

# Bridge loans for Miller employees - Milwaukee - Milwaukee Business Journal

Brewery Credit Union hopes to bolster profits

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The Brewery Credit Union, Milwaukee, hopes to strengthen its bottom line this year by granting loans to Miller Brewing Co. employees who recently learned they'll be laid off.

As many as 200 brewery workers received layoff notices Aug. 11 and 12. On Aug. 13, employees of the credit union, which serves Miller employees and community members, proposed offering both signature and collateral-backed loans, said credit union president and chief executive officer Jim Schrimpf.

Brewery Credit Union's board of directors approved the staff's recommendation Aug. 18, said Schrimpf. The credit union plans to promote the program in its September newsletter, to be mailed at about the time the layoffs begin, he said.

What may seem counter-intuitive to most financial executives makes perfect sense for Brewery Credit Union, both from a philosophical and financial perspective.

"Our mission is to economically empower our members and the community. This program certainly does that," said Schrimpf.

The Brewery Credit Union is following a similar program launched in March at the Stoppenbach Credit Union, Jefferson, to support 470 striking workers of Tyson Foods Inc.'s Dorskocil Food Service Plant in Jefferson, said Stoppenbach president Catherine Zimmerman.

Tyson employees struck Feb. 28. Stoppenbach, a \$1.2 million institution, immediately began deferring loan payments and offering second mortgages to help strikers, said Zimmerman. The strike is still in progress, as is Stoppenbach's program, she said.

Making bridge loans to unemployed workers carries risks as well as rewards for credit unions, said Brett Thompson, president and chief executive officer of the Wisconsin Credit Union League, Pewaukee. On the positive side, such loans can be profitable and members who receive them can become more loyal to the credit union, he said.

"Helping someone in a time of need can buy you a customer for life," Thompson said.

## Economic needs

Brewery Credit Union hopes to capitalize on that same strategy. Bridge loan amounts will be determined based on borrowers' economic needs, said Schrimpf. Interest rates will range from 4.79 percent for collateral-based loans to 9.98 percent for signature loans. Few loans will exceed \$5,000, he said.