

Credit Unions and Banks

The Key Differences

Understand Your Options

Banks and credit unions offer many similar financial products and services, but there are important differences to understand before deciding where to keep your money.

These differences stem from factors such as ownership structure to membership requirements. Credit unions may offer a stronger connection to the community, while you may find more convenience with a bank.

The following information will break down the differences between the two types of financial institutions and can help you to determine which is a better fit for you.

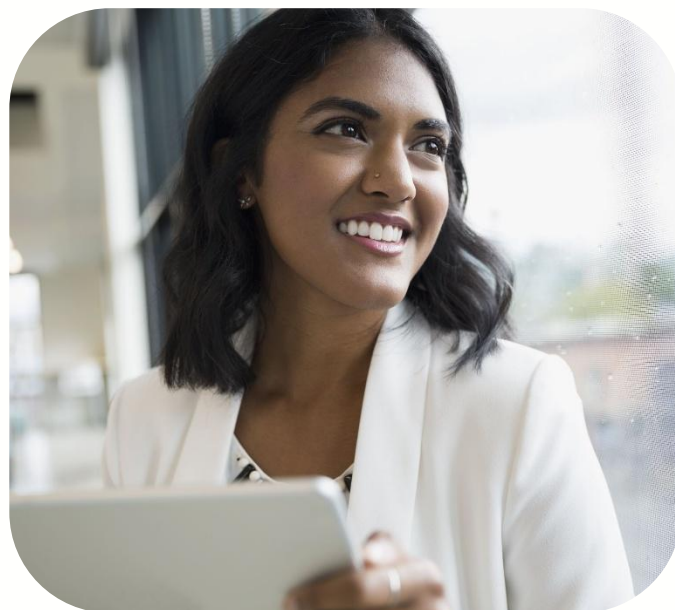
Advantages of Credit Unions

Credit unions are known for offering competitive interest rates and personalized services. Because credit unions are member-owned, they return profits to their members in the form of better rates and lower fees. Many members also appreciate the level of customer service that credit unions are able to provide.

Advantages include:

- Higher savings rates – Credit unions often provide higher interest rates on savings accounts compared to traditional banks.
- Lower loan rates – Members typically benefit from lower interest rates on loans.
- Lower fees – Credit unions frequently charge fewer and lower fees than banks.

Unlike banks, where consumers are customers, credit unions have a deeper, more member-focused relationship. Because credit unions are member-owned institutions, each member effectively holds an ownership stake. This structure, along with being not-for-profit financial institutions, allows credit unions to return profits directly to their members through lower fees, more competitive interest rates, and improved services.



Disadvantages of Credit Unions

Credit unions are known for offering competitive interest rates and personalized services, but they may have limitations.

Disadvantages include:

- Membership requirements – Eligibility criteria, such as working for a specific employer, living within a certain geographic area, or belonging to a particular group can limit which credit unions you can join.
- Fewer branches – Credit unions usually operate fewer physical locations due to their focus on specific communities or service areas.
- Fewer ATMs – Many credit unions offer access to fewer proprietary ATMs. However, most credit unions belong to large nationwide fee-free ATM networks.

While many credit unions have expanded their charter to serve larger or broader communities, some continue to focus solely on the groups they were originally created to support.

Advantages of Banks

Banks offer several advantages over credit unions, particularly when it comes to branch access and ATM availability.

Advantages include:

- More branches – Banks generally operate more physical locations, this can be convenient for customers who prefer in-person services.
- More ATMs – Banks tend to have more proprietary ATMs, due to having more locations.
- Potentially better technology – With larger asset bases, banks often have the funding to upgrade systems and offer more advanced digital banking tools.

Disadvantages of Banks

Despite the advantages listed above, banks come with some drawbacks. Unlike credit unions, banks are for-profit institutions. This means that any money made is not necessarily reinvested into the bank to benefit their customers.

Disadvantages include:

- Lower saving rates – Banks are generally less competitive than credit unions when it comes to interest rates on savings accounts.
- Higher loan rates – Consumers often pay more in interest on loans held at banks than on loans held at credit unions.
- Customer satisfaction – Studies, including the 2022 J.D. Power report, show decreasing satisfaction among customers of major banks.

Overall, Americans tend to hold a largely unfavorable view of banks. A 2024 Gallup poll found that only 27% of Americans reported a positive opinion of the banking industry, a percentage that was virtually unchanged from the 26% recorded the prior year.

Are Credit Unions or Banks Safer?

When it comes to safety, both credit unions and banks provide similar levels of deposit protection. The FDIC insures deposits at most banks, while the NCUA insures deposits at most credit unions.

Although both types of financial institutions have seen failures or mergers in recent years, insured deposits remained protected in all cases.

Credit unions are often viewed as slightly safer because they typically take fewer risks and follow more conservative investment practices as not-for-profit member-owned organizations. Banks are generally less conservative since they are for profit and accountable to investors.

APCI Federal Credit Union and You

ATM Locations

APCI Federal Credit Union gives you anytime, anywhere access to your money when you use your ATM Card or Visa® Debit Card. Our cards can be used worldwide to withdraw cash at participating locations displaying the following network logos: Allpoint, CO-OPSM, CU\$, PLUS and Visa. APCI FCU partners with the STAR and Visa networks to manage all of our ATM and debit transactions.

APCI eCU Suite of Electronic Banking Services

Our APCI eCU Suite of Electronic Banking Services provides banking solutions for your everyday needs! APCI eBanking users can take advantage of many self-service electronic offerings, such as:

- **APCI eDeposit** – This technology allows you to take a picture of a check and securely deposit it using the APCI eBanking app, eliminating the need to travel to the Credit Union or an ATM.
- **APCI eStatements** – Anytime, anywhere access to your monthly account statement and monthly Mastercard® Plus statement.
- **APCI eAlerts** – Electronic notifications that are available when certain specified events occur within your account. Manage your accounts faster and avoid possible fees by setting up APCI eAlerts.
- **APCI ePay** – A safe and secure way to pay your bills online.
- **APCI eTalk** – Access your accounts with any touch-tone or mobile phone. Provides access to accounts when Internet service is not available.

Learn more about all of the APCI eBanking functionality and our APCI eBanking Mobile App on apcfcu.org.