



What Is a Credit Union?

Part 3: Local Decision Making

You walk out of your bank feeling irritated by the inconsistent, impersonal service and wonder if there's a better way to take care of your finances. With credit unions, you're not just another customer. You're a valued member of a shared, local community. In our three-part series on credit unions, we break down how exactly a credit union works and the advantages they offer. Read [part one](#) to learn more about competitive interest rates on loans and [part two](#) about lower fees. Joining [your local credit union](#) is the best way to get all the same financial services you love from your commercial bank but with the added benefit of local decision making with quick, customized, and friendly service.

How Do Credit Unions Work?

Credit unions are not-for-profit institutions whose goal is to bring financial wellness to their communities. They are member-owned and operated. To join, you must first meet the criteria to [become a member](#) and make a one-time deposit, your shared portion of ownership in the credit union. Then, you can begin to reap the benefits of these cooperative institutions, quick, local decision making on loan applications for example. Credit unions use their nonprofit status to put their members and their local community first, returning any profit they make to their members in terms of lower fees, better interest rates, and higher dividends.

Local Community

A credit union embraces the true meaning of community because everything, from the physical building to the employees and members, is located in the same area. If there's a circumstance or event affecting your family, such as a natural disaster or tough economy, it's affecting your local credit union too. From its earliest beginnings, credit unions existed to benefit their neighbors. During the Great Depression, credit unions became very popular, "as more Americans, forsaken by banks, joined with their neighbors to provide one another basic options for saving and borrowing" ([source](#)). Today, credit unions continue to focus on serving their local communities by deciding where investment money goes to bring long-term benefits to their members.

Quick Decisions

Because of their insider knowledge of the community and local economy, your credit union can provide faster decisions on your loan application. These decisions are made in-house, resulting in quick turnaround times. In addition to faster decision making, credit unions are known to [retain a higher share](#) of the loans they approve and have fewer loans default over time than commercial banks, resulting in more profit in the long-run. Credit unions pride themselves on closing on loans quickly, expediting the process wherever possible. They often serve low-income and small business borrowers which means you can get the money you need for life's big moments without waiting too long and missing out on crucial opportunities.

Customized Services

Employees at credit unions often get to know the members they serve very well. If you value a personal connection with your [mortgage](#) or [loan application](#), a credit union employee will learn to know your name, ask about your family, and offer the customized, helpful service you've been wanting from your banking institution. Credit unions are known to take the time to walk you through the loan process and talk with you to make sure they are building financial services that make sense for their members. While they still offer the same range of services you could get at a big bank, such as online banking, loans, and checking and saving accounts, they specialize in tailored, expert advice to help you make the right financial decisions for your unique situation.

If a local community focus, quick decision making, and customized service sound like what you've been looking for from your financial institution, stop by [your local credit union](#) to become a member and experience it for yourself.