal Credit Union (EHPP/FCU) shared their memories of how they were attracted by the meetings and activities of the little Christian Economics Group to take part.

Kathleen Green remembers attending meetings called by the Christian Economics Group to teach EHPP church members about credit unions. She was moved both by this new way of getting loans and by ways of helping people deal with their finances.

Leola Glover says she was moved by the opportunity to make savings and to get loans for a new washing machine. She soon served on the EHPP/FCU Board of Directors, a faithful, helpful participant.

Olivia Williams, moved by her faith in God which she shared with fellow members of the Church of the Ascension of the EHPP, was drawn to help out on the forming and the running of the EHPP/FCU. She served on the different credit union committees at one time or another. Shortly before the EHPP/FCU merged with the Union Settlement Federal Credit Union, she was its last treasurer, serving as a volunteer; succeeding long-time faithful treasurer Raymond Rodriguez. All three women shared their concern for children and their families and wanted to help them with their financial problems.

Henry Morales (Ricky) who became treasurer from 1959 to 1961 when Raymond Rodriguez moved to Brooklyn after his marriage, remembers his urge to help people in his East Harlem community and how he was attracted by members of the Christian Economics Group. Raymond Rodriguez taught him how to be a treasurer. He became assistant treasurer with Ray when he was in his twenties.

In early 1957 the Credit Union began to function. The first office was set up in a small room on the third floor of the Parish’s office at 2050 2nd Avenue. The rules for starting the Credit Union were definite and clear. There had to be a potential of growing
to 100 members. It took seven members to get started. The Credit Union had certain set fees: $25 Charter Fee; $40 for supplies; $10 for a bond, for a total of $75.00.

People joined in good numbers and put in their minimum of $25 for savings, or more. This mounted up so that from the accumulated savings loans amounting to $2,577 were made in the first year.

The Credit Union and its three committees were always run by volunteers. There were never any paid staff. The most important volunteer was Raymond (Ray) Rodriguez who served as treasurer until Olivia Williams, also a volunteer, took over before the EHPP/FCU merged with the Union Settlement Federal Credit Union in 1985. Three nights a week, he was at the office, working with people who were joining the Credit Union and depositing their money. He helped those coming for loans, as he also served on the Credit Committee. He kept financial records and made official reports. He fulfilled this fundamental role volunteering for several decades.

The Credit Committee deeply appreciated his faithful work. After a few years it tried to vote him a modest monthly salary. In a burst of temper, he absolutely refused. Finally a compromise was reached. He agreed to be paid $6.00 a week for about 30 years. He did have a two year leave of absence from 1959 to 1961 after his marriage, during which Ricky Morales filled in faithfully as volunteer treasurer.

In early 1980’s, after the East Harlem Protestant Parish ended its career, the Credit Union slowed down. Fewer people made deposits or took out loans. There were fewer people to serve as volunteers on the committees. It made sense to consider merging with the Union Settlement’s Federal Credit Union, located right across 2nd Avenue. It was flourishing.

Many EHPP/FCU faithful joined it after the merger. A few became staff there. Some are still members in 2006. Of particular significance both for the East Harlem community and for the starting of other secular credit unions in low-income neighborhoods in New York City and State was the founding of the Union Settlement Federal Credit Union. It had easily received its Federal Charter No. 11702 on April 22, 1957 from the Social Security Administration under the Department of the U.S. Treasury. The Christian Economics Group’s success had opened the door for others by its hard, faithful guided work in 1955-1956 when it was awarded the first such charter after a year and a half of work.
Chapter VII

Union Settlement Federal Credit Union

Union Settlement, on East 104th Street across 2nd Avenues from the East Harlem Protestant Parish Federal Credit Union was headed from 1948 to 1971 by William (Bill) Kirk as Head Worker (now called Executive Director). An intelligent, sensitive, good natured man, he loved the East Harlem community and its people. He was sensitive to its people and their needs and believed in their potential to help improve East Harlem.

The employees of Union Settlement were mostly East Harlem residents and had only modest incomes. Like their neighbors in the early 1950’s they found it impossible to get loans, except from loan sharks. They often turned to Union Settlement to ask for advances on their pay checks. Always a resourceful imaginative man, Bill Kirk began to look into credit unions. He learned of the success of his friends and neighbors across 2nd Avenue at the East Harlem Protestant Parish Federal Credit Union (EHPFCU) in trying to obtain a charter from the Bureau of Federal Credit Unions of the Social Security Administration under the U.S. Department of Health, Education, and Welfare. In November, 1956 they had been granted one. Records show it to be the first obtained by a non-church organization in a low-income neighborhood since before WWII.

Bill Kirk enlisted the support of Union Settlement staff. Two of the most important were Manuel (Manny) Diaz who became a co-founder and first president of the Union Settlement Federal Credit Union (US/FCU) and Joseph (Joe) Armanini who was the first Credit Union manager as a volunteer and then as paid staff, serving from 1957 to 1982. As mentioned above, the Union Settlement Federal Credit Union obtained its federal Charter #11702 on April 25, 1957. Records show that it was the second secular credit union in a New York City low-income neighborhood since the years before WWII.

Manny Diaz, as Union Settlement program director and as a leader of the Union Settlement Federal Credit Union recruited some of his co-workers in an imaginative way. A group of the Union Settlement Italian maintenance staff played cards together weekly. Manny regularly dropped in to the games as they were playing. He told them about the Credit Union and how helpful it was. He persuaded them all to put 25 cents into a credit union account, thus becoming members and helping the Credit Union get started.

Joe Armanini, head of Union Settlement’s maintenance staff, had roots in the East Harlem community and in the Settlement. His mother and father had come over from Italy. His mother had been a member of its Well Baby Clinic. When Joe became a teenager, he joined the Settlement’s youth group, the Rangers.

Nora Bowens a community worker with Union Settlement was also the first part time manager/treasurer of the Union Settlement Federal Credit Union.

Other faithful US/FCU members have helped it to grow for many years, right down to today – 2006. Eugene (Gene) Sklar joined its Board in 1958 and is still on it, giving it good ideas and strong support. He was Executive Director of Union Settlement from 1980 to 1996.

Gina Rusch is another key, faithful person, helping US/FCU to grow. She was on the staff of Union Settlement in 1960’s and was its Associate Executive Director from 1980 to 1998. She joined the Board of the US/FCU in the late 1970’s and has been its active, dedicated Board president from 1980 to the present – 2006.
The founding of the US/FCU exemplified what the Christian Economics Group of the East Harlem Protestant Parish believed in. Local people and their close friends, with the help of sympathetic professional teachers, can unite in study and prayer and action to face a serious injustice confronting their whole community.

As mentioned above, Sidney Blitz the Field Representative of the New York State Credit Union League had provided that advice and training to the Christian Economics Group in 1955 and 1956. With his help the Christian Economics Group worked for a year and a half and finally got its charter in November, 1956.

The US/FCU continued in its own fashion to demonstrate in many ways the validity of that vision. The EHPP/FCU merged with the US/FCU in 1986. It had continued with volunteer workers, no paid staff, for thirty years. Raymond (Ray) Rodriguez, of East 100th Street, had been its treasurer all that time. Henry Morales (Ricky) also from East 100th Street had filled in as volunteer treasurer from the fall of 1959 through 1961 during the early years of Ray’s marriage.

After much urging by the EHPP/FCU Board, Ray had begrudgingly accepted the magnificent pay of $6.00 a week. He wanted to be a volunteer, not paid staff. Many of the EHPP/FCU Board members, volunteers, and those with savings joined the US/FCU and have remained with it to this day.

The US/FCU certainly has grown. By December 31, 1958 it had granted 27 loans. By December 31, 1959 it had made 43 loans for a total of $8,005.

As of December, 2005 it had made 25,912 loans for a total of $36,877,729. From its founding in 1957 it has worked steadily and resourcefully to expand its membership by getting permission to allow people all over the East Harlem community to join, beginning especially in 1977.

Lillian Bent its inspired, hard-working manager from 1991 to 2006 helped accomplish much of this. Gina Rusch and Eugene Sklar gave her strong backing for making loans for coop/condos, and for first mortgages.

In addition, it has a variety of saving accounts; checking accounts; ATM access; credit cards and free advice for low-income people in preparing their income taxes.

Extremely important is also US/FCU’s help with supporting city-wide and national organizations which give advice to, coordinate the work of, and unite to get laws changed. All of these have been founded after the starting of the EHPP/FCU and the US/FCU. They include the New York City Financial Network Action Consortium (NYCNAC) headed by Peter Bray. US/FCU helped to found it.

US/FCU has been closely associated with and helpful to the National Federation of Community Development Credit Unions headed by Clifford Rosenthal. In 1983, after the Federation lost virtually all of its funding, it had to operate out of its volunteer executive director’s home in Brooklyn. When the Federation began to get back on its feet, it looked for space in Manhattan it could afford. Union Settlement Association graciously provided space on its second floor for the better part of a year.

The history of the US/FCU exemplifies what local community credit unions in low-income neighborhoods can do.

The East Harlem Protestant Parish Federal Credit Union was an acorn. The Union Settlement Federal Credit Union was and is a mighty oak. Like a healthy oak, it has produced and planted many acorns. It has helped a forest of credit unions to grow in low-income neighborhoods all over New York City.