Credit Unions Ignore Their Mandate

CREDIT UNIONS DO NOT PRIMARILY SERVE INDIVIDUALS OF MODEST MEANS

Despite their mission to serve people of modest means, fewer than 10 percent of credit unions are physically located in an economically distressed community and only 13 percent are located in low- and moderate-income areas.

Low-income individuals are more likely to receive services from a tax-paying community bank over a credit union in 28 states.

CREDIT UNIONS HAVE WEAKENED FIELD-OF-MEMBERSHIP PROTECTIONS

A recently finalized rule allows credit unions to exclude urban populations from their service areas.

Traditional credit unions serving one distinct group are growing rarer, while growth-obsessed credit unions continue to absorb other associational bonds.

CREDIT UNIONS ENGAGE IN RISKY FINANCIAL PRACTICES

Aggressive credit unions result in over-accumulation of certain assets such as taxi medallions, student loans, and even member business loans (MBLs).

MBLs accounted for more than 10 percent of total credit union failures from 2008 to 2018.

In 2019, 10 credit unions were sued by their members for absorbing massive losses connected to profligate lending practices to students of the for-profit ITT Technical Institute.

Credit unions made predatory taxi medallion loans, which led to $765.5 million in losses to the NCUA Share Insurance Fund.

and take action

Credit unions pocket up to one-third of every tax-subsidized dollar. In 2018, this amounted to $900 million that was not returned to credit union members.

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