

# Talking Points: The Credit Union Difference

The following talking points can be used to build awareness about what makes credit unions different than other financial institutions.

## Unique Structure

- Credit unions are not-for-profit, member-owned cooperatives that share a common set of business principles and values: Volunteer leadership. Democratic control. Economic participation. Autonomy and independence. Member education. Cooperation among cooperatives. And concern for community.
- Credit unions have earned a unique tax status. Credit unions do pay taxes (payroll taxes, sales taxes and property taxes), but Congress exempts them from federal income taxes due to their cooperative, not-for-profit structure. 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). To this day, ALL credit unions are still without capital stockholders, are still organized and operated for mutual purposes, and are still not-for-profit.
- Credit unions are owned by their members and governed by a volunteer board of directors, elected by and from the credit union's membership. Each member, regardless of how much he or she has on deposit, has an equal voice in the election of a credit union's board of directors. (Banks are governed by paid directors who represent the stockholders' interests, and voting rights depend on the number of shares owned.)
- It's the structure of credit unions, as not-for-profit, democratically led and cooperatively owned financial institutions, that allows them to maintain their focus on returning financial benefits to members.
- Unlike most other financial institutions, credit unions do not issue stock or pay dividends to outside investors/stockholders. Instead, earnings are returned to their members in the form of lower loan rates, higher interest on deposits and lower fees.

## Valuable Membership Benefits

- Credit unions offer lower average loan rates, higher average savings rates and fewer fees than those found at for-profit institutions like banks. (Datatrac, NCUA and CUNA)
- In particular, New York credit unions offer lower average rates than banks on new and used car loans, personal unsecured loans, first mortgages (fixed rate), home equity loans and credit cards. (Datatrac, NCUA and CUNA)
- New York credit unions also offer higher average dividends than banks on savings, checking, money market and certificate accounts, as well as IRAs. (Datatrac, NCUA and CUNA)
- Credit unions also offer competitive services like online and mobile banking, easy shared ATM access (using the largest single ATM network in the country) and personalized service.
- For five consecutive years, credit unions have beat banks in the American Customer Satisfaction Index, scoring 85 out of 100, compared to 78 for all banks.
- Joining a credit union is easier than many realize: Membership eligibility can be based on where you live, work or worship; through your employer; through your family; or through your membership in a group like a school or alumni association, a union or a homeowners' association. To learn more or find a credit union to join, visit [www.asmarterchoice.org](http://www.asmarterchoice.org).
- The most recent membership benefits data can be found on [CUNA's website](#).

(continued)

## Powerful Community Investment

- Credit unions have a social purpose of “people helping people.” They exist to help people, including those of modest means, become financially independent. This people-first philosophy also drives credit unions and their employees to support community charitable activities and worthwhile causes.
- Profits that aren’t returned directly to credit union members in the form of enhanced services, lower fees and higher returns are invested back in the communities where the members live. In 2015, New York credit unions gave more than \$28 million to charities and community organizations, provided more than \$2.7 million in college scholarships and volunteered more than 410,000 hours to support community initiatives.
- Credit unions are also committed to spreading financial literacy. In 2015, New York credit unions educated more than 175,000 adults and 245,000 youth through financial literacy and counseling sessions.



1021 WATERVLIET-SHAKER RD. ★ ALBANY, NY 12205 ★ P.O. BOX 15118 ★ ALBANY, NY 12212-5118  
(518) 437-8100 ★ (800) 342-9835 ★ FAX (518) 437-8500 ★ WWW.NYCUA.ORG