



Improving the Lives of Our Members... One Member at a Time

Credit unions are not-for-profit financial cooperatives. While credit unions resemble other financial institutions in many ways, there are three important characteristics that distinguish them.

CREDIT UNIONS ARE:

Member Owned

A credit union is owned by its members, who elect its leadership (board of directors.) The board of directors serves on a volunteer basis. Each member owns one share (par value) of the credit union regardless of how many accounts he/she has or how much is on deposit. An individual seeking membership in a credit union must be within the credit union's field of membership. Each member is entitled to one vote as long as they are in good standing.

Not-For-Profit

Earnings are returned, after operating expenses are deducted, to members in the form of higher dividends on their deposits, lower loan rates, and additional financial products and services.

Financial Cooperatives

Our members pool their money (savings) so that the credit union can make loans and provide other financial services to the membership.

How are deposits insured?

The credit union's regulating agency is the National Credit Union Administration (NCUA), a U.S. government agency. The NCUA also regulates our deposit insurance. Each member's deposits are insured by NCUA up to \$250,000. The NCUA Deposit Fund is a separate fund from the FDIC (a deposit insurance fund for banks.) Individual retirement accounts (IRAs) are insured separately by the NCUA up to \$250,000 per account.

How does a credit union make money?

A credit union is both a borrower and a lender. It borrows money from its members via their shares/ deposits (member savings), and pays its members, in the form of dividends and interest, for their funds on deposit. A credit union earns money by investing members' deposits, generally in U.S. government-backed investments, and by making loans to members. Its net income comes from the difference between what the credit union pays in dividends/interest on shares/deposits and earns from investing and lending those same funds.