

# Credit unions remain sound despite sagging economy

By Rebecca Tonn

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One in three Coloradoans has done it — joined a credit union, that is.

In the Pikes Peak region, 300,000 people are members.

And, despite national news of a credit freeze — credit unions are seeming to defy the trend.

“We still have money to lend,” said James Moore, senior vice president of Ent Federal Credit Union. “We have an 82 to 83 percent loan-to-deposit ratio and more than 11 percent cash reserves — adequate for any challenge that might come down the road.”



Moore

And although auto loans are down because of the “slump” in the auto industry, and the demand for home equity lines of credit has dropped because consumers are cutting back, Moore said, “Ent is still making loans — first mortgages, refinances, HELOCs, auto loans and business/commercial loans.”

Credit unions are regulated by and insured by the National Credit Union Administration, through the National Credit Union Share Insurance Fund, and also are subject to independent evaluators such as BauerFinancial and VeriBanc, which offer online access to credit union ratings.



Dill

John Dill, president and chief executive officer of the Credit Union Association of Colorado, said that residents of Colorado saved \$142 million, an average of \$240 per household, during 2007 because of lower loan rates and higher savings rates

offered by credit unions.

Loans accounted for \$89 million in savings, while interest-bearing accounts earned consumers \$117 million more than in other financial institutions.

“And credit unions have saved members \$36 million in Colorado by not playing that fee game,” Dill said.

Nationally, according to the NCUA, consumer savings totaled nearly \$11 billion last year.

Bruce Gillooly, assistant vice president of corporate communications for Security Service Federal Credit Union, said that credit unions in Colorado have, for the most part, not been part of the national financial meltdown.

He also said that the financial crisis has caused individuals and businesses to rethink how they relate to one another and how collaboration is needed within communities.



Gillooly

“Credit unions have two responsibilities — taking care of the financial needs of their members and giving back to the community,” Gillooly said.

And during difficult economic times, financial institutions should pool resources.

“We need to work together to help people, instead of cutting programs, so we can continue to serve the community,” he said.

For instance, the Veterans Day parade last weekend was partially funded by collaboration between U.S. Bank and SSFCU.

“This is the one little piece of silver lining in this whole financial crisis,” Gillooly said. “If we had taken a territorial approach, this (community benefit) would not have come about.” ■ *CSBJ*





### **Federal insurance covers credit unions, too.**

- All credit unions in this state are federally insured by a fund that, like the FDIC, is backed by the full faith and credit of the U.S. government.
- As the FDIC does for banks, the National Credit Union Share Insurance Fund (NCUSIF) insures savings of at least up to \$100,000 per account (with additional coverage of up to \$250,000 for certain retirement accounts).
- The NCUSIF is administered by the National Credit Union Administration (NCUA), an agency of the federal government. To determine insurance coverage, see the NCUA's insurance estimator at <http://webapps.ncua.gov/ins/>
- The NCUA recently reported that the NCUSIF at mid-year remained strong, with an equity-to-insured deposits ratio estimated at 1.24% as of June 30 and projected to rise to 1.28% by year end.
- For more information on federal share insurance, see the NCUA brochure "Your Insured Funds," available at the link here: [http://www.ncua.gov/Publications/brochures/insured\\_funds/funds.pdf](http://www.ncua.gov/Publications/brochures/insured_funds/funds.pdf)