**GIVING CREDIT WHERE CREDIT WAS DUE:**

**AN INITIAL LOOK AT THE FADING HISTORY OF**

**BLACK CREDIT UNIONS IN NORTH CAROLINA**

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Mrs. Amaza M. Byrd, born in 1932 in rural Bertie County, North Carolina, worked in a number of jobs after graduating from all-black W.S. Etheridge High School, from laboring in farm, domestic and secretarial jobs to selling insurance for N.C. Mutual. But the longest stint in her working life was the twenty-two years or so she spent at St. Luke Credit Union in Bertie. She started as a clerk at St. Luke in the mid-1960s and worked her way up to bookkeeper and manager, and she witnessed the daily interactions between the credit union’s members and the staffers and leaders who ran it. She saw first-hand how the members tapped into St. Luke and what they expected from it. In an interview this fall with the Southern Oral History Program, when Byrd was asked if she felt St. Luke had been an important asset to the community, she gave one of her most emphatic responses of the conversation. “Yes, yes, yes, yes,” she said with conviction. She didn’t just *feel* that was true. She *knew* it was true, knew it for a fact.

The question called to Byrd’s mind the people who joined St. Luke over the years, to start savings accounts or borrow money for buying houses and cars, fixing up homes, building churches, and developing small businesses such as plumbing, car repair, medical and ambulance services, child care, lawn care, backhoe services, textile manufacturing, mobile home parks, and even a local radio station. In many cases, these members and loan recipients were Bertie’s black residents – the people whom St. Luke’s founders primarily had hoped to serve in establishing the credit union in 1944 in this eastern North Carolina county, which has the small town of Windsor as its seat. But membership never was reserved only for blacks, and over time, some whites in Bertie grew curious about the credit union and crossed social boundaries to join it, Byrd recalled. From her perspective, St. Luke’s contributions were in helping people borrow money to improve their lives, and also in teaching people both to save money and honor their commitment to re-paying loans. The credit union was particularly valuable, in her view, as an alternative source of credit for black citizens who might have been turned down by white-owned banks during and even after the Jim Crow era, unless they had a prominent white man vouching for them.

Hearing Byrd’s recollections and learning the outlines of St. Luke’s story are a step toward understanding the history of credit unions established by black North Carolinians in the first half of the twentieth century. We began exploring this history in September 2012, and to date we have recorded oral histories with four people connected to black-founded credit unions, including Mrs. Byrd and Mr. Timothy Bazemore Sr. — former St. Luke board member and small-business loan recipient — Mr. Charles E. Sanders, co-founder of the Greater Kinston Credit Union; and Ms. Saundra Scales, former CEO of the First Legacy Credit Union in Charlotte. We also conducted shorter interviews with Mr. Martin Eakes and Mr. Thad Moore at Self-Help Credit Union in Durham. We are preparing the Bazemore, Byrd, Sanders, and Scales interviews for submission to the Southern Historical Collection, but we recorded the informal interviews at Self-Help to connect with Eakes and Moore and expand our knowledge of these credit unions, as Self-Help has worked with many of them over the past three decades. We also began reviewing materials this fall such as scholarly articles on the history of credit unions in North Carolina and the U.S., and a report on the founding and current status of many of the black-founded credit unions, published by the N.C. Minority Support Center in 1996 and titled “Building Community Wealth: A Five-Year Report.” Finally, we began building a file of supporting documents, such as newspaper and magazine articles, and images of calendars published by St. Luke Credit Union in 2000 and 2001 that describe specific loan projects, provided by Byrd.

Self-Help is interested in this history for a number of reasons, and Moore has taken the lead for Self-Help in urging the SOHP to investigate the history more fully. As a credit union (a much larger one), Self-Help shares much of the philosophy and goals that prompted black residents to establish many of these earlier credit unions. And Self-Help has worked to support many of them since the early 1980s, with Eakes stating in his interview that he had stories about interacting with just about every one of them as a legal and financial adviser of sorts. He also played a lead role in establishing the Generations Community Credit Union in 2002, into which St. Luke and several of the other black-founded credit unions have been merged over the past decade. The minority credit unions “became a voice for financial services that were led by people of color, and there’s nothing that can take that history away,” Eakes told us. “And it is really quite unique, if you think about that kind of entrepreneurial venture during the days of Jim Crow, when every single structure of the dominant society was put in place basically to keep African-American men under control. It was really a piece of the Civil Rights Movement that is not often talked about.”

The first credit union in North Carolina was founded in 1916 in a rural community in Durham County known as Lowe’s Grove. John Sprunt Hill, a prominent banker and lawyer in Durham, had studied rural credit unions in Europe and believed the concept could benefit small farmers and sharecroppers in the American South. Hill and Clarence Poe, editor of *The Progressive Farmer*, successfully lobbied the North Carolina legislature to authorize credit unions. It is not clear in the historical scholarship whether the first credit unions explicitly were for whites only. But whether by law or the unwritten expectations of Jim Crow, the credit unions in North Carolina developed at first as separate institutions for whites and blacks. The first credit union established by black North Carolinians was founded in Rowan County in 1918, under the leadership of Thomas B. Patterson, a black farmer, farm demonstration agent, and graduate of Hampton Normal and Agricultural Institute. Black North Carolinians had set up another eight credit unions by 1920. During the 1940s, the number of black credit unions rose to fifty-five, which gave North Carolina nearly as many as all other states combined. Many of the early credit unions were established in rural areas, but the number of credit unions in towns and cities rose steadily over the decades.[[1]](#footnote-1)

However, the story in more recent times is one of drastic decline, due to a wide range of factors. Eakes noted in his interview that only five institutions remain in North Carolina that operate as community-development credit unions: Self-Help, along with First Legacy, Generations, Greater Kinston, and the Latino Community Credit Union in Durham. Many of the black-founded credit unions merged into Generations and First Legacy, as they encountered challenges such as increasing requirements for expensive computer technology, and management and regulatory missteps. In researching the credit unions, we have not yet gained a deep understanding of these challenges and problems. But our sense, in talking with Eakes and the other interviewees, is that in part we should think about these credit unions like all financial institutions – they grow or weaken depending to a certain degree on the larger economy; and their leaders make both good and bad decisions, when it comes to granting loans, attracting members, managing operations, and navigating regulations. At the same time, we should be alert to aspects of this history of struggle and decline in recent decades that are specific to the credit unions, as black-founded alternatives to the traditional banking institutions. These aspects could relate both to the inner workings of the credit unions, i.e. the actions of their leaders, and to the local, state, and national context in which they functioned.

The specific issue of regulation demonstrates how this credit union study can inform a broader portrait of North Carolina history that merges the layers of local, institutional, and state-level studies. Indeed, these pilot interviews suggest that a large part of the history of credit unions in many of North Carolina’s black communities is wedded to the issue of regulation and the concurrent tensions between state and federal regulators and community credit unions.

One interview in particular suggests the centrality of this issue. Saundra Scales, the former CEO of First Legacy Credit Union, focused the majority of her discussion on the chronic struggles community-development credit unions experienced with state and federal regulators. Her recounting of the long history of conflict between regulators and credit union officials at First Legacy suggests that issues of regulation were especially relevant to the more recent trajectory of these credit unions and the trend witnessed over the past thirty years of the majority of black credit unions either failing or merging. Most importantly, these conflicts over regulation reveal two inherently different visions of the ideal place and operation of credit unions within local communities that can shed light on relational tensions between minority communities and larger state forces. Where regulators enforced a rigid system of loans structured around the centrality of credit scores, African-American credit unions pushed against these constraints and rejected the concept of reducing people to numbers. These community credit unions, instead, were operated as a piece of a larger local network built out of trust and personal relationships, and thus rules were often bent when a person’s respectability and position within the community was not adequately represented by their credit score, according to some of the interviewees.

Competing visions over the ideal interaction between credit unions and local communities is one of this project’s most intriguing angles and a promising framework to build upon as the study moves forward. Focusing on African-American communities through the lens of credit unions and the banking industry provides fresh and unexplored perspectives on the importance of credit access to community growth and improvement. This study also has great potential to serve as a critical window into larger questions revolving around institutional racism and the ways in which communities and state government have (and still) attempt to negotiate different visions of community structure and institutional development. The paradox of regulatory law interfering with community credit unions’ ability to assist those most in need of their services is one such issue that this project should closely examine.

Collecting diverse viewpoints would be critically important for a project on this credit union history. The pilot interviews focused on community members who received loans from credit unions and on community members involved in credit union operation. While this report demonstrates that the stories these community members tell are rich and illuminating, focusing only on interviewees from these two groups may create a history that is artificially fragmented and not easily connected or interwoven into a larger North Carolina story. The issue of regulation, however, suggests a way in which the telling of this story can be more fully viewed. Thus, as we move forward, incorporating the viewpoints of regulators and also lawyers who helped defend credit unions against regulators would add useful layers. The breadth of material gleaned from just these first few interviews leaves little doubt that this project can add greatly to the study of twentieth-century African American communities and the South. Together, these multiple viewpoints would aid in illuminating a larger picture of the complicated history of African-American community credit unions in North Carolina.

In suggesting an oral-history project on the credit unions, Thad Moore wrote to the SOHP about a “a grand story in North Carolina history that is in danger of being lost – the formation and plight of African-American credit unions.” He described black community leaders as embracing credit unions as a tool of local self-help. Those leaders were teachers, college educators, ministers, principals, doctors, local business owners, and farmers, he wrote. “They preached on Sundays, taught in local colleges, tended farms, and operated and worked in the businesses that formed the economic bedrock of African-American communities… This story is inspiring, but heartbreaking because we only know tantalizing snippets about the individuals who were instrumental in founding these credit unions. Their sacrifice, dedication and perseverance deserve to be remembered and told to future generations.” Oral histories are an ideal approach to remembering and “telling” future generations about this history, as Moore suggests. They can help move us toward putting these experiences into a broader context and exploring their significance at the local, state and even national level.

**PROSPECTIVE INTERVIEWEES**

As discussed above, we envision several groups of people as having important connections to the credit unions, whose memories could help to deepen our understanding of this history. They include original founders, as well as past and current members of the boards of directors, staff members, credit union members/shareholders, loan recipients, and possibly state and federal regulators. Interviewees such as members and loan recipients would provide perspectives on exactly how their lives were affected by using the credit unions, while founders, leaders, and regulators could shed light on questions such as how the credit unions’ goals and challenges changed over time. The table below is the beginning of a list of possible future interviewees, but we have asked our contacts for more leads and will update this table as needed.

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| **NAME** | **CONTACT INFO** | **CONTACT YET?** | **CONNECTION TO CUs** | **REFER.** | **ADDITIONAL NOTES** |
|  |  |  |  |  |  |
| **Asbury, Doris** | H: (704) 597-5705  C: (704) 258-6665 | NO | Former (or current?) treasurer of First Legacy CU. | Thad Moore |  |
| **Battle, Rev. Joseph** | W: (252) 537-2492  C: (252) 532-6826  jlbattle1@embarqmail.com | NO | Early leader for Industrial CU, which merged into Generations in the 2000s. Industrial was originally a CU of JP Steven’s employees in Roanoke Rapids NC; may have started around time of the big union fight in the 70’s. Industrial CU became a community CU after JP Stevens closed down, and in that transition became majority African-American. | Thad Moore | Joey Fink also is interested in talking with Rev. Battle, given his connection to Roanoke Rapids and JP Stevens history. |
| **Gilliam, Maxwell** | W: (910) 577-0777,  C: (910) 389-9759. |  | His father, Jimmy Gilliam, was a key early leader for St. Luke CU in Windsor/Bertie County NC. | Thad Moore | Has his own dentist office in Jacksonville NC; his slower days are Wednesdays. |
| **Howard, Jennifer** | Cell: (252) 468-2569; office: 327 North Queen St. Suite 121, Kinston NC | YES | Former manager at Greater Kinston Credit Union | Thad Moore | Rob spoke with Ms. Howard in Sept. ‘12; she was interested in project but declined interview at that time; might be willing to do interview in future. |
| **Johnson, Leon** | Lives in Greensville NC. No contact info at this point. | NO | Apparently affiliated with St. Luke CU and Tri-County CU at some point, but need more info. | Thad Moore |  |
| **Jones, Lafayette** |  | NO | Has a PR firm in Winston-Salem, Thad knows him. His email:  [LJones@SMSi-UrbanCall.com](mailto:LJones@SMSi-UrbanCall.com). His wife is the daughter of former president of Victory CU | Thad Moore | Thad tried to make contact with him in spring 2013, didn’t have luck initially but we need update. |
| **Lawson, William A.** | NA | NO | One of the first 50 members of the Greater Kinston Credit Union | Listed on annual meeting brochure; J. Howard said Dec.  ’12 she believed Lawson was still living. |  |
| **Leach, Bernard** | (919) 968-2734; works for town of Chapel Hill, [http://www.townofchapelhill.org/index.aspx?recordid=277&page=1378](https://outlook.unc.edu/owa/redir.aspx?C=LinJ1eI75U--sCAXVvGq61dZqdfhdtAIL2R0OXDLEc0gmBrSaH83PAYxzlZDWiRjl1wE2T1V9ts.&URL=http%3a%2f%2fwww.townofchapelhill.org%2findex.aspx%3frecordid%3d277%26page%3d1378) | NO | Former colleague of Thad named Bill Bynum talked with Bernard summer 2013 (Bill is an African-American native of Chatham County, member of Chatham-Lee CU, used to work at Self-Help and now runs $100M community CU in Jackson MS). Thad asked Bill to contact Bernard. Thad was unable to convince Bernard’s brother, Jimmy, to participate. Jimmy was manager of Chatham-Lee CU, had very bad experience with regulators when it was taken over by regulators and merged into a non-African American-led CU. Does NOT want to revisit these memories. Bill Bynum said Bernard seemed open but felt his knowledge was limited. He was to talk with an early member of Chatham-Lee to see if she would do interview. Thad suggests calling Bernard and saying we got his name from Bill, ask if he would do interview about Chatham-Lee and whether he knows anyone who might be helpful (no reason to bring up brother Jimmy). Their father, Bishop Leach (and probably their mother), founded the CU. | Thad |  |
| **Long, Lenwood** |  | NO | Thad mentioned him in email, but no details at this point. |  |  |
| **McCullough, Mason** | W: (704) 380-2914  C: (704) 402-0412 | NO | Former manager of the Statesville CU before it was merged. | Thad Moore |  |
| **Morning, JoAnn** | Williamston, NC | NO | Former employee of St. Luke and Martin County credit unions. |  |  |
| **Outlaw, Hattie** | (803) 942-3765 |  |  | Norma Wesson at Generations CU, and Thad | By April ‘13 she lived in S. Car. but visited Bertie County regularly and was open to interview. |
| **Watford, Eddie** |  | NO | No details currently. | Thad Moore |  |
| **White, Darnell** | (252) 333-5014; cell: (252) 482-3728. | NO | Formerly with the Chowan Credit Union in Edenton NC | Jennifer Howard |  |
| **White, Walillian Kennedy** | W: (704) 248-4514  C: (704) 267-5243 | NO | Recent branch manager for First Legacy CU. | William Kennedy | Her father is William Kennedy, whom Daphne interviewed in spring 2013. |

1. The main sources for this background history are William Hays Simpson, “Credit Unions in North Carolina,” *North Carolina Historical Review* Vol. 39 No. 4 (October 1962), 541-48; and the North Carolina Minority Support Center, “Building Community Wealth: A Five-Year Report, 1996, copy in possession of the SOHP. [↑](#footnote-ref-1)