

FAQs About Credit Unions

Can anyone join a credit union?

Members of a credit union share some kind of common bond, such as working for the same employer, belonging to the same organization, or living in the same community. Each credit union's "field of membership" is defined in its charter.

Consumers can go to www.joinacu.org to find credit unions they are eligible to join.

Do credit unions offer the same services as banks and other financial institutions?

Many credit unions offer a wide range of services to members, similar to banks.

Credit unions specialize in services for consumers, such as:

- savings accounts
- personal loans
- consumer loans

Many credit unions today have expanded their services to include:

- credit cards
- debit cards
- electronic transactions
- IRAs
- mortgages
- home equity loans
- student loans
- and other products and services

Are deposits in credit unions insured?

Federally-chartered credit unions and half of Ohio's state-chartered credit unions are insured by the National Credit Union Share Insurance Fund, backed by the credit of the U.S. government. The fund that insures credit union deposits is run on a "pay-as-you-go" system, so losses cannot build up. This fund, like the FDIC, insures each account up to \$100,000. It is so secure that it has never had to use taxpayers' money.

Nearly half of Ohio's state-chartered credit unions are privately insured by American Share Insurance (ASI), the nation's largest private provider of deposit insurance. Unlike federal insurance that provides \$100,000 of coverage on a per-member basis, ASI insures each account a member may have in an insured credit union up to \$250,000. Providers of private share insurance are supervised and regulated by the Ohio Department of Insurance and the Ohio Department of Commerce's Division of Financial Institutions.

How can credit unions offer lower service fees and loan rates, and higher deposit rates?

Because credit unions are member-owned, they exist to serve the needs of members rather than to make a profit for stockholders. This allows credit unions to return their surplus earnings to the people who belong to them, by way of dividends, better rates, and lower service fees.

Are there credit unions in other countries?

Credit unions are part of a worldwide movement, and there are credit unions established in Canada, Europe, and many other countries around the globe. The movement has a strong support network that includes credit unions, state credit union associations (called leagues), a national trade association (Credit Union National Association, Inc. – CUNA), and an international credit union organization (World Council of Credit Unions – WOCCU). The Credit Union System shares ideas, information, and resources cooperatively.