

# Dear Members of Congress:

Over the years, you have heard a lot about banks and credit unions. Yet many lawmakers are surprised when they learn what bankers' position actually is. Our concern is solely with credit unions that have grown well beyond the definition of what credit unions were created to be and continue to seek even more powers. Here's why:

- ▶ Credit unions were chartered to serve *people* of small means, under the Federal Credit Union Act. Yet some are using their tax exemption to finance shopping centers, hotels and other multi-million-dollar corporate projects.
- ▶ A recent GAO study reported that some credit unions—particularly large ones—are not fulfilling their mission. Between 2001 and 2004, credit unions increased their percentage of upper-income customers (from 43 to 49 percent) and decreased—from 35.7 to 31.1—the percentage of customers who could be characterized as individuals of “modest means.”
- ▶ Banks outperform credit unions in serving low- and moderate-income consumers, the GAO said. While 31 percent of credit union customers are of low- and moderate-income, 40 percent of bank customers are.
- ▶ In a 2005 report released by the National Community Reinvestment Coalition, the NAACP and the National Council of La Raza, NCRC President and CEO John Taylor said, “Big credit unions lag behind banks and thrifts in lending to credit-worthy, hardworking, low-income and minority Americans—the very communities they were established to serve.”

Given that credit unions have fallen short of their mission, why would Congress expand their ability to finance multi-million dollar projects?

## **Please oppose the Credit Union Regulatory Improvements Act.**

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