

CREDIT UNIONS
Working for Minnesota



Minnesota Credit Union Overview

January 2023

A hand is holding a circular wooden sign. The sign has the word "OPEN" in large, bold, black letters in the center. Below "OPEN" is the word "Welcome" in a smaller, black, sans-serif font. The sign is hanging from a piece of twine. The background is a blurred indoor setting with a blue diagonal overlay.

OPEN

Welcome

What is a credit union?



Credit unions are not-for-profit financial cooperatives. Like at a bank, consumers can access many financial services at their community credit union, like checking and savings, credit cards, and home and auto loans. Unlike a bank, however, consumers don't generate profit for their credit union—instead, earnings are returned to consumers through:

- Higher yields on savings;
- Fewer and lower fees;
- Reduced loan interest rates;
- Dividends back to members' accounts; and
- Lower barriers to lending

Who can belong to a credit union?

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Live

- Many credit unions service anyone that lives in a defined geographic area such as a specific county or region.

Work

- Companies sponsor credit unions as a benefit for employees; and some credit unions are organized for special trade groups - like aviation or healthcare workers.

Belong

- Membership in a group such as a place of worship, school, labor union or homeowners' association may qualify you to join a credit union. And, most credit unions encourage members families to join.

History of Credit Unions



The first Minnesota credit union was chartered in 1925.

1925

1934

The Federal Credit Union Act was enacted in 1934.

- The legislation allowed credit unions to incorporate under either state or federal law. This system of dual chartering continues today.

Federal vs. State Chartered



Federal

- Governed by the Federal Credit Union Act
- Regulated by the National Credit Union Administration

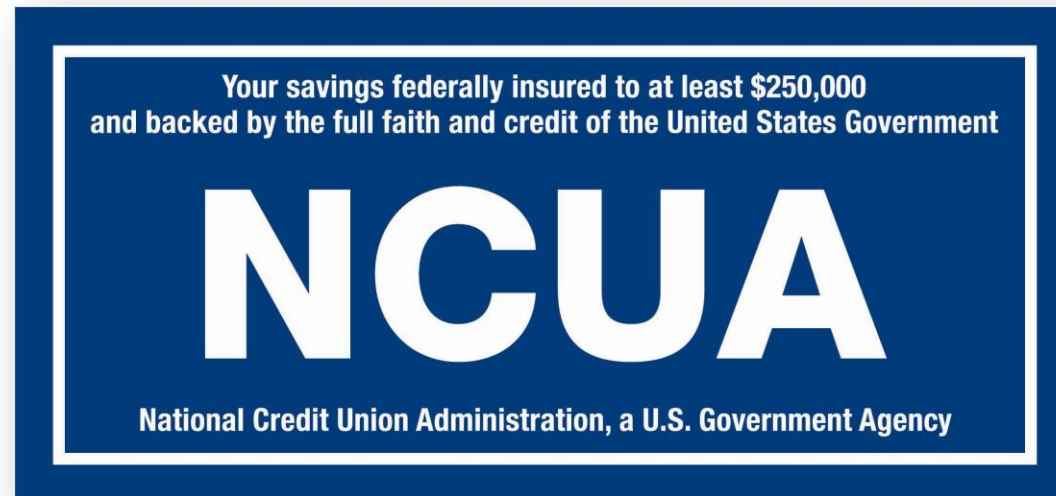
State

- Governed by MN Statute Chapter 52
- Regulated by the NCUA and the Minnesota Department of Commerce
- State Chartered credit unions pay yearly assessments as well as hourly exam fees to the Department of Commerce

National Credit Union Administration



- The NCUA is an independent federal agency with the primary mission to ensure the safety and soundness of credit unions.
- Administrator of the National Credit Union Share Insurance Fund (NCUSIF).
- All Minnesota credit unions are federally insured and backed by the full faith and credit of the United States Government.
- Members' shares are insured up to a minimum of \$250,000.



Examinations



Risk-Focused
Examinations

Quarterly Call
Reports

Supervisory
Committees

Minnesota Credit Unions



88

credit unions

399

branches

2.1 M

members

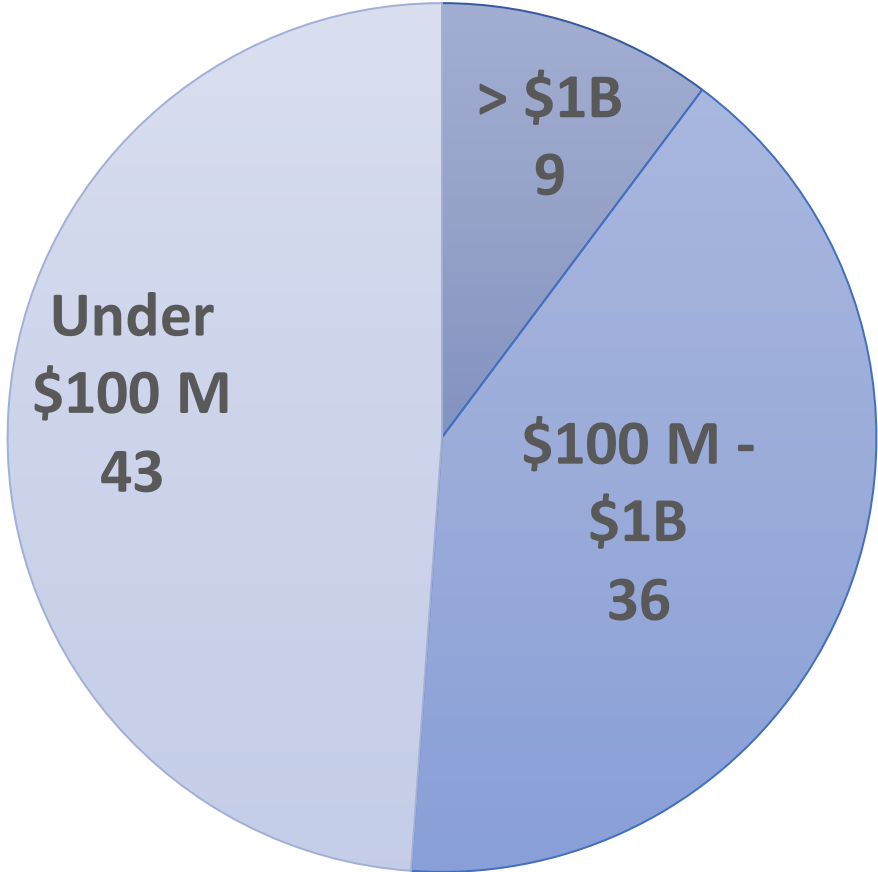
5,707

employees

37B

assets

MN Credit Unions by Asset Size



■ > \$1B ■ \$100 M - \$1B ■ Under \$100 M

Financial Benefits



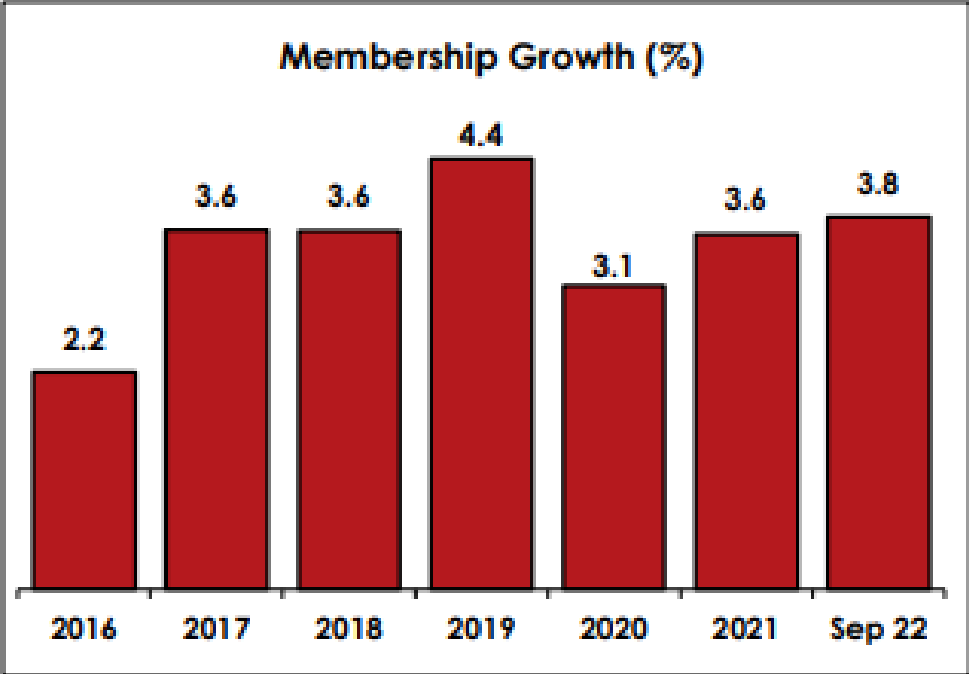
- Minnesota Credit Unions provided **\$135 million in direct financial benefits** to the state's 2.1 million members
 - Lower Loan rates = \$71 million
 - Higher savings rates = \$47 million
 - Fewer/lower fees = \$16 million
- These benefits are equivalent to **\$67 per member** or **\$140 per household**

Calculated for the 12 months ending September 2022.

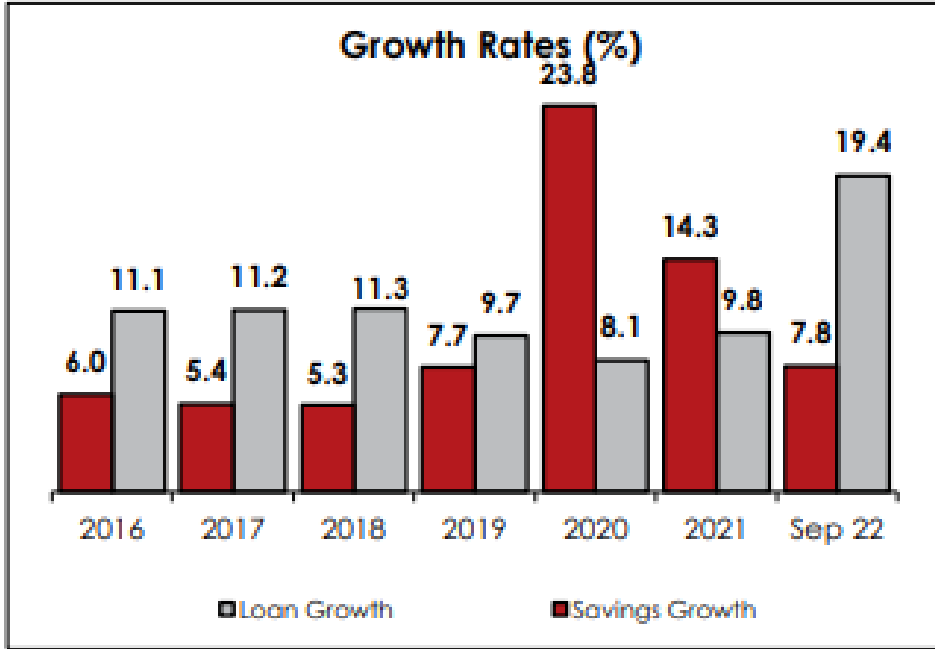
Economic Performance



Membership Growth Trends



Loan and Savings Growth Trends



Financial Education

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- 6 school credit union branches in high schools provide money management and career skills for students.
 - Through hands-on experience, students learn about financial services and credit responsibility.
 - Students also provide education to their peers about importance of saving, how to budget and building credit.
- 100 Minnesota credit union employees have a Certified Financial Credit Union counselor designation.



Ensuring Financial Well-being for All

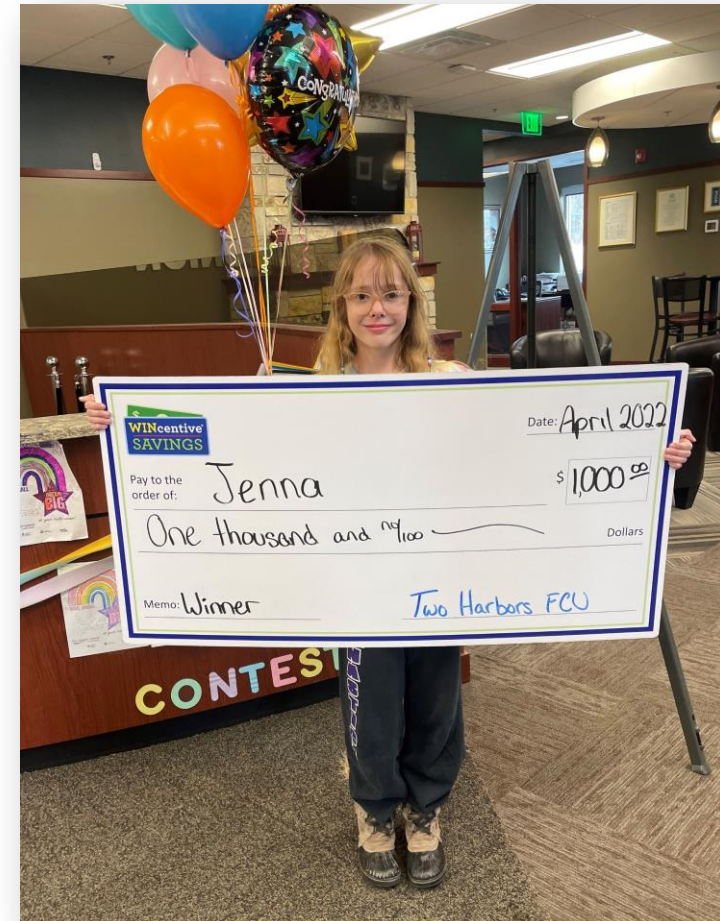


- Nearly 90% of CU members say their credit union has improved their financial well-being.
- Credit union members who live in rural areas are more likely than nonmembers to say their CU makes it easy to get loans
- Credit unions members are 2x more likely than non-members to say they have received personalized financial education.
- NCUA data shows that 86% of credit unions provide access to financial education to their members.

Source: CUNA 2022 National Voter Poll



Number of Accounts	8,749
Total Dollars Saved	\$13,128,285.73
Median Account Balance	\$376
Average Account Balance	\$1,501
Number of Credit Unions	22



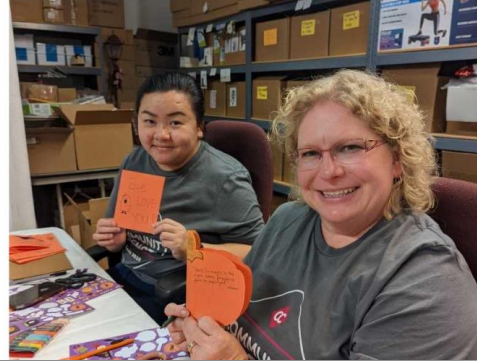


**66 CREDIT
UNIONS
& PARTNERS**



**3000
VOLUNTEERS

13,00
HOURS**



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Minnesota Credit Union Network

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