

# Newcomer

Relocation, Lifestyle and Living in Atlanta

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## The Credit Union Advantage Banking's Best-Kept Secret by **Melanie Gibbs**



Although Georgia has 160 credit unions, with more than 1.8 million members, a credit union may not be the first institution that comes to mind when new residents seek financial services. But maybe it's worth giving credit unions a second look: Not only do they offer products and services that are comparable to what traditional banks can provide, but they can often offer very competitive rates and fees.

"They're the best kept secret in banking," says National Association of Federal Credit Unions (NAFCU) President Fred Becker.

Credit unions are not-for-profit, co-operative financial entities owned by their members. Federal credit unions became an important part of the nation's financial system in 1934, with the enactment of the FCU Act. They are

chartered and supervised by the National Credit Union Administration (NCUA), which administers the National Credit Union Share Insurance Fund (NCUSIF). Backed by the full faith and credit of the United States government, the NCUSIF insures the member accounts in all federal credit unions and most state-chartered credit unions.

So why should consumers moving to the Atlanta area consider credit unions over banks? "When someone moves into town, one of the first things they're going to need is a good checking account," notes Glenn Miller, Senior Vice President of Marketing for Associated Credit Union. "At virtually every credit union — if they'll shop around and compare — they'll find higher interest rates and lower service charges compared to what a bank would offer," he says.

"Maybe they'll live in an apartment temporarily while shopping for homes. They will find extremely favorable rates at credit unions," Miller continues. "And those who have additional money to put in their new home from a previous sale can get home equity loans to make repairs with no closing costs at our credit union, which can be a savings for a newcomer."

“Credit unions offer the same basic products as banks from checking and savings accounts to car and home loans,” points out Todd Marksberry, EVP and COO of Delta Community Credit Union. “The fundamental difference between credit unions and banks is our not-for-profit cooperative structure. Credit unions are owned by their customers, not stockholders. We’re able to give back our earnings to our customer/owners in the form of higher rates, fewer fees and additional conveniences.

“Credit unions have served as an important, continual source of credit to consumers and small businesses during the economic crisis,” Marksberry continues. “At Delta Community Credit Union, we have been able to continue lending where others have not as a result of our strong capital position and past conservative underwriting practices.”

“The quality of credit union loans tends to be better than banks’,” agrees Becker. While credit unions certainly have felt the results of the economy, “compared to banks, it’s a bright shiny day for credit unions,” he says. “If a credit union tells you ‘No,’ maybe you should think about it.”

As a result of these lending policies, we haven’t read about a single credit union going out of business in Georgia in 2009 or 2010, the same period during which the FDIC reports dozens of the state’s community banks have failed.

“Many people have an antiquated view of credit unions, that they only offer checking and car loans, but they offer the full panoply of products and services,” says Becker. “Technology is a real leveler.”

As Eric Jenkins, Senior Vice President of Credit Union Development for Georgia Credit Union Affiliates, points out, with today’s technology — including direct deposit and online banking — “So much work can be done without going into an office.” He notes that many credit unions have banded together to extend their reach, becoming part of surcharge-free networks sharing a group of ATMs to increase convenience. Some are even part of a shared branching network, essentially sharing offices, so that customers may do their banking at branches belonging to other credit unions. “It’s another way credit unions work together to make themselves more convenient,” Jenkins adds.

Credit unions also tend to offer distinctive service. “We’re not-for-profit, so members own us,” Miller says. “We have to make that member king of the mountain.”

In addition, Becker points out that credit unions help promote building of wealth, so many offer classes on subjects to help members plan to reach their financial goals.

A common misperception is that you must work for a certain company in order to join a credit union. Although corporate credit unions do exist, not all are like this. “They’re not limited to people who just work for a certain company,” says Miller. “Virtually any person in Georgia could find a credit union they can join.” He points out that his credit union, ACU, has an “open policy” that invites anyone to join. It isn’t alone in welcoming the public.

For example, you can apply for CDC Federal Credit Union membership if you “live, work,

worship, attend school or volunteer in portions of DeKalb, Fulton, or Gwinnett counties. Also eligible to apply are past or present employees (and family members of employees) of the Centers for Disease Control and Prevention, CDC Contractors, Children's Healthcare of Atlanta, American Cancer Society and more select employee groups."

Likewise, Delta Community Credit Union serves the entire metro Atlanta area, including residents of the 11 surrounding counties and employees of top businesses, such as Delta Air Lines, Chick-fil-A, Yamaha Motor Manufacturing and Racetrac.

While LGE Community Credit Union is open to any resident of Cobb, Cherokee, or Paulding counties, its field of membership is also made up of over 350 Partner Groups and family members.

These are only the tip of the iceberg. Need help figuring out which credit unions for which you qualify? [Georgiacreditunions.org](http://Georgiacreditunions.org) and [www.culookup.com](http://www.culookup.com) are two web sites that can help identify the credit union that is right for you. After entering a little information (such as zip code and affiliations), you will see a list of the credit unions that you may be eligible to join.

"Of course you need to consider the financial institution's product and service offerings including fees and minimum balance requirements," says Marksberry. "You should consider the ease of use of their online services and the locations of their branches and free ATMs. Most importantly, you should research their financial stability."

At the end of the day, Jenkins says, "Credit unions will sell themselves if people will make themselves aware of credit unions."