

WAKE UP

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 profligatory 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.

WAKE UP 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.

VISIT [ICBA.ORG/WAKEUPWP](https://www.icba.org/wakeupwp) TO READ THE WHITE PAPER.