Member-Owned Cooperatives
Credit unions are cooperatively owned, not-for-profit financial institutions. Every credit union member is an equal owner of the financial cooperative, not just a customer, and has one vote in electing a volunteer board of directors to represent their interests.

Structure Saves Iowans $117 Million
Credit unions are not focused on maximizing dividends to select stockholders. Instead, credit unions reinvest earnings to benefit all members in the form of lower interest rates on loans, higher rates on savings and fewer fees. Iowa credit union members save about $117 million annually versus what they would have paid for similar services at a bank.

Tax Paying
Credit unions do pay taxes, including property tax, sales tax, payroll tax and a moneys and credits tax based on reserves (which banks don’t pay). However, because credit unions are not-for-profit, financial cooperatives — returning excess earnings to members in higher savings rates and lower fees — Congress exempts them from federal income tax.

Safe and Sound
Every Iowa credit union carries federal deposit insurance through the National Credit Union Share Insurance Fund (NCUSIF), administered by the National Credit Union Administration (NCUA). The NCUSIF coverage is equal to the FDIC coverage provided by banks. This insurance protects members’ accounts up to $250,000.
Credit Union Model Provides Tangible Difference & Benefits

SAVING IOWANS MONEY

Credit unions have a positive financial impact on all consumers. Annually, Iowa credit union members save more than $100 million dollars compared to what they would have paid at a bank.

Higher Yields on Savings: $13.6 Million
Lower Fees: $11.8 Million
Lower Loan Rates: $92.3 Million

TOTAL BENEFITS MID-YEAR 2018: $117.7 MILLION

Source: Census, NCUA, FDIC, Informa Research Services Inc. and CUNA

FOCUSED ON CONSUMERS

IOWA CREDIT UNIONS’ LOAN PORTFOLIO
- 87% Consumer
- 12% Non-Ag Commercial
- 1% Agriculture

IOWA BANKS’ LOAN PORTFOLIO
- 27% Consumer
- 42% Non-Ag Commercial
- 31% Agriculture

Source: NCUA and FDIC - June 30, 2018

SERVING IOWANS BANKS DON’T

74%
of total mortgage applications from low/moderate income borrowers are APPROVED

2X
Iowa banks nearly twice as likely to deny a mortgage to a low-income applicant

40%
of consumer loans at credit unions made to people with below average credit scores

64%
of credit union business loans are less than $100,000

Source: CUNA Informa Research Services, FDIC, FFIEC, 2017 Iowa Credit Union Loan Survey, NCUA
Credit Unions Provide Needed Competition

**BANKS DOMINATE IOWA MARKET WITH RECORD PROFITS**

**IOWA BANKS CONTROL:**

- **85.2%** deposits
- **95.7%** business loans*

*National banks not included

**LARGE BANKS TAKING OVER IOWA**

- **WELLS FARGO**
- **5800 U.S. CREDIT UNIONS**

WELLS FARGO IS BIGGER THAN ALL U.S. CREDIT UNIONS COMBINED

- **25%** of all Iowa deposits held by 7 largest banks

**BANKS ARE MITIGATING THEIR TAX LIABILITY**

**AVOIED MORE THAN 72% OF FRANCHISE TAX LIABILITY IN 2017**

Although the bank franchise tax liability was $53.8 million in 2017, the net gain to the Iowa general fund was just $14.8 million after banks cashed in tax credits.

**LARGE BANKS MERGED**

- **89 IOWA COMMUNITY BANKS**
- **IN PAST 10 YEARS**

**SUBCHAPTER S TAX BENEFIT**

- **$65.1 MILLION**
  - AVOIDED IN FEDERAL CORPORATE INCOME TAX
  - BY 179 IOWA SUBCHAPTER S BANKS

**Sources:** CUNA Informa Research Services, FDIC, Iowa Department of Revenue, NCUA
As not-for-profit financial cooperatives, credit unions put people before profits.

IOWA CREDIT UNIONS:
1.1 Million Iowa Owners

DISTRICT 1:
436,758 Members

DISTRICT 2:
255,481 Members

DISTRICT 3:
250,629 Members

DISTRICT 4:
144,463 Members

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