



Improving the financial lives of Iowans

IOWA CREDIT UNIONS: AT A GLANCE

1.1 Million
members

\$1.25 Billion
economic contribution
to Iowa's economy

\$117 Million
in annual member savings
through better rates and
fewer fees

88 | **276**
credit unions | branches

3,757 | **\$18.9B**
full-time employees | total assets

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.**

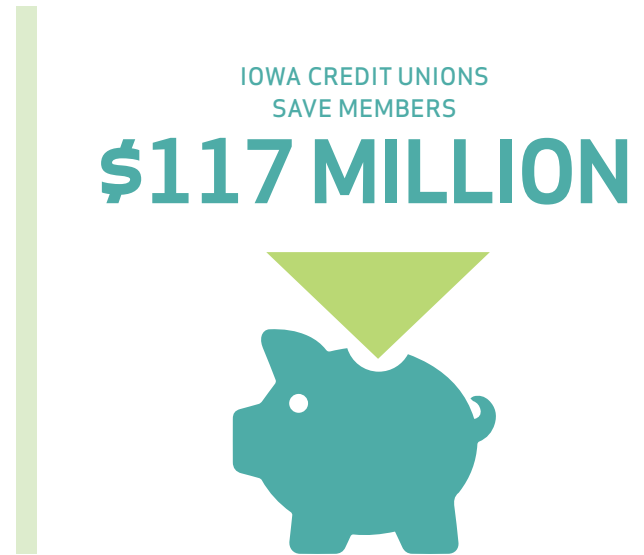
Credit Union Model Provides Tangible Difference & Benefits

SAVING IOWANS MONEY

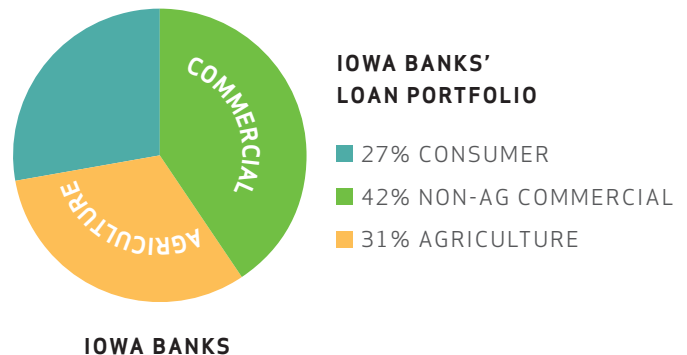
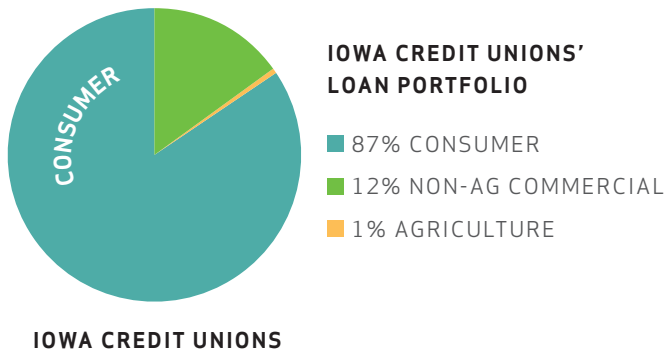
Credit unions have a positive financial impact on all consumers. Annually, Iowa credit union members save more than \$100 million dollars compared to what they would have paid at a bank.

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



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

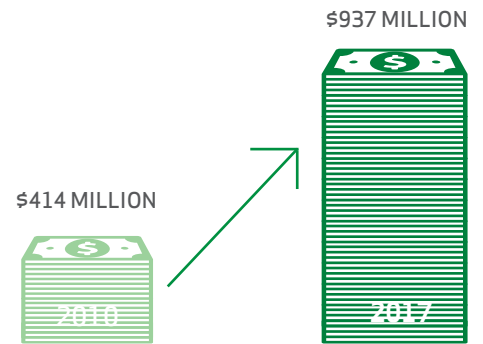
BANKS DOMINATE IOWA MARKET WITH RECORD PROFITS

IOWA BANKS CONTROL:

85.2%
DEPOSITS

95.7%
BUSINESS
LOANS*

*National banks not included



IOWA BANK PROFITS LAST SEVEN YEARS

LARGE BANKS TAKING OVER IOWA



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

25% of all Iowa deposits
held by 7 largest banks

LARGE BANKS MERGED

89 Iowa Community Banks

IN PAST 10 YEARS

BANKS ARE MITIGATING THEIR TAX LIABILITY

AVOIDED
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.

SUBCHAPTER S TAX BENEFIT

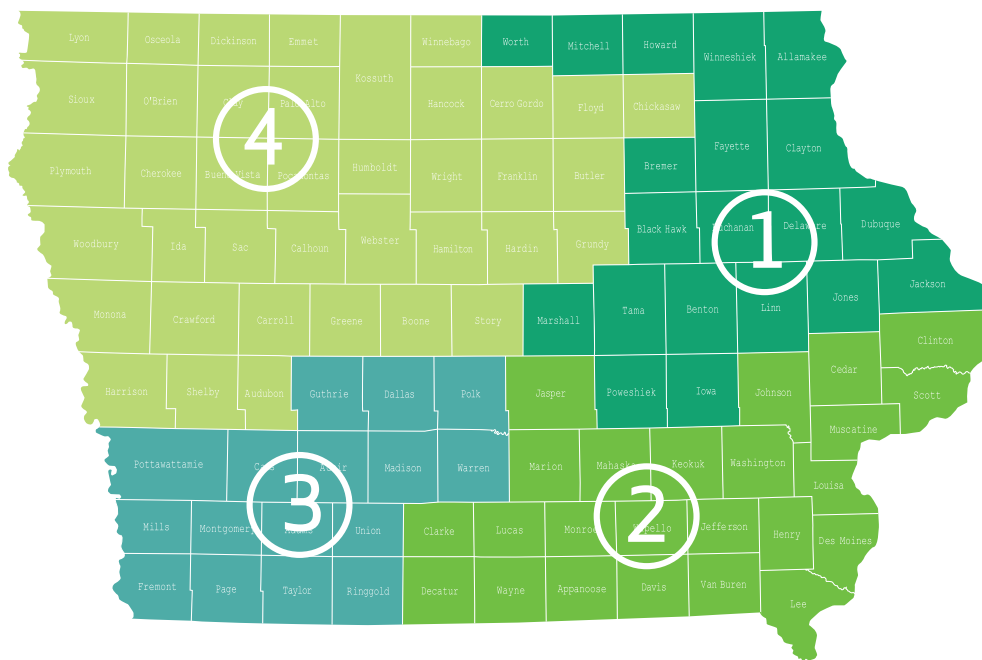
\$65.1 MILLION

AVOIDED IN FEDERAL CORPORATE INCOME TAX
BY 179 IOWA SUBCHAPTER S BANKS



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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