



CREDIT UNIONS & BANKS



Credit Unions	Banks
<p>Have Members / Owners. Credit unions are cooperative financial institutions. This means that everyone who opens an account shares ownership in the credit union.</p>	<p>Have Customers. Bank customers are entitled to use the bank's services. Customers do not share ownership in the bank.</p>
<p>Are Nonprofit Organizations. Credit unions' mission is to provide affordable services for members. Profits are returned to members through dividends and lower cost services.</p>	<p>Are For Profit Corporations. Banks make profits for their shareholders, usually a small group of investors.</p>
<p>Are Democratically Controlled by Members. Credit unions are governed by a volunteer board of directors, which makes decisions on the types and costs of services provided. Each credit union member has one vote and can run for election to the board or committees.</p>	<p>Are Controlled by Private Investors. Banks are governed by a paid board of directors, which makes decisions on the types and costs of services the bank will provide. Customers have no vote or authority in how the bank operates.</p>
<p>Have Limited Membership. Credit unions are limited to serving people in their service area, or "field of membership" (FOM). This can be a neighborhood, a church congregation, an association or a group of employees. Credit unions tend to be flexible, however, in their requirements to join and receive services.</p>	<p>Can Serve Anyone. Banks are not limited in who they can serve. However, banks do impose restrictions on customers, such as requiring a minimum balance and certain forms of identification to open an account.</p>
<p>May Offer Fewer Services than Banks. Credit unions-- particularly small ones-- usually offer fewer types of services than banks. Many credit unions, for example, do not have their own ATMs or offer large loans like mortgages.</p>	<p>Generally Offer a Wide Array of Financial Services. Banks tend to offer a wider variety of loans and services than most credit unions.</p>
<p>Charge Less for Services. Credit unions tend to offer accounts with low or no monthly fees and minimum balance requirements; and to charge lower loan interest rates than banks.</p>	<p>Charge More for Services. Banks generally offer accounts with higher fees and minimum balance requirements; and charge higher loan interest rates than credit unions.</p>
<p>Are Federally Insured. Each credit union account is insured up to \$100,000 by the National Credit Union Share Insurance Fund, which is managed by the National Credit Union Administration.</p>	<p>Are Federally Insured. Each bank account is insured up to \$100,000 by the Federal Deposit Insurance Corp.</p>