



Fact Sheet

All bankers, whether they are facing competition from large, diversified credit unions today or not, must act now to preserve their collective future.

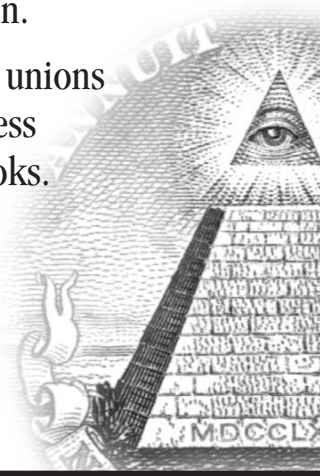


A few important facts:

- Credit unions were originally formed to serve distinct groups of “people of small means” when Congress provided tax subsidies to credit unions in the 1930s.
- Credit union membership has expanded to the extent that many credit unions can no longer be considered “niche” financial players.
- Today’s credit unions offer complex financial products, just like banks.
- Credit unions do not pay taxes, they have no community reinvestment responsibilities, and they are subject only to very permissive regulatory oversight by a government agency.

- Pending federal legislation (H.R. 3579) will greatly expand credit union commercial lending authority, while simultaneously undercutting the capital regulation at federally insured credit unions.

- H.R 3579 would change the definition of net worth ratio used to determine credit union minimum capital level, thus raising serious safety and soundness concerns.
- Over the past 10 years, credit unions’ retail deposits have grown at an annual rate of 6.76 percent, compared with 2.26 percent for banks.
- One in five consumers now view credit unions as their primary financial institution.
- Over 1,630 credit unions now report business loans on their books.



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