

Answers To Your Credit Union Questions

Isn't a Credit Union the same as a bank?

No. A bank is a commercial business established in order to make money from its customers to produce profits for its stockholders. A credit union is a not-for-profit cooperative established to meet the financial needs of its members. All members have one vote each in the cooperative, regardless of how much or how little money they have in their accounts. Credit unions are often able to provide financial services in a very cost effective manner.

Do credit unions pay taxes?

Yes. Credit unions pay a variety of local taxes, service fees and other costs. In addition, credit union members pay personal taxes on the dividends (interest) they receive. Since credit unions do not make a profit, they do not have any profits on which to pay taxes.

Can anyone join a credit union?

One must be a part of a "common bond" that makes up the field of membership to be able to join a particular credit union. Not everyone can qualify to join every credit union. However, most people may qualify for credit union membership through their work, church, association or community. 3.6 million people in Michigan belong to credit unions, which means more than one out of every three citizens are members. The largest Michigan credit union has more than 100,000 members while the smallest has fewer than 100.

What are some of the advantages of using a credit union?

Credit unions exist to serve their members. Financial industry surveys have consistently shown credit union members to be more satisfied with the service they receive than bank and S&L customers. Members have the power to direct credit union policy and even replace the board of directors if they choose. Since they

are not seeking to earn a profit from their consumer members, credit unions usually charge lower rates for loans, credit cards, checking (share draft) and other services and often offer higher interest on savings.

Are Michigan credit unions federally insured?

Yes. Every single Michigan credit union, whether state chartered or federally chartered, is insured by the federal government through the National Credit Union Administration (NCUA).

Doesn't a financial institution have to be insured by the FDIC to be safe?

No. The FDIC was established to insure banks. When the S&L crisis bankrupted the S&L fund (FSLIC), FSLIC was merged into the FDIC.

Credit unions are insured through the NCUA's fund (NCUSIF) which is the fiscally healthiest of all federal insurance programs for financial institutions.

Are Michigan credit unions safe?

Yes. Michigan credit unions are among the most secure financial institutions in the nation. Less than one half of one percent of credit union loans are for commercial purposes. The other 99.9% are in home mortgages, car loans and small consumer loans.

How is a credit union governed?

Members elect a volunteer board of directors, which sets the policies of the credit union. In small credit unions, the elected treasurer often acts as manager while volunteers carry out the various functions of the organization. Larger credit unions hire professional staff to run day-to-day operations of the institution. The credit union holds an annual membership meeting each year and each adult member, regardless of how much money he or she may have in the credit union, has one vote.

International Credit Union Week/October 17-23, 1993

Michigan Credit Unions Are A Secret Success Story

Credit unions have been called the "secret success story" of the financial world. While crisis after crisis rocked the financial industry over the past decade and stories of junk bonds, leveraged buyouts, corporate takeovers and third world debt filled the news, the quiet little credit unions kept chugging along, serving their members and keeping their house in order.

Credit unions don't chase around the world seeking the highest return on their money. They exist to serve their members. So the money deposited in Michigan credit unions didn't go to finance real estate developments in Texas or luxury apartments in Brazil, it went to work in

your community to help ordinary people buy homes and cars, to send kids to college and to provide a little breathing space for working people.

Yet, despite these modest goals, the combined assets of Michigan credit unions topped \$13 billion last year and 3.6 million people in this state belonged to a credit union. That's almost 40% of the population. As always, credit unions were focused on the needs of individual citizens. The distribution of loans from Michigan credit unions was 36.8% in general consumer loans, 33.5% in auto loans and 29.4% in home mortgages. Only 0.4% fell into the commercial category and those were primarily agricultural loans.

What's more important, surveys done by the banking industry continue to show that credit unions set the pace in consumer satisfaction. The annual consumer survey taken by The American Banker revealed that while consumer satisfaction with financial institutions in general was falling, 77% of credit union members stated they were "very satisfied" with their credit unions compared with 57% of bank customers.

In addition, 36% of credit union members reported that service improved over the past year compared with 19% of bank customers.

Through it all, credit unions have set the standard for safety and security in the financial industry. You may not hear about credit unions in the news all the time but that may be the final proof of how credit unions are the "secret success story" for Michigan consumers.

The Power of Partnership

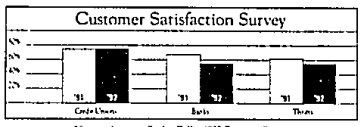


International Credit Union Day - October 21, 1993

Year	Number of Credit Unions	Number of Members	Assets	Loans	Deposits	Reserves	Assets
1987	560	215,315	148,804,000	117,173,000	17,115,000	544,000	113,726,000
1988	562	217,370	160,000,000	120,102,000	17,898,000	628,000	119,600,000
1989	563	219,881	169,500,000	126,500,000	18,000,000	662,000	125,162,000
1990	631	227,432	179,943,000	134,328,000	18,615,000	687,000	131,630,000
1991	642	231,412	187,913,000	141,917,000	19,000,000	711,000	138,634,000
1992	678	239,445	206,804,000	151,512,000	19,282,000	747,000	146,549,000
1993	726	241,644	232,079,000	167,879,000	19,200,000	799,000	157,878,000
1994	729	242,478	250,423,000	176,813,000	19,610,000	833,000	167,256,000
1995	713	242,498	270,344,000	187,142,000	19,200,000	870,000	177,414,000
1996	701	241,519	279,100,000	194,480,000	19,620,000	911,000	184,011,000
1997	614	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
1998	603	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
1999	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2000	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2001	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2002	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2003	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2004	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2005	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2006	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2007	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2008	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2009	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2010	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2011	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2012	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2013	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2014	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2015	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2016	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2017	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2018	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2019	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2020	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2021	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2022	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000
2023	602	241,510	279,100,000	194,480,000	19,620,000	911,000	184,011,000

America's most satisfied financial customers choose credit unions

For the ninth year in a row, survey results show that credit union customers are the most satisfied users of any financial institution.* Credit union customers are members—and that's what makes the difference. Because credit unions are not-for-profit organizations, you can expect to earn more when you save, and pay less when you borrow.



Community Federal Credit Union: The Power of Partnership

Celebrate International Credit Union Day with Community Federal Credit Union and 88 million other credit union members worldwide on Thursday, October 21. Committed to the credit union philosophy of "People Helping People," Community Federal offers a wide range of lending products, as well as a variety of checking and savings accounts, that offer some of the best rates around. Take advantage of the "Power of Partnership" and stop by one of our offices today!

Community Federal Credit Union
 Plymouth • (313) 453-1200
 Canton • (313) 455-0400
 Northville • (313) 348-2920

Accounts federally insured to \$100,000 by the NCUA, an agency of the U.S. government.

A Special Thank You To Our Members

In recognition of International Credit Union Day, Bloomfield Hills School Employees Credit Union would like to thank all of its members for their support throughout the year. We owe our success to you!

1993 Long Beach • Home 500 • Bloomfield Hills

UNITY CREDIT UNION

SERVING MEMBERS and THEIR FAMILIES SINCE 1954

7240 EAST TWELVE MILE ROAD
 WARREN, MICHIGAN 48092
 (313) 573-4110

Members Make The Difference

Helpful Holiday Cash!

From October 1, 1993 thru January 31, 1994
 Borrow up to \$3,000 Up to 24 months repayment
9.0% A.P.R.

Stop in on Thursday, October 21, 1993, International Credit Union Day.

Enjoy cider and donuts, and rediscover how The Power of Partnership can strengthen your financial future!

Office Hours: 9 am to 5 pm Mon. - Thurs.
 9 am to 6 pm Fri.
 Drive-Through Hours: 8 am to 6 pm Mon. - Thurs.
 8 am to 7 pm Fri. 9 am to 1 pm Sat.

LIVONIA COMMUNITY CREDIT UNION

15420 Farmington Road, Livonia Phone: 421-7180

Your partner in empowerment!

For 56 years, it's been our MISSION: to empower you to make the best financial decisions possible. From your first savings passbook to your retirement—and all the way in between—seek a good partner.

Credit Union ONE

Membership open through one of our affiliates.

Administrative Offices/Farmdale 470 East Nine Mile Road Farmdale, MI 48220 313.328.1210

Medical Center 313.832.7030 Macomb Township 313.566.1500 Royal Oak 313.283.5010 Shelby Township 313.254.5560

Southwest Detroit 313.849.0000 Sterling Heights 313.878.7181 Troy 313.879.5800 Westland 313.425.1520

NCUA