



The Credit Union Difference = More Than You Think

The Credit Union Difference

Not for profit, not for charity, but for service

Credit unions are not-for-profit financial cooperatives, owned by the people who save and borrow there. Every member has the right to vote for members of the credit union board. The credit union boards consist of volunteer members.

Unlike most other financial institutions, credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our members in the form of lower loan rates, higher interest on deposits, and lower fees.

By current federal statute, credit unions cannot serve the general public. People qualify for a credit union membership through their employer, organizational affiliations like churches or social groups, or a community-chartered credit union.

Our critics often claim that credit unions “don’t pay taxes.” **Credit unions do pay taxes – payroll taxes, sales taxes, and property taxes.** Congress exempts credit unions from federal income taxes. The exemption was established in 1937, affirmed by statute in 1951, and re-affirmed in 1998 in H.R. 1151, the Credit Union Membership Access Act, which states:

Credit unions, unlike many other participants in the financial services market, are exempt from Federal and most State taxes because credit unions are member-owned, democratically operated, not-for-profit organizations generally managed by volunteer boards of directors and because they have the specified mission of meeting the credit and savings needs of consumers, especially persons of modest means.

Our Credit Union

Birmingham Post Office credit union is located in Birmingham, AL. It has approximately 3200 members and \$20 million in assets. The credit union was chartered in 1927 to serve the employees and family members of the Birmingham Post Office Division. Today, the credit union remains a single sponsored organization, serving the employees and family members of the Alabama District of the U.S. Postal service. Birmingham Post Office Credit Union was the first chartered credit union in the state of Alabama. We have recently celebrated our 75th anniversary.

Our credit union provides basic financial services including share drafts (checking), share accounts (savings), loans, mortgages, credit cards, Christmas Clubs, etc. But, we also do a lot more. Some of the unique services include:

- Internet Banking
- Kiosk – providing 24 hours access to member’s accounts
- Risked Based Lending
- Student Visa – designed to help student’s build credit
- Estate building account – designed to help member’s reestablish and rebuild damaged credit histories
- Youth program – promoting financial literacy among teenage members
- Credit Union Service Center Network

Our Commitment to Financial Education & Literacy

Promoting financial literacy has been a primary mission of credit unions since they were established. Edward A. Filene, the father of the American credit union movement in 1908 said, "Credit unions are educational institutions." Our intent is to teach people wise money management skills they can use to make their entire lives better.

We offer quarterly newsletters that include information on financial topics such home buying and remedial counseling. We also provide

- Web-site information links to a variety of financial topics
- Individual financial counseling for member's delinquent on their loans
- Plan it. Save 4 it. – Series of articles designed to educate members on budgeting and investing
- Educational lobby materials

Our Commitment to Good Governance and Diversity

Credit unions exist to serve all members equally, with dignity, respect and consideration. We strive to serve to serve everyone who needs financial services within our membership and to be sensitive to the individual needs of the various cultures we serve. Employees and volunteers reflect the diversity of our members.

- We strive to make annual meetings more accessible to accommodate the majority of members
- Educate the members, staff, and Board about the uniqueness of credit unions, specifically the importance of volunteer leadership and democratic elections
- Seek out volunteers, staff, and management who reflect the diversity of the membership
- Invite/bring elected officials to annual meetings to demonstrate democracy in action

Our Commitment to Community & the Credit Union Movement

Credit unions don't just exist to provide financial services—we provide financial services for the purpose of improving lives. While our first responsibility is to our members, part of being a cooperative movement means looking beyond our walls to the larger community. This philosophy leads us to support worthwhile charitable and social causes, and to work with other credit unions.

In our credit union, we reach out by:

- Participation in the Credit unions for kids campaign to raise money for Children's miracle network
- Share expertise with other credit union's in need
- Encourage staff and volunteers to take an active role in league, chapter, and other leadership networks
- Create strategic alliances with other credit unions

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