



What's the Big Difference Anyways?

Ever wondered what the difference is between a credit union and a bank? The answer is **A LOT!** A credit union is **NOT** a bank—it's **much better**. Check out all the reasons why you should make the change today!

Credit Unions

VS

Banks

Members – Credit union depositors are called members because each one is considered an owner and decides on the direction of the organization.

Lower Fees – Credit unions offer lower, or in many cases, no fees for member services.

Consumer Lending – Credit unions focus almost exclusively on mortgage, auto and credit card lending—direct to members.

Cooperation – Credit unions cooperate with one another to share resources and ideas, to bring convenience and savings to members.

Technology Adoption – Credit unions let banks do all the leg work and introduce comparable technologies, shortly after market introduction, without the hefty development price tag.

NCUA Insured – Since 1970, credit unions could offer insurance backing, for up to \$250,000, on qualifying accounts.

Free Services – Most credit unions offer a range of free member services that often include such things as notary service, coin counters and signature guarantees.

Member Discounts – Credit unions partner with a wide variety of local and national companies to offer members discounts and added benefits.

Customers – Account holders are called customers and have no ownership interest in the company. Investors own and control the direction of the bank.

Higher Fees – Banks often use fees as a primary revenue generator and therefore increase service fees regularly.

Commercial and Business Lending – Banks focus much of their lending efforts on larger, commercial and business loans.

Competition – Banks are very competitive for customer business and do not work with other banks.

Technology Development – Banks spend a significant amount of profits to develop and test new technologies and be first to the market.

FDIC Insured – Since 1934 banks have offered insurance backing, for up to \$250,000, on qualifying accounts.

Free Services – These can vary from bank to bank but are very limited.

Bank Discounts – Banks typically don't offer any additional perks to their customers.

Sources:

<http://www.mycreditunion.gov/about-credit-unions/pages/how-is-a-credit-union-different-than-a-bank.aspx>
<https://www.pscu.org/membership/credit-union-difference/>

© 2016 Century Federal Credit Union

