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Credit unions: a strong foothold in a troubled financial marketplace

From

the

Journal online:

Wall

"(Credit unions) are often seen

as the local libraries of banking.

But that's too bad. The chances

are they didn't pay their chief executive \$10 million while writ-

ing off billions in subprime loans.

And they can offer you some

surprisingly good deals."

Street

In recent years, many financial firms have made unwise decisions at consumers' expense to turn a profit for shareholders. As a result, the nation's financial markets have suffered and individual institutions' losses are making credit less available even to creditworthy

borrowers. But while these firms exercised greed, not-for-profit credit unions exercised good judgment – making loans only in the best interest of their member owners. As a result, they're financially strong and filling a rising demand for loans in an otherwise tightening credit environment. In fact, financial observers are praising credit unions for their:

■Strength through prudent lending. The Milwaukee Journal Sentinel, the Small Business Times

and even Politico magazine, a publication on Capitol Hill, noted that credit unions have been successfully weathering hard economic times by concentrating on their strengths, which include avoiding risky loans and acting in the best interest of members.

- ■Safety and soundness. USA TODAY suggested credit unions as a safe harbor for savings during difficult times. The article noted that credit unions' deposits are federally insured and that credit unions, as not-for-profits, often pay higher yields.
- ■Low-fee, no-surprise credit cards. Parade magazine said credit unions' credit cards impose fewer fees. And Consumer Reports' 2008 Buying Guide says cards issued

by credit unions are less likely to hit consumers with unexpected rate increases.

■Affordable short-term credit. The Washington Post cited credit unions as an alternative to payday lenders

> because of credit unions' better rates for short-term credit.

- ■Lower fees and higher savings rates. NBC News told consumers to consider credit unions for their lower fees and higher rates on saving.
- ■Competitive rates. CNN cited credit unions as a good alternative to banks because members' money is insured and because credit unions offer more competitive interest rates on loans, CDs, savings and money

market accounts.

young savers need.

- ■Appeal to young savers. Bankrate.com says credit unions offer conveniences - like online banking, electronic bill pay and free ATM access - that young adults on small incomes can tap to save money. Nearly all credit unions offer certificates of deposit, checking, auto loans and individual retirement accounts – products
- ■Good rates for homebuyers. The New York Times told homebuyers to look into credit unions for good rates, as well as guidance during the loan process.