



## EAGLE'S NEST

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### Is a Credit Union the Best Place for Loans?

By: Stacy Johnson

This week's question nudges me in a direction I've gone many times, albeit not recently:

Are credit unions a good place for a loan? I have very good credit and am planning on buying a vehicle and was told that credit unions offer a cheaper interest rate. How dependable are they? — Gwen Marie

I've been urging viewers to join credit unions since I started doing TV news 24 years ago. To see the advantages of credit unions over banks, check out the following video.

Now, let's recap the reasons to join a credit union:

#### **Lower rates on loans**

According to the [National Credit Union Administration](#), as of June 26, the average rate on a 36-month car loan was 2.66 percent at credit unions and 5.13 percent at banks. So banks are charging nearly twice as much for the same loan.

Our [Solutions Center](#) features a page for [car loans from credit unions](#), both local and national, with recent rates as low as 1.24 percent. That's pretty tough to beat!

**NO TRICKS, ONLY TREATS**

**HOLIDAY LOANS ARE BACK!**

**AND THEY'RE BETTER THAN EVER!**

**NOW WITH NO PAYMENTS DUE  
UNTIL JANUARY! APPLY TODAY\***

\*RESTRICTIONS APPLY



### **Higher rates on savings**

The rate differences on savings aren't as great. But interest rates on 10 different types of accounts, from checking to five-year certificates of deposit, are higher on average at credit unions than banks, according to the NCUA.

### **Better credit card deals**

According to the NCUA, the average credit card interest rate in June was 12.71 percent for bank-issued cards, compared with an average of 11.64 percent for cards issued by credit unions.

In addition, credit union credit cards tend to have lower fees and fewer of them.

### **Easier to borrow**

While no lending institution is going to be careless with loans, community-based credit unions tend to be easier to deal with than **megabanks**. Lending decisions are more likely to be made locally with more flexibility.

In addition, while few national banks would make what's called a "**signature loan**" — an unsecured loan guaranteed only by your signature — credit unions routinely offer this service to their members with good credit.

## Convenience

You'd think that a small credit union without a million branches would be less convenient than a giant national bank. Not necessarily. Credit unions have gone a long way toward making their online, phone and in-person services as easy as possible. Many credit unions belong to a **shared branch cooperative** that allows members of one credit union to conduct business at any other member credit union anywhere in the country — even overseas. And when it comes to finding the nearest participating credit union? Yes, [there's an app for that](#).



## Slide Past Your Payments



*Holiday Loans are back and they're better than ever. Now your payments aren't due to till January. Apply today. Restrictions apply.*

## Lower fees

When it comes to banking fees, you'll probably find better deals at credit unions than at the giant commercial banks. Whether you're comparing fees to maintain a checking account, foreign ATM fees, or penalty fees for overdrawing your account, they'll probably be lower.

## **Human beings answer the phone**

I've gone to the same national bank branch for more than 14 years, and the people there are wonderful. I'd never suggest that any business automatically beats another when it comes to friendly employees. That being said, however, on those rare occasions when I needed to call my bank's national customer service number to get a problem resolved — not fun.

Credit unions are typically smaller. Should you have a problem, odds are greater you'll be talking to a live person sooner.

## **Are they safe?**

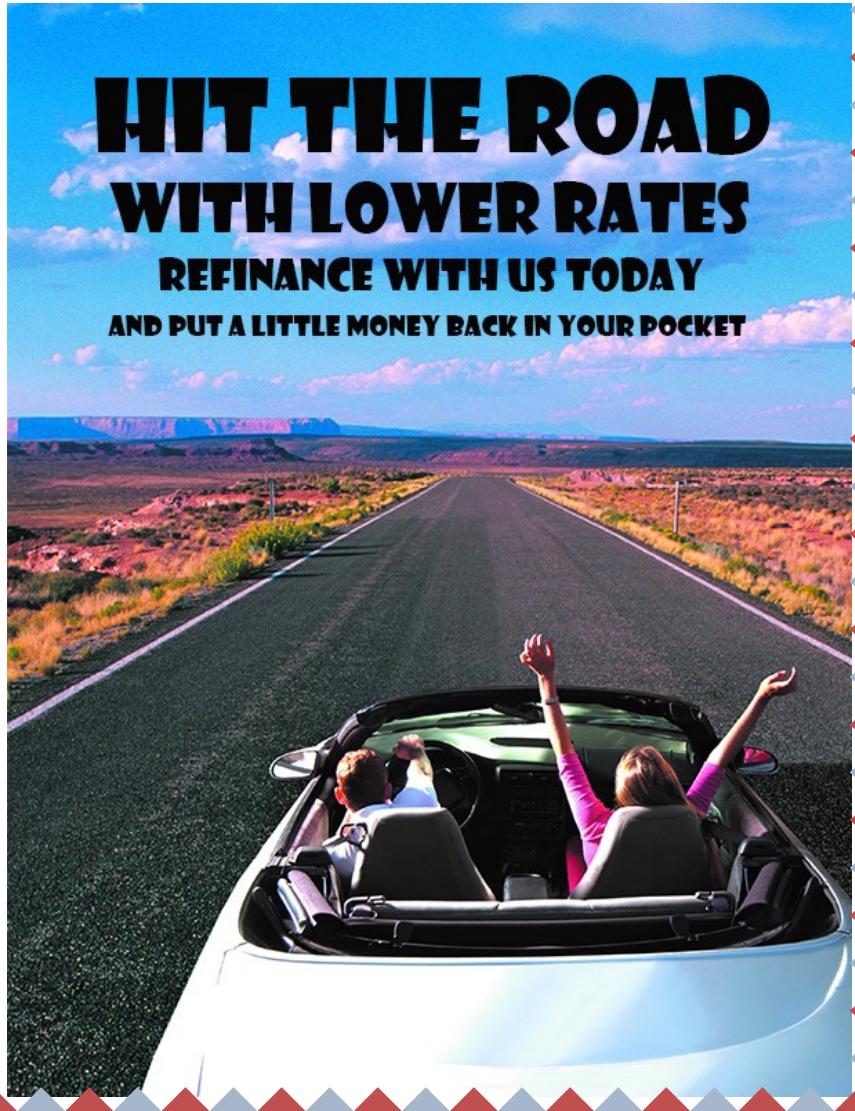
In the question above, Gwen Marie asks, "How dependable are they?" Credit unions offer the same deposit guarantee offered by banks — up to \$250,000. They're not FDIC-insured. Instead, they have their own insurance fund. You can read more about the details of credit union deposit insurance [here](#).

As far as "dependable," while every business is different, credit unions are generally going to be as solid as banks. But it certainly never hurts to ask questions, like how long they've been in business and how many members they serve.



## Avoid a Spending Hangover This Holiday Season

- \* Make a budget. Stick to it.
- \* Plan for all holiday expenses, not just gifts.
- \* Make a shopping list and don't veer from it.
- \* Shop early; avoid last-minute impulse buys.
- \* Comparison shop, especially online.
- \* Consider low-cost ways to celebrate, such as drawing names for gifts.
- \* Pay attention to return policies, and hold on to your receipts.
- \* Quickly pay off any debts incurred over the holidays.



Member APPreciation Day

Wednesday Oct. 14

Come join us for free:

Pizza- Gardiner Lane

Donuts- Downtown

Let us celebrate you!!

CREDIT UNIONS

PEOPLE  
HELPING  
PEOPLE®

#ICUday

