

Basic Information about Credit Unions

Overview: Overall, over 105 million U.S. consumers are member-owners of, and receive all or part of their financial services from the nation's 6,264 credit unions. As not-for-profit financial cooperatives, credit unions generally offer more attractive savings and loan rates as well as generally lower fees. Surveys consistently rank credit unions first among financial institutions in consumer satisfaction.

Philosophy and Structure: Credit unions are democratically owned and controlled institutions that take pride in their "people helping people" philosophy. Credit union boards of directors are elected by members; each member has an equal vote, regardless of how much he or she has on deposit. Only members may serve as directors, and directors generally serve without remuneration. Volunteers are an important credit union resource. Presently, approximately 86,000 Americans volunteer for their credit unions, serving as board members, committee members or providing other assistance. Finally, credit unions have no outside stockholders, so after reserves are set aside, earnings are returned to members in the form of dividends on savings, lower loan rates and fees, or additional services.

Safety and Soundness: Credit unions primarily engage in consumer lending and residential real estate lending with their members; also, in recent years, they have seen an increased member demand for small business loans. Credit union asset quality remains very high in the current shaky market with overall loan delinquencies at .8% at the end of November 2015. Credit union capital is equal to 10.8% of total assets (a level that is well above the regulatory "well capitalized" 7% threshold) and the equity ratio of the federal insurance fund, National Credit Union Share Insurance Fund (NCUSIF), has operated with an equity-to-insured share ratio of at least 1.2% for twenty-six consecutive years.

Insurance Fund: Since 1984, credit unions have funded their own federal deposit insurance fund on a pay-as-you-go basis. In that year, credit unions voluntarily deposited 1% of their insured member savings in NCUSIF, to bring its equity ratio up to 1%. Each year, credit unions deposit sufficient funds to ensure that the fund's equity ratio is maintained at or above 1.2%. Like the Federal Deposit Insurance Fund coverage, NCUSIF protects member deposits to \$250,000 and is backed by the full faith and credit of the U.S. Government.

Regulation and Supervision: Federally chartered credit unions are regulated by the National Credit Union Administration (NCUA), an independent federal agency. NCUA's three board members are nominated by the President and confirmed by the Senate. State chartered credit unions are regulated by their state supervisory authority. NCUA administers NCUSIF, and has authority to subject all federally insured credit unions to insurance examinations. No taxpayer money is used to regulate or oversee credit unions, as the activities of NCUA and NCUSIF are funded by credit unions.

Market Share: Credit unions are a small, but constant presence in the financial services industry. Credit unions hold about 6.8% of financial institution assets, a market share that has not changed significantly in over 25 years.

U.S. Organization: Overall, 86% of credit unions, both federally and state chartered, representing 81% of total credit union assets, are affiliated with the Credit Union National Association (CUNA), and its state-based affiliates (leagues). CUNA maintains offices for fee-based services in Madison, Wisconsin, and the offices of the president and governmental affairs in Washington, D.C.

Vital Credit Union Statistics

Number of U.S. Credit Unions:	6,264
Consumer Member-Owners:	105 million
Assets:	\$1.195 trillion
Loans:	\$796 billion
Surplus funds*:	\$370 billion
Consumer Savings:	\$1,024.9 billion
Capital to Assets:	10.8%

Data current as of Nov 2015

*Cash, government securities and financial institution deposits

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