

Union Federal Savings Bank

Founded: 1887

Located: 1402 West Washington Street (1887–1933); 148 East Market Street (1933–37); 137 East Market Street (1937–41); 160 East Market Street (1941–64); 45 North Pennsylvania Street (1964–)

On 19 September 1887 a group of civic-minded businessmen founded the Indianola Building and Loan Association. George Sadlier, a blacksmith who had emigrated from Ireland just five years earlier, was one of them. Sadlier served as president of the association from 1912 until his death in 1930. George Sadlier's son, George Sadlier, Jr., became a director of the building and loan association in 1930 and later served as secretary, treasurer, and, ultimately, president, a position from which he retired in 1959.

The Indianola Building and Loan Association was located at 1402 West Washington Street. In 1933 the association moved to 148 East Market Street, and in 1937 it moved to 137 East Market Street. That same year it converted to a federal savings and loan association, becoming the Union Federal Savings & Loan Association. In 1941 the association moved to 160 East Market Street. The association opened its first branch on 7 East Maple Road (later Thirty-eighth Street) in 1948. By 1958 Union Federal Savings & Loan Association had three branches and assets totaling over \$35 million. The following year it merged with Colonial Savings & Loan Association, adding over \$11 million in total assets. In 1964 the savings and loan association moved into a new building on the corner of Market and Pennsylvania Streets.

Similar to many savings and loan associations, the Union Federal Savings & Loan Association experienced financial difficulties in the 1980s. Many thrifts were not

earning enough money from long-term, low-interest, fixed-rate mortgages to match the interest rates they were paying on deposits. The Union Federal Savings & Loan Association made a series of unwise commercial loans and, beginning in 1980, was losing money at an average rate of \$4.5 million every six months. By late 1984 the savings and loan, with 11 branches in the Indianapolis area, showed a negative net worth of \$14.2 million and was among the state's weakest financial institutions. In September 1984 the federal government bailed it out, contributing \$25 million to its 1984 acquisition by the Waterfield Mortgage Company. Waterfield, based in Fort Wayne, paid \$6.1 million dollars for Union Federal.

Most of the employees stayed through the transition, but Waterfield brought in a new team of senior managers. The new leadership sold off \$130 million in older, low-interest, long-term loans; moved Union Federal away from commercial loans; and added seven branches in 1985, many of which were in Marsh supermarkets. In 1986 the savings and loan became a savings bank and was renamed Union Federal Savings Bank. In 1987 it acquired the Community Federal Savings & Loan Association of Ohio, based in Hamilton, Ohio (outside Cincinnati), in a government-backed plan. Union Federal's parent, Union Holding, purchased two more thrifts in 1988 in government-backed bailouts, which it operated independently: Arsenal Savings Association, F.A., Indianapolis (which became Union Federal Savings Bank of Indianapolis) and Frankton Federal Savings & Loan Association (which became Union Federal Savings Bank of Frankton). By the early 1990s a revitalized Union Federal Savings Bank had 35 Indianapolis-area branches, over 550 employees, and total assets in excess of \$1.4 billion.

In 1998 Union Federal had assets worth over \$2.5 billion, making it the largest federal savings bank in the state. It maintained over fifty branches in Indianapolis, Lafayette, Kokomo, and several other cities. Its parent company, the Waterfield Group, was one of the largest privately held financial organizations in the country. Beyond financial success, the thrift involves itself in the communities it inhabits. Over 200 civic programs, ranging from a benefit for multiple sclerosis to the gifts to the Indianapolis Zoo, were sponsored or supported by Union Federal.