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

August 2010

FOR THE RECORD

Corporate Office: N25W23131 Paul Road, Suite 500, Pewaukee, WI 53072-5779
Credit Union House: 1 East Main St., Suite 101, Madison, WI 53703-5109

Wisconsin citizens want to see more available business credit – at no cost to taxpayers

The vast majority of Wisconsin voters polled by The Wisconsin Credit Union League – 75% – say they would support an amendment that's been proposed to the U.S. Congress to make more credit available to Wisconsin companies through credit unions.

An even larger majority of those polled – 84% – say they'd be even more likely to support the amendment knowing that it would:

- Create $389 million of new credit for Wisconsin businesses,
- Add 4,229 jobs in Wisconsin in the first year and
- Cost taxpayers nothing.

What the Udall Amendment would do

It would make more business credit available by raising the cap on credit unions' member business lending from 12.25% of assets to 27.5% of assets. Only credit unions that have the capacity to lend would be able to offer more loans, in the same safe and sound manner they've done for years.

Yet the amendment that could do just that – proposed by U.S. Senator Mark Udall as part the Small Business Lending Fund Act, H.R. 5297 – is sitting on a shelf.

Procedural moves that limit the number of amendments that can be offered, and promises by the banking industry to derail the legislation if the amendment is added – have prevented action that could help Wisconsin firms.

Many of these businesses that need loans, having been turned away by banks, have nowhere else to turn.

It's time for common sense to prevail. Congress must pass the Udall Amendment. Profit-hungry banks shouldn't be allowed to stymie our state's economic recovery.

Passing the Udall Amendment is the right thing to do

That's because credit unions' business loans:

- **Are safe.** As of March 2010 the delinquency rate for Wisconsin credit union business loans was 2.23% compared to banks' 2.77%. Credit unions' loss rate – at 0.43% – was 30% lower than that of state banks. Federal regulators support increasing credit union business lending.

- **Benefit average citizens.** The average business loan at a Wisconsin credit union is just $174,772, and more than half of credit unions' business loans go to households with incomes below $50,000.

- **Meet modest credit needs shunned by banks.** Because credit unions have no outside investors and are owned by members – whose needs they aim to meet regardless of profit – credit unions are willing to grant smaller loans that other lenders deem "unprofitable."

For additional information, please contact:
Tom Liebe, Vice President of Government Affairs • The Wisconsin Credit Union League
(608) 514-0082 • (800) 242-0833, Ext. 6016 • tliebe@theleague.coop • www.theleague.coop