The Wisconsin Credit Union League

One League, One Focus - Your Success!

STATEMENT

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Statement by Wisconsin Credit Union League President & CEO Brett Thompson concerning favorable ruling by court on credit union's loan-related products

"We are pleased by the jury's decision from the federal district court in Green Bay that the credit insurance and GAP products sold by Community First Credit Union are substantially related to the purpose of credit unions so that income earned from those sales is not taxable."

"These products provide credit unions' member borrowers with greater peace of mind and so can be instrumental in re-starting our economy. This decision ensures consumers won't be denied this opportunity or be forced to pay more for the protection they want."

"But even more important, today's ruling clarifies that these loan-related products are part of the everyday mission and purpose of credit unions. The jury agreed that these services help mitigate losses to the credit union, enabling Community First to make more loans – a central task related to credit unions' mission of serving members."

"We're grateful to CEO Cathy Tierney and the board and members of Community First Credit Union for challenging the IRS and championing this case for the credit union movement."

"We believe today's ruling strengthens the credit union movement's position in other pending litigation related to unrelated business income tax (UBIT) issues."

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Credit unions are cooperative financial institutions that are owned by their members and do not have stockholders. Because they are not-for-profit, they return earnings to members in the form of more competitive rates of return on accounts, lower interest on loans, lower fees and improved services. Around 2.2 million Wisconsin residents belong to credit unions, of which nearly half are open to the local community. People can find a credit union to join by looking in the phone book or by visiting www.theleague.coop/findacu.