



## 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 on policies and for members of the credit union board. The majority of credit union boards are made up 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

Melrose Credit Union, founded in 1922 in the Melrose section of the Bronx, NYC is now located in Queens, NYC . It has 15,000 members and \$746,000,000 in assets.

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

- Financial counseling/debt counseling for individuals
- Special home mortgage programs
- Individual Development Accounts
- College student scholarship matching funds program
- MTAC (Melrose Taxi Action Center), a program to help our members from the NYC yellow taxi industry navigate the NYC/TLC maze of bureaucracy.

### 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 tri-annual newsletters that include information on financial topics. Credit unions offer individuals budget and financial counseling as a routine matter. Some examples in our credit union include:

- Home buying seminars
- Individual financial counseling for members delinquent on their loans
- Borrowing seminars to advise members the best way to utilize their equity
- Web site informational links
- Full and fair disclosure on pricing
- Work with media to educate the public about the credit union difference

## Our Commitment to Good Governance and Diversity

Credit unions exist to serve all members equally, with dignity, respect and consideration. We strive 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.

- Make annual meetings more accessible to accommodate the majority of members
- Set Board and committee attendance standards
- Invite elected officials to annual meetings to demonstrate democracy in action
- Hire bilingual member service representatives
- Seek employees who reflect the membership and community diversity

## 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:

- Care for Kids
- Credit Union sponsored relief drives (9/11, Tsunami, earthquake victims)
- Monthly charitable donations (Samaritan Family Village, Woodside Senior Center, Briarwood Senior Center, The Rebecca Foundation, Briarwood Civic Association)
- Mentoring smaller credit unions
- Participate in political and grassroots campaigns to promote the credit union movement to policymakers.
- Public seminar sponsorship (Financial literacy, Home buying, Democracy in Action)



139-30 Queens Blvd.  
Briarwood, NY 11435  
718-658-9800