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

August 2011

FOR THE RECORD

A monthly newsletter for state and federal lawmakers concerning 212 member-owned financial institutions

Credit unions doing well despite a troubled economy

Wisconsin credit unions continue to be safe, sound and strong despite the challenging economic conditions. By mid-year the state's credit unions:

■**Maintained solid net worth and increased loans and savings.** Wisconsin credit unions had a strong capital position with net worth just under 10%. Loans increased by $286 million and savings increased $860 million for a loan to savings ratio of 85.6%, meaning credit union members borrowed 86 cents of every dollar on deposit. Loan delinquency fell slightly, to 1.84%, compared to 1.87% at year's end 2010.

■**Captured national headlines.** Local and national media – including CNN Money, US News - My Money, *The Wall Street Journal*, the *New York Times*, FoxBusiness, MSN Money, *USA Today*, Forbes.com, bankrate.com, CBS Money Watch, Kiplinger and others – point to credit unions' stability over the past several years and their unbeatable deals for consumers.

■**Had billions of dollars to lend.** Because not-for profit credit unions exist to serve members, not make profits, they've never had an incentive to grant a bad loan. And because they avoided risky lending, they've continued meeting members' needs for mortgages, car loans, student loans and more while using the same guidelines to grant credit as they always have.

■**Filled a void for business loans.** Wisconsin credit unions' average business loan was around $188,000 a pittance compared to banks' multi-million dollar commercial loans. So credit unions – which are owned by members – filled the gap for modest loans deemed "too small" to boost shareholder profits – a critical safety net that's helping many employers weather the downturn and avoid job cuts.

■**Stepped up their REAL Solutions®.** Wisconsin credit unions have won four Governor's Awards in five years for their efforts to teach families to save and build wealth, such as 96 youth-run credit union branches inside Wisconsin schools that teach teens to save. In just one year students increased their savings by $1 million for a total of $3 million on deposit. Additional programs that prevent foreclosures, restructure debt, extend opportunities to rebuild credit and others that don't drive profits helped members make ends meet.

Members' funds are safe because they're insured to $250,000 per account by the NCUA, an agency of the federal government.

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