

Savings, security, service

WHY A CREDIT UNION CAN BE A GREAT CHOICE FOR YOUR FINANCES

If you're looking to make a deposit or take out a loan, you should go to the bank, right? Not necessarily.

There's another option available that offers many of the same services as banks, but often with fewer fees and more attractive interest rates. It's called a credit union.

WHAT IS A CREDIT UNION?

Credit unions differ from banks in one important way. They're actually owned by their members — meaning people like you, the ordinary folks who do business with them — as opposed to the outside investors or shareholders who own banks.

That's an important distinction. Because credit union members are the ones making important decisions, such as electing a volunteer board of directors, they're also more likely to get excellent customer service.

When you walk in the door of your credit union, the employees

there are likely to treat you like you own the place because, in reality, you do.

ARE THEY INSURED?

Yes, credit union deposits can be insured up to \$250,000.

While banks offer insurance through the Federal Deposit Insurance Corporation (FDIC), all federal credit unions

and the vast majority of state credit unions are insured through the National Credit Union Share Insurance fund.

This insurance, just like the FDIC, is backed by the full faith and credit of the United States government.

That's just one of many reasons some people prefer doing business with credit unions when they can. See four more at the right.



4 REASONS

TO JOIN A CREDIT UNION

1. You'll probably earn more interest on your savings account.

Because credit unions are non-profits, they are typically able to pay a higher rate of interest for the savings you deposit.

They often have lower costs than banks — and no traditional shareholders to pay — so they can pass those savings on to their members in the form of better rates for savings.

2. You'll probably pay less for loans.

For the same reasons they pay more for savings, credit unions often offer loans at lower interest rates to their members.

If you're wanting to buy a car, for example, it can be worth your while to join a local credit union to take advantage of their lower loan rates. Shop around, and you may find yourself saving a lot of money over the life of the loan.

3. They offer different products.

It's not easy to get credit today. Lending standards are tighter than ever, but credit unions often have a wide range of different loans to offer their members.

If you've been turned down for a loan elsewhere — or you thought the interest rate could be better — see what your local credit union has to offer. Many of them will look at the relationship you have with the credit union and in the community, not just your credit score.

4. It's easy to join.

While some credit unions are only available to specific types of people — a few are set up just for teachers or union workers, for example — that's actually becoming quite rare today.

Many community credit unions are available for just about anyone to join. You may only have to live in a certain community or attend a certain school to qualify, so don't hesitate to contact a local credit union and see what it takes to become a member.