

Credit Union or Bank: Overview Snapshot

| | CREDIT UNION | BANK |
|------------------------------|--|---|
| ORGANIZATION | Not-for-profit cooperative | For-profit corporation |
| PRIMARY OBJECTIVE | Meet member/owner needs | Maximize profit |
| OWNERSHIP | All members who are, by definition, users of services | Stockholders who may or may not be customers or users |
| DIRECTORS | Volunteers | Paid |
| DECISION-MAKING | Members controlled; one vote per member (each member owner has the same power) | Only stockholders vote; one vote per share of stock (more stock means more voting power) |
| COMMUNITY TIES | Owners/leaders reside or have an interest in the community | Owners/leaders may live anywhere in the world; headquarter could be anywhere in the U.S. |
| RATES/PRODUCTS | Offer better overall rates and lower fees due to the nature of the organization and its dividend distribution | Rates and fees may not be favorable because of for-profit status of banks |
| GENERATION OF CAPITAL | Generated only through income stream | Generated through income stream and /or issuance of stock |
| WHO BENEFITS | Members/owners | Stockholders |
| TAXES | Yes. Property, sales, employer-related, monies and credits tax on reserves in Iowa | Yes. Property, sales, employer-related and income |
| DEPOSIT INSURANCE | NCUA federally insured deposits up to \$250,000 per depositor | FDIC federally insured deposits up to \$250,000 per depositor |