

Kentucky Credit Unions: The Real Story

Tax-paying Kentucky banks compete head to head with tax-exempt credit unions. Although they portray themselves as mom and pop shops for people of modest means, today credit unions are a \$2.4 trillion industry, with many indistinguishable from banks. The BIG difference—they don't pay federal income taxes, depriving the U.S. Treasury of nearly \$3.95 billion every year.

Who Pays the Taxes?

Taxes Paid in 2025

KY Credit Unions

\$0

KY Banks

\$241,503,000

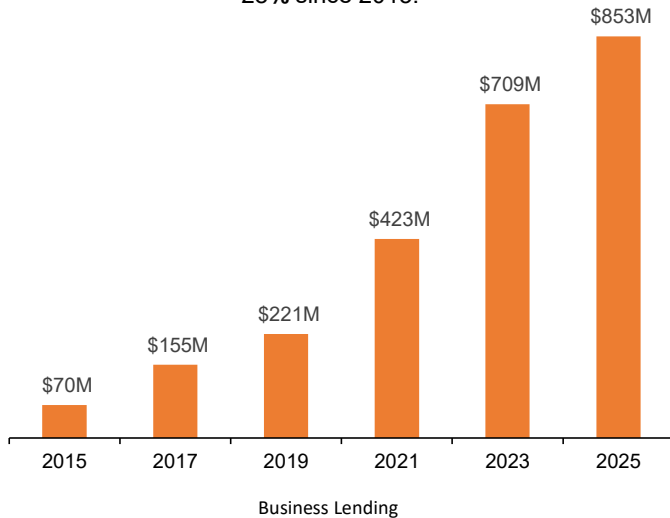
*Includes all applicable federal, state and local, and foreign income taxes

Commonwealth Federal Credit Union

would have paid **\$5.4 million** in taxes during 2025, had it paid its fair share.

Indistinguishable from Banks

L&N Federal Credit Union used its tax advantage to **aggressively expand** its business lending at an annual rate of 28% since 2015.

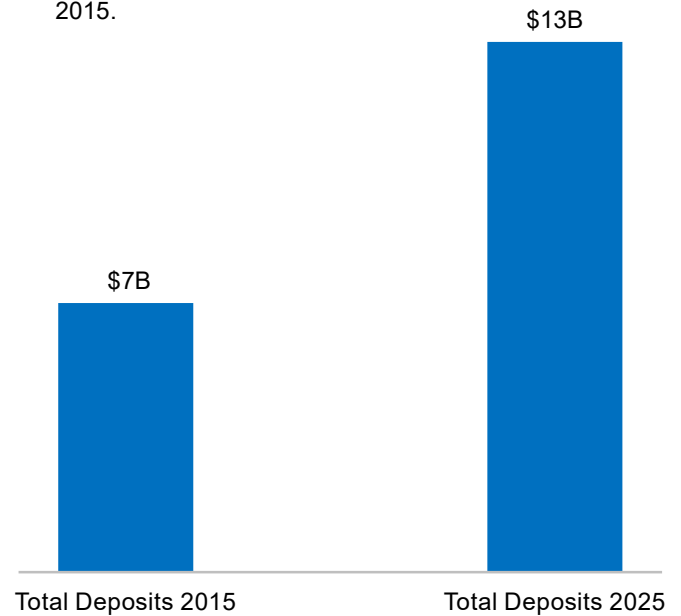


Larger than Kentucky Banks

Commonwealth Federal Credit Union, with \$2.7 billion in assets, is the largest credit union in Kentucky, larger than 96% of Kentucky headquartered banks.

Kentucky Credit Unions Leverage Their Tax Exemption to Grow Deposits

Kentucky credit unions grew deposits at an annualized rate of 7.02% since 2015.



Large Credit Union Auto Lenders

Four of the top five Kentucky-headquartered auto lenders are credit unions.

Institution	Auto Loans (\$000)
Abound Federal Credit Union	770,485
Commonwealth Federal Credit Union	547,869
University of Kentucky Federal Credit Union	466,982
Transcend Credit Union	265,748