

Where you put your money matters.

Submitted by Jeff Olson, President/CEO, Dakota Credit Union Association

News of the recent bank collapses is extremely troubling, and naturally consumers are concerned about the fallout. While the administration is claiming that taxpayers will not be affected by their rescue plan, we all know that the costs will eventually be passed on to consumers. This bank debacle is another example of why it truly matters where consumers choose to put their money.

As the original financial consumer protectors, credit unions by nature do not take on the types of exposure and risk we have seen in the “big bank” industry time and time again. Dakota credit unions are not-for-profit financial cooperatives that return their earnings back to their members and their communities with lower fees and higher return rates on savings. Owned by our members, we take local deposits and make local decisions on loans, but more importantly, we properly manage risk so that we remain safe and sound in any environment.

An overwhelming majority of all credit unions reflect a very high percentage of total deposits that are insured by the federal government. Locally, North Dakota has nearly 90 percent of deposits federally insured. Overall, Dakota credit unions rank among the most safe and sound financial institutions in the country when compared across the financial services industry – a far cry from the recently collapsed Silicon Valley Bank (SVB).

No one has ever lost a single penny of insured share deposits within the credit union system – that’s a fact. Credit union deposits are protected by the National Credit Union Share Insurance Fund and insured up to \$250,000 per individual depositor – the same as any other federally insured institution.

However, North Dakota credit unions are more regulated than banks with limitations to the geographic areas they can serve, even though they are financially secure with strong asset positions. This is why the timing couldn’t be better for the ND Legislature to approve SB 2266, allowing more North Dakotans access to a state chartered credit union regulated by our own ND Department of Financial Institutions (DFI).

With just 10 percent of North Dakota’s market share, credits unions are not a threat to big banks or community banks. "Credit union" means a cooperative financial association organized for the purposes of encouraging thrift among its members, creating a source of credit at a fair and reasonable rate of interest, and providing an opportunity for its members to improve their economic and social condition.

Our mission in supporting SB 2266 is to improve the financial well-being of our members and advance the local communities we serve. Let’s open our state for credit unions and protect financial choice for all North Dakotas, giving more consumers a voice and a vote with their money at a safe and secure local credit union.