

# The Credit Union Difference

## **Credit Unions**

At Credit Unions, depositors are called members. Each member is an owner of the credit union.

Since credit union members are owners, each member, regardless of how much money they have on deposit, has one vote in electing board members. Members can also run for election to the board.

Credit Union Boards are comprised of volunteers who reflect the diversity of the membership. The Credit Union Boards are comprised of non-paid/volunteer members of the Credit Union chosen by its members.

Credit Unions are local and are organized to serve the interests of its membership. Cascade Community Credit Union is the only "Local" Credit Union in Douglas County.

Credit Unions are not-for-profit financial cooperatives, whose earnings are paid back to members in the form of higher savings rates and lower loan rates.

Credit Unions focus on consumer loans and member savings, as well as services needed by the membership.

Credit Unions purpose is to educate the membership in how best to handle their finances.

Credit Unions are also here to provide quality services to the membership in a fiscally responsible manner.

Credit Unions cooperate with other credit unions and share resources to bring convenience and savings to its members. CU Service Centers and CO-OP ATM Networks are just two examples of this cooperation between credit unions.

In the history of the US Credit Unions have never used a bailout from taxpayer's funds.

Credit union deposits are federally insured up to \$250,000 by the National Credit Union Administration (NCUA), a branch of the federal government, which is backed by the "full faith and credit" of the U.S. government.

## **Banks**

Banks' depositors are called customers. They have no ownership interest in the institution. Banks are owned by investors.

Banks are owned and controlled by stockholders. Their votes are determined by how many shares they own in the bank. The bank boards are not made up of customers and customers cannot be elected to their boards, board directors are selected by current directors or by large block stock acquisition.

Bank board of directors is paid.

Banks are open to the general public.

Banks are for-profit corporations, with a portion of the earnings paid to stockholders only.

Banks tend to focus on high yield loans such as commercial loans and account and services that will bring in significant income.

Banks are very competitive and tend not to share resources with each other.

Bank deposit accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC), a branch of the federal government, the FDIC is also backed by the "full faith and credit" of the U.S. government.