

Bankrate Debunks Four Myths About CUs

NEW YORK (8/22/13) – Credit unions offer fewer and smaller fees for financial services than large banks, says *Bankrate.com*, which also noted there are some prevalent myths about credit unions that are not true.

Of credit unions surveyed in *Bankrate's* 2013 Checking Survey, 72% offer checking accounts with no monthly fee. Credit unions also charge smaller fees for using out-of-network ATMs and for overdrafts, *Bankrate.com* said on its website.

However, some consumers remain reluctant to choose credit unions because of myths about credit unions' convenience and locations.

Bankrate dispelled these myths about credit unions:

- *Credit unions don't have enough ATMs.* Although individual credit unions may operate only one or two ATMs, most offer access to a broad ATM network with other credit unions--the CO-OP ATM Network. That network comprises nearly 30,000 ATMs nationwide, including more than 9,000 that take deposits. National retailers such as Costco, 7-Eleven and Walgreens have arrangements with the network to keep terminals inside their stores.
- *Credit unions are technologically behind.* Many credit unions don't have the technology budgets to be at the forefront of each new technological innovation, but that doesn't mean they're behind the times, Ted Thames, senior director at Cornerstone Advisors, a financial industry consulting firm based in Scottsdale, Ariz., told *Bankrate*. Many credit unions offer a technology package to members similar to that of large banks by using off-the-shelf products from financial software providers, he added.
- *Credit unions don't have convenient branches.* One of the most important criteria for many people when choosing a financial institution is having a nearby branch. That's traditionally been seen as a limitation for the many individual credit unions with few branches. One credit union shared-branch network, Credit Union Service Centers Network, has more than 5,000 branches nationwide and a 24-hour customer service call center. "Due to their cooperative nature, many [credit unions] have shared-branching capabilities so that consumers can use a branch of another participating credit union for deposits and withdrawals, just as they would their own," said Greg McBride, CFA *Bankrate's* senior financial analyst.
- *Credit unions don't hit you with penalties.* Credit unions may be consumer-friendly, but credit union members who overdraw their accounts, constantly make out-of-network ATM withdrawals and do other things to trigger fees will pay for it, McBride said. "Overdrawing your checking account will cost you anywhere, regardless of bank or credit union," he added. "Credit unions are nonprofit cooperatives, but nonprofit doesn't mean they run at a loss. They must cover their costs, so while ancillary fees are less likely, it doesn't mean you are completely immune from any and all fees."

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