The Wisconsin Credit Union League
One League, One Focus - Your Success!

FOR THE RECORD

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Credit unions are safe and strong despite economic downturn

Credit unions – like most Wisconsin financial institutions – have avoided the high-risk lending that has been widely reported in the national press. So overall they've reported strong financial performance, including:

■**Few mortgage delinquencies.** At the end of the first quarter delinquencies stood at only 0.9% while first mortgage charge-offs (or loans deemed unrecoverable) were a miniscule 0.08%.

■**Increased mortgage lending.** Today 75% of credit unions offer first mortgages, and most of the state's 2.2 million members belong to one of the credit unions that offer first mortgage loans. In the 12 months ending March 2008, mortgages at Wisconsin credit unions grew 11.9%, up from an 8.6% increase in 2007.

■**Relatively few loan losses.** Wisconsin credit unions' total loan delinquencies have edged up, but still are at a very low 1.2%.

Why credit unions remain unscathed

Credit unions are member-owned, not-for-profit cooperatives that exist to serve members, not profit from them. Credit unions don't push bad loans to make a quick buck.

■**Increased savings deposits.** Savings deposits at Wisconsin credit unions grew by over 7% in the 12 months ending March 2008. More people seeking a safe haven for their funds are turning to credit unions, which – as not-for-profits – typically offer higher savings rates than banks. Visit www.creditunion.coop/ratedex.php for a comparison.

Wisconsin credit unions are…

Well capitalized. Their overall capital-to-asset ratio stands at a very solid 10.8% (compared to 10.5% for banks). In dollars, that's a capital cushion of $1.94 billion.

Federally insured. Just as the FDIC does for banks, the National Credit Union Share Insurance Fund (NCUSIF) insures a member's savings up to at least $100,000 – with higher total insurance coverage available if the member has a combination of individual, joint, trust, payable-on-death and other types of accounts. There is also separate insurance coverage of up to $250,000 for individual retirement accounts. The NCUSIF is administered by the National Credit Union Administration (NCUA), an agency of the federal government.

For additional information, please contact:
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