

First Person: Credit Unions Fit My Financial Needs

By Kim Adams, Yahoo! Finance 7/31/12

After exploring my financial institution options, I have made Credit Unions the mainstay of my financial life. To me, a Credit Union provides a far superior service at a fraction of the price of keeping money at a traditional bank. When I had my money at traditional banks there were always frustrations. The traditional banks I have done business with always were introducing new fees, new restrictive policies and had a complete lack of customer service. Those frustrations went away as soon as I found Credit Unions. At a credit union, my money is as protected as it is in a traditional bank with the National Credit Union Association (NCUA) providing insurance like the FDIC does for bank but with less fees and added customer service benefits.

Credit Unions Save Money

Saving money is one of the best aspects of a credit union. The privilege fees that are commonplace in traditional banks are nearly non-existent at credit unions. There is usually no fee for using checks, having a checking account or having a savings account. Services, such as overdraft protection, are offered free of a monthly fee with a minimal fee for each use. My debit card can be used at my credit union or any other local credit union for no usage fee. Transactions through debit card as well as by paper check are unlimited without fees.

Credit unions also provide low interest rate loans and credit cards to its members. The credit card issued by my credit union has a fixed 7% interest rate that has not risen in rates in my 10 years of use. I am eligible for new and used car loans for as little as 2.19% with the high end being only 3.25%. Gaining a loan with those rates could save me hundreds of dollars over the course of a car loan. There are also special rates for mortgages, personal loans and home equity loans at very reasonable rates.

Customer Service

Credit unions are traditionally small financial institutions that are directly local to your community or conduct business over a small regional area. This small nature allows the credit union to stay focused on the customer experience. Any issues or concerns can typically be handled within your local branch with minimal wait. I had an issue with unauthorized use of my account once. I went to my branch and explained the situation. With a 30 minute visit my account balance was restored and some new protections were added at no cost to me.

My switch from traditional banking to credit unions has been a positive step. With personal care and attention, I am able to tend to all financial needs with these community run organizations that are focused on the local customer, not just a profit margin.

(Source: finance.yahoo.com)