

## WHO REALLY OWNS CREDIT UNIONS?

Credit unions are owned by their members. Everyone who deposits money in a credit union joins the cooperative and becomes a member—and an owner.

## WHERE DO CREDIT UNION PROFITS GO?

The profits from a credit union go back to its members. They may be paid out as dividends, in lower loan rates, or in free or low-cost services. Credit unions are “not-for-profit” financial institutions. That doesn’t mean they don’t make money—it does mean they distribute the wealth back to their members rather than to outside stockholders.

## WHAT EXACTLY ARE CREDIT UNIONS?

Credit unions are financial cooperatives, which are run by the people who belong to them—the members.



*Where people are worth more than money.™*



REAL LIFE  
**ANSWERS**



TO REAL LIFE  
**QUESTIONS**  
ABOUT CREDIT UNIONS

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### HOW ARE CREDIT UNIONS RUN?

Each credit union is democratically controlled, and run by a volunteer board of directors, elected by the members who belong to the credit union. The directors are members, too—in fact, any credit union member can run for election to the board, and all credit union members have a say in how the credit union is operated. The day-to-day managers of credit unions, and the staff who serve members, are paid, expert professionals in the financial services field.

### CAN ANYONE JOIN A CREDIT UNION?

Members of a credit union share some kind of common bond, such as working for the same employer, belonging to the same organization, or living in the same community. Each credit union's "field of membership" is defined in its charter.

### HOW MANY CREDIT UNIONS & MEMBERS ARE THERE IN THE UNITED STATES?

More than 70 million Americans belong to a credit union, and it is estimated that another 40 million people in the U.S. qualify for credit union membership according to current "field of membership" rules. There are currently more than 11,000 credit unions across the country.

### DO CREDIT UNIONS OFFER THE SAME SERVICES AS BANKS AND OTHER FINANCIAL INSTITUTIONS?

Many credit unions offer a wide range of services to members, similar to banks. Other credit unions have more limited services. Credit unions specialize in services for consumers, such as savings accounts, and personal or consumer loans. Many credit unions today have expanded their services to include credit cards, debit cards, electronic transactions, IRAs, mortgages, home equity loans, student loans and other products and services. Banks usually focus on serving business as well as consumers. Savings banks (also called savings & loans) specialize in real estate financing.

### ARE DEPOSITS IN CREDIT UNIONS INSURED?

Federally chartered and many state-chartered credit unions are insured by the National Credit Union Share Insurance Fund, which is backed by the credit of the U.S. government. The fund that insures credit union deposits is run on a "pay-as-you-go" system, so losses cannot build up. This fund, like the FDIC, insures each account up to \$100,000. It is so secure that it has never had to use taxpayers' money.

### HOW CAN CREDIT UNIONS OFFER LOWER SERVICE FEES AND LOAN RATES, AND HIGHER DEPOSIT RATES?

Because credit unions are member-owned, they exist to serve the needs of members rather than to make a profit for stockholders. This allows credit unions to return their surplus earnings to the people who belong to them, by way of dividends, better rates and lower service fees.

### ARE THERE CREDIT UNIONS IN OTHER COUNTRIES?

Credit unions are part of a worldwide movement, and there are credit unions established in Canada, Europe and many countries around the globe. The movement has a strong support network that includes credit unions, state credit union associations (called leagues), a national trade association (Credit Union National Association, Inc.—CUNA), and an international credit union organization (World Council of Credit Unions—WOCCU). The Credit Union System shares ideas, information and resources cooperatively.