

STATEMENT OF CUNA PRESIDENT AND CEO DAN MICA
ON RELEASE OF GAO REPORTS ABOUT CREDIT UNIONS
AND TRANSPARENCY/CORPORATE GOVERNANCE OF NCUA

These reports offer a mass of information and opinions about credit unions, but neither report conclusively makes the case that credit unions are doing anything less than what Congress intended they do: Serve middle-income, working men and women.

Although the GAO report notes that credit unions serve a lower proportion of low- and moderate-income members than do other financial institutions, it also notes that credit unions are subject to numerous field-of-membership restrictions. The effect of these restrictions results in credit unions serving a greater proportion of moderate and middle income members than do banks. That is just who Congress intends credit unions to serve: Working Americans living paycheck to paycheck.

Importantly, however, GAO's report acknowledges there are inadequacies in the data it used to assess the income of credit union members.

Further, the report provides an extensive analysis of the more attractive deposit and loan rates that credit unions pay and charge compared to similar-sized banks. This strongly supports CUNA's view that it is indeed the members who benefit from credit unions' not-for profit, tax-exempt status.

Finally, while noting the lack of comparable information, the details presented in the report on credit union and bank executive salaries strongly suggest that credit union executive salaries are consistent with their not-for-profit status.

What it really comes down to is that credit unions effectively offer affordable services to the members whom they are limited in serving. Credit unions could serve even more Americans of modest means if Congress drops or lowers key barriers that hinder credit union reach to these consumers.