

How are banks and credit unions different?

CREDIT UNIONS	BANKS
At credit unions, depositors are called members. Each member is an owner of the credit union.	Banks' depositors are called customers. Customers have no ownership interest in the institution. Banks are owned by investors who may or may not be depositors.
Since credit union members are owners, each member, regardless of how much money they have on deposit, has one vote in electing board members. Members can also run for election to the board.	Banks are owned and controlled by stockholders, whose number of votes depend upon number of shares owned. Customers don't have voting rights, cannot be elected to the board, and have no say in how their bank is operated. Directors are selected by current directors or by large block stock acquisition.
Credit unions' boards are comprised of volunteers who reflect the diversity of the membership.	Banks' board members are paid, and do not necessarily reflect the diversity of their customer base.
Credit unions are local and are organized to serve the interests of its membership.	Banks are open to the general public.
Credit unions are not-for-profit financial cooperatives, whose earnings are paid back to members in the form of higher savings rates and lower loan rates.	Banks are for-profit corporations, with declared earnings paid to stockholders only.
Credit unions focus on consumer loans and member savings, as well as services needed by the membership.	Banks focus on commercial loans and accounts and services that generate significant income.
Credit unions cooperate with other credit unions and share resources to bring convenience and savings to its members. CU Service Centers and the CO-OP ATM Network are just two examples of this cooperation between credit unions.	Competition between banks prohibits a sharing of resources.
In the entire history of U.S. credit unions, taxpayer funds have never been used to bail out a credit union.	The Savings & Loan bailout in 1980s, as well as the more recent bank bailouts, used taxpayer dollars.
Credit union deposits are federally insured up to \$250,000 by the National Credit Union Administration (NCUA), a branch of the federal government, which is backed by the "full faith and credit" of the U.S. government.	Bank deposit accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC), a branch of the federal government. The FDIC is also backed by the "full faith and credit" of the U.S. government.



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