

Vote YES on SB 2266

Protect financial choice for ALL North Dakotans

MYTH

North Dakota banks said:

- 1) "According to the state department of financial institutions, state credit union assets, loan activity and numbers of physical locations in North Dakota have grown somewhat more than those of state-chartered banks in recent years."
- 2) "The credit union lobby believes they need expanded membership to ensure citizens' financial needs are covered. The facts show that North Dakota citizens, border to border, have complete access to have their financial needs served. In every corner of the state, individual citizens have multiple choices to join a credit union. Across North Dakota, there are 19 State Chartered Credit Unions with 111 branches and there are 77 State and National Banks in ND with 392 branches in 175 communities."
- 3) "During the committee testimony, the credit unions explained they support SB 2266 because it will allow them grow even bigger and compete better with banks. Credit unions acknowledge their income tax-free status and exclusion from bank regulations are an advantage they want to keep and expand without any leveling of the legal or regulatory playing field."
- 4) "Banks are not afraid of competition - they want fair competition."
- 5) "Current Field of Membership is Clear and Fair. The credit union lobby is arguing that North Dakota's field of membership is the most restrictive in the country. However, during yesterday's committee hearing, the department of financial institutions confirmed current North Dakota law is clear and is not the most restrictive state law."

TRUTH

- 1) While ND state chartered credit union assets increased 18% from \$4 billion to \$4.7 billion (\$700 million), ND state chartered bank assets increased 17% from \$35 billion to \$41 billion (\$6 BILLION) in the last 1.5 years. In other words, state chartered banks have grown more in the last 1.5 years than the entire state chartered credit union industry currently hold(s) in total assets. State chartered banks hold 90% market share over state chartered credit unions.
- 2) While every North Dakota citizen may have access to multiple financial institutions, that does not mean all North Dakotans have the same free and fair access to affordable financial services. As the bankers have pointed out, there are 175 communities with access to bank branches but only 82 cities with access to a state-chartered credit union office. By the numbers, that comes out to 93 communities that have access to a bank branch but not a state chartered credit union branch. There actually are more out-of-state bank branches inside the borders of ND (88) than there are cities with a state chartered credit union branch (82).
- 3) Credit unions comply with a multitude of rules and regulations at the state level, from the National Credit Union Administration, the Consumer Financial Protection Bureau, and several other regulatory bodies. North Dakota banks can certainly explore conversion to a ND state chartered credit union as a solution if they truly feel credit unions have an unfair advantage.
- 4) Competition is good for North Dakotans. It is estimated that bank customers actually saved over \$8.6 million in the year ending September 2022 because banks price in more consumer friendly ways when faced with credit union competition.
- 5) The ND Field of Membership statute is one of the most restrictive. Someone who is physically present for work or school in the FOM of a ND state chartered credit union cannot join - only people that reside. Many states (and the Federal Credit Union Act) allow credit unions to have a FOM that extends well beyond a 75 mile radius.

These are the facts. Don't be tricked with smoke and mirrors.