

CREDIT UNIONS v CORPORATE BANKS

CLEARING UP
FINANCIAL INSTITUTION CONFUSION



DEMYSTIFIED SIDE BY SIDE

NON-PROFIT	BUSINESS TYPE	FOR-PROFIT
THE MEMBERS	WHO OWNS IT?	THE SHAREHOLDERS
MEMBERS POOL RESOURCES TO PROVIDE SERVICES	WHAT'S THE ANGLE?	SERVICES SELECTED TO MAXIMIZE PROFITS
OFTEN REQUIRES MEMBERSHIP IN SPECIFIC COMMUNITY GROUP OR MEMBER REFERRAL	HOW DO I GET IN?	OPEN ELIGIBILITY AS LONG AS YOU'RE NOT CONSIDERED "UNBANKABLE"
NOT AS WIDESPREAD AND LIMITED TO COMMUNITY, BUT NETWORK ATMS MAY NOT INCUR FEES	ATM ACCESS	NATIONAL BANKS HAVE ATMS EVERYWHERE, MAY SEE HIGHER FEES FOR NON-NETWORK ATMS
WEBSITE UPGRADES AND NEW FEATURES LIKE P2P PLATFORMS MAY BE SLOWER COMING, BUT TAILORED TO MEMBER NEEDS	ONLINE BANKING	USUALLY FASTER TO OFFER THE LATEST AND GREATEST TECHNOLOGY TO ENTICE CUSTOMERS THAT THEY'RE THE BEST CHOICE
SOME CREDIT UNIONS HAVE THEM, BUT NOT ALL	MOBILE APPS	MOST BANKS HAVE MOBILE APPS ALREADY
LOWER - IN SOME CASES, THERE ISN'T A MINIMUM REQUIREMENT AT ALL, USUALLY \$5-10	MINIMUM BALANCE REQUIREMENT	HIGHER - OFTEN PAY MONTHLY MAINTENANCE FEE IF YOU DON'T HAVE A BALANCE IN THE 1000'S
FEW HAVE LESS LQA RESTRICTIONS, SINCE THEY'RE SET BY MEMBER'S BOARD	CREDIT ELIGIBILITY	APPROVAL TYPICALLY TOUGHER WITH HIGHER STANDARDS TO MINIMIZE RISK
INSURED UP TO \$260,000 BUT WITH LOWER RATES, BETTER SERVICE	SECURE INVESTMENT OF FUNDS	INSURED UP TO \$250,000

RATE REALITY

RATES ON MOST LOANS AND CREDIT CARDS ARE LOWER AT CREDIT UNIONS, SO YOU PAY LESS TO BORROW...

11.61%	CREDIT CARD (CLASSIC)	12.59%
9.25%	UNSECURED PERSONAL LOAN (36 MONTHS)	10.21%
2.70%	NEW CAR LOAN (60 MONTHS)	4.72%
2.78%	USED CAR LOAN (48 MONTHS)	5.16%
4.08%	30-YEAR FIXED-RATE MORTGAGE	4.06%
3.36%	15-YEAR FIXED-RATE MORTGAGE	3.36%
3.30%	5/1 ADJUSTABLE-RATE MORTGAGE	3.54%
4.42%	5-YEAR HOME EQUITY LOAN (80% LTV)	5.02%
4.01%	HOME EQUITY LINE OF CREDIT (80% LTV)	4.34%

CONVERSELY, SAVINGS AND INVESTMENT RATES ARE HIGHER AT CREDIT UNIONS, SO YOUR MONEY GROWS FASTER...

0.10%	INTEREST CHECKING ACCOUNT (5K)	0.09%
0.13%	REGULAR SAVINGS ACCOUNT (1K)	0.12%
0.16%	MONEY MARKET ACCOUNT (2.5K)	0.12%
0.30%	6-MO. CD (10K)	0.23%
0.47%	1-YR. CD (10K)	0.38%
0.97%	3-YR. CD (10K)	0.80%
1.49%	5-YR. CD (10K)	1.22%

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Sources for Rates:
https://www.nccu.gov/analysis/Documents/credit-union-bank-rates-2015-q4.pdf
Rates listed as of December, 2015