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Case Study

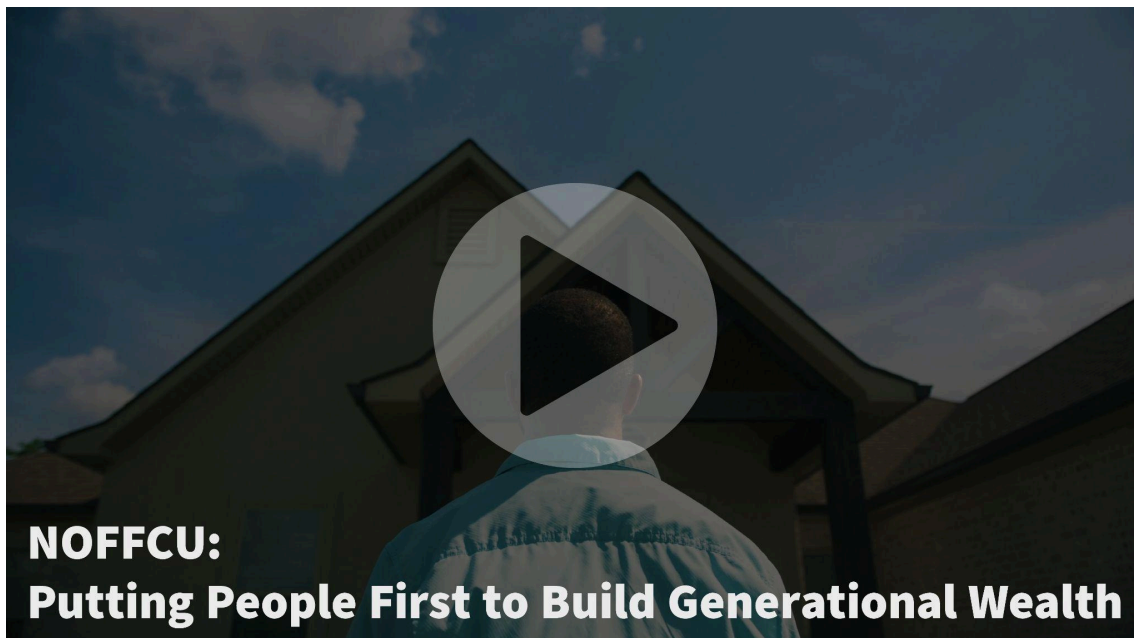
New Orleans Firemen's Federal Credit Union's Approach to Inclusive Lending

Redefining mortgage lending by expanding access to homeownership through flexible, relationship-based underwriting rooted in real-world financial behavior.

Introduction

Across many communities, access to fair and flexible mortgage lending remains out of reach for individuals who are financially capable but overlooked by traditional underwriting standards. These barriers disproportionately impact entrepreneurs, small business owners, and people of color, limiting pathways to homeownership and perpetuating the racial wealth gap.

In response, New Orleans Firemen's Federal Credit Union (NOFFCU) developed a more inclusive mortgage lending approach. As a mission-driven Community Development Financial Institution (CDFI), NOFFCU reimaged underwriting to better reflect the realities of its community—centering lived experience, income stability, and long-term sustainability. Through this approach, the credit union is expanding access to homeownership while demonstrating how financial institutions can align lending practices with long-term wealth building and community needs.



www.beneficialstate.org/casestudies/noffcu



The Challenge

New Orleans Firemen’s Federal Credit Union identified a persistent and systemic gap in access to fair, flexible mortgage lending for overlooked, underserved, and under-resourced individuals in their community.

Traditional underwriting models often excluded capable borrowers, particularly small business owners, entrepreneurs, and individuals of color, despite stable income and strong payment histories. These barriers contributed directly to the racial wealth divide and limited homeownership and generational wealth-building opportunities.

The Approach

As a mission-driven CDFI, NOFFCU intentionally designed a mortgage product that addressed real-world barriers rather than reinforcing them. Leadership championed a more inclusive underwriting philosophy—one that prioritized ability to pay, community context, and long-term sustainability over rigid credit metrics.

- This work was championed internally by credit union leadership, lending staff, and community advocates committed to financial equity. Externally, the effort was supported and validated through participation in the Underwriting for Racial Justice (URJ) [Lender Pilot Program](#), where NOFFCU’s model was recognized as innovative and impactful.
- NOFFCU partnered with national peers and thought leaders through the URJ pilot cohort, allowing the credit union to test, refine, and showcase its approach on a broader stage. This work was supported by mission-aligned CDFI funding and a deep investment in community outcomes.
- The program was built around listening to members’ lived experiences. One such member, a wildlife business owner, became the focal point of the [video profile](#). Despite operating a successful business, he had been denied mortgage financing elsewhere. NOFFCU engaged him as a whole person, not just a credit score.

The credit union:

- Offers 100% loan-to-value mortgages with no private mortgage insurance required
- Allows up to 6% seller concessions



- When necessary, can increase the loan-to-value to 106% to roll closing costs into the loan

These features are rarely offered in combination elsewhere and are designed to intentionally remove upfront cost barriers to homeownership.

The Impact

For communities:

Members who were previously excluded from homeownership, particularly entrepreneurs and small business owners, benefited directly. Families gained housing stability, and small businesses gained owners who could reinvest time, energy, and capital into growth rather than housing insecurity.

- Homeownership achieved for members denied elsewhere
- Small business expansion following housing stabilization
- Job creation as business owners hired employees
- Long-term wealth building for families and future generations

The member featured in the video profile was able to purchase a home, stabilize his living situation, and subsequently secure financing to expand his wildlife business. He transitioned from working independently to employing others, demonstrating the compounding impact of equitable access to credit.

For the financial institution:

- Strong financial and operational performance aligned with its mission
- Growth in member trust and engagement
- Increased national visibility as a leader in inclusive lending
- Recognition for impact storytelling via the video profile with multiple awards, including:
 - 2 Telly Awards
 - 1 Anthem Award
 - 1 Shorty Award
 - 2025 Impact Award for Cooperatives

NOFFCU's inclusive lending and the related video profile helped position the institution as a model within the URJ Lender Pilot Program cohort and well beyond.

Lessons Learned

Traditional underwriting models remain a significant barrier. NOFFCU addressed this by redesigning lending criteria to reflect real financial behavior and community realities rather than exclusionary norms. Financial institutions can follow NOFFCU's lead by adopting:

- Flexible mortgage structures
- Relationship-based lending
- Trust-centered engagement with members
- Storytelling through video to humanize impact

Earlier scaling and increased awareness, along with continued policy advocacy and replication across institutions, could help accelerate and further amplify the impact of this approach.

Actionable insights for decision-makers at financial institutions:

- Center underwriting on people, not just metrics
- Pilot bold ideas with clear intention and data to support learning
- Partner with peers and national initiatives to build validation and shared knowledge
- Use storytelling to demonstrate real-world impact and build momentum

Start with a mission, listen deeply to your community, and be willing to challenge traditional norms. Impact and sustainability are not mutually exclusive—when done right, they reinforce one another.

Looking Ahead

NOFFCU plans to continue refining and scaling this initiative, expanding access to inclusive mortgage products, deepening partnerships, and serving as a thought leader for institutions seeking to close the racial wealth divide through practical, proven solutions.



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Call to Action

Inspired by New Orleans Firemen's Federal Credit Union's approach to inclusive community lending? Here are two ways to take the next step:

- **Connect with our team** at [Beneficial State Foundation](#) to explore how these ideas could take shape at your institution.
- **Explore the [Equitable Bank Standards](#)** for actionable guidance—starting with the practices highlighted in this case study: inclusive underwriting (04.B.08–09), expanded access to credit (04.B.10), small business support (03.A.10–11), and community engagement & co-design (01.A.14).

Connect with Beneficial State Foundation

Learn more about how financial institutions can drive inclusive, community-led growth through inclusive lending: beneficialstate.org