



5 Benefits of a Credit Union that Big Banks Don't Have

When you have an option to open an account at a big corporate, why would you choose a local credit union instead? Here is why: When it comes to your finances, you want to work with an institution that will provide personal attention with rates and terms that will suit your needs and give you peace of mind. Credit unions may be smaller than some banks, but they are community-centered, and there are some incredible advantages to banking with a credit union.

1. **Better Interest Rates**

On average, credit unions offer lower interest rates on loans such as auto loans, mortgages, and other personal loans. A 2020 analysis by the National Credit Union Administration¹ showed that auto loans, home equity loans, mortgages, credit card loans, and unsecured fixed-rate loans at credit unions all had lower interest rates than those of banks. In addition, credit unions have higher interest rates for certificates of deposit, money market accounts, interest checking accounts, and regular saving accounts than banks.

2. **Not-for-Profit Structure**

While most banks have a for-profit structure, credit unions function as non-profits. What's so good about banking with not-for-profits? All profits a credit union earns are returned back into the credit union in the form of lower rates, products, and benefits for our staff and members. Credit unions are also governed by its members, serving as board members, committee members and in

other rolls. This means members can participate in the credit unions' decision-making. Credit unions' goal is to serve their communities, so they offer products with flexible terms that are suitable to your needs.

3. Flexible Requirements for Eligibility

There are many ways to become a member of a credit union. You may be eligible through your family members' or your association with a community group, organization, school, workplace, church, or your geographic location of residency. As a member, you have access to various financial resources and specials.

4. Local and Personal Customer Service

Credit unions are known to have better customer service due to its size and local nature. Credit unions' staff tends to be highly personal, relationship-driven, and attentive when it comes to customer service. If you have questions about any of the services or products, specialists in the area of your concern will be available to help.

5. Auto Rebates

Financing a car through a credit union has many benefits. With a credit union's low interest rates, extended terms, and pre-approved financing, you will be able to get maximum savings. Make sure to check with your credit union for details.

Source:

1. Data extracted by NCUA from S&P Global Market Intelligence databases (<https://www.ncua.gov/files/publications/analysis/credit-union-bank-interest-rates-march-2020.pdf>)