

How a Credit Union Differs From a Bank



From membership and ownership to products and services, this eBook takes a look at the things you may not know about **credit unions**.



IT'S TIME TO
RETHINK HOW YOU
THINK ABOUT
CREDIT UNIONS.



Maybe you've always thought a credit union wouldn't offer as much as a bank. Maybe you've never given a credit union much thought at all. In this eBook, we'll take a look at *what makes credit unions different than other financial institutions.*

WHAT'S A CREDIT UNION?

First things first, what is a credit union?

If you've never been a member of a credit union, you may be wondering what a credit union is. You're probably aware that a credit union is a financial institution, but you may not know that a credit union is actually a financial *cooperative*. So what does that mean? It means it's owned and controlled by the people who use it and own it, its members (we'll talk about the importance of the word "member" in the next section).

It's also good to know that a credit union is a not-for-profit organization, so instead of trying to maximize its profits for shareholders, it is able to pour its profits back into high-quality products and services with better rates and lower fees. We'll talk more about the wide range of products and services available at a credit union in just a bit.

Avadian is governed by a Board of Directors that serves on a voluntary basis. As volunteers rather than paid members of the board, they help us keep costs low and help make sure our focus stays on serving the members.





Why do you say “member” and not “customer”?

It may seem like a distinction that doesn't really make a difference, but it matters. A lot. You have to be a member of a credit union in order to take advantage of its products and services. And when you become a member with your initial \$5 deposit in your savings account, it means you're a part-owner of the financial institution, not a customer. *You* are a shareholder. And contrary to a bank, where you have no say over how things operate, at a credit union, members get to vote on, and can even serve on, a volunteer Board of Directors, which oversees the credit union's operations. These elections take place at the credit union's annual meeting.

But those aren't the only differences between a bank and a credit union. A bank is beholden to the group of investors that own it and who expect a certain return on its investments. That typically means that banks charge higher rates and more (and higher) fees on loans to maximize the investors' return. In contrast, the profits of a credit union benefit the members in the form of higher dividends and interest, lower loan rates, higher rates of return on savings deposits, and lower costs on services (sometimes as low as \$0, which, you have to admit, is pretty low).



HOW TO JOIN

So, how do I become a member of a credit union?

You may have heard that credit unions are for employees of specific companies. That was more often true in the past, though it still is occasionally true today. (For example, Avadian began as Alabama Telco Credit Union, serving the employees of the telephone company.)

Now, however, to be eligible for membership at Avadian, you simply must live, work, worship, or go to school in one of the following counties: Autauga, Baldwin, Blount, Calhoun, Cherokee, Coffee, Colbert, Cullman, Dallas, DeKalb, Elmore, Etowah, Geneva, Houston, Jackson, Jefferson, Lauderdale, Lawrence, Lee, Limestone, Madison, Marion, Marshall, Mobile, Montgomery, Morgan, Pike, Randolph, Shelby, St. Clair, Talladega, Tuscaloosa, Walker, or Winston.

However, if you do not live, work, worship, or go to school in one of the above counties, you may be eligible through more than 600 employers who participate as an Avadian Select Employee Group (SEG). To see the full list of companies, [click here](#).

You are also eligible if you are related (whether by blood or by marriage) to any current Avadian member.

Will I have access to fewer products and services than at a bank?

Another common misconception about credit unions is that they are too small to offer the same products and services as banks or the same conveniences. We think you'll find that credit unions, and Avadian in particular, offer the products, services, and conveniences you need that will rival any other financial institution.

To see a full list of Avadian's offering, check out our [website](#).



Is my money safe at a credit union?

Absolutely.

Now that we've gotten the short answer out of the way, we'll expound a bit. You've probably heard of the FDIC. Well, the NCUA is similar. It stands for National Credit Union Administration, and it is backed by the federal government. What it means for you is that your accounts are insured for up to \$250,000 per qualifying account.

But Avadian goes one step further – and it's a pretty big step if we do say so ourselves. Avadian is one of a few credit unions in the state to carry additional deposit insurance through Excess Share Insurance Corporation, a licensed insurance company. No banks offer extra deposit insurance. Through it, all deposit account relationships are insured up to an additional \$250,000. All of this insurance is available without any additional cost to you.

But you don't have to take our word for it. BauerFinancial, the nation's premier bank and credit union ranking firm, has awarded Avadian its "superior" five-star rating for excellence in capital adequacy, profitability, and asset quality – for 10 consecutive years.

What sets Avadian apart?

Without a doubt, great rates and low fees are awesome. But we think it's our people who really make us stand out from the crowd of financial institutions. You see, it's our people who make it personal, who make it matter with the products and services you need, who make using Avadian convenient, and who make it local by connecting to the communities we serve.

WE'LL TAKE THE TIME TO GET TO KNOW YOU

Making it personal means getting to know you. It means listening to you – hearing about your family, your hobbies, your favorite team. Along the way, we learn about your needs and your dreams, so we can understand how we might be able to help you revel in the moments when your dreams come true.

The Credit Union Difference



WE'LL OFFER THE PRODUCTS AND SERVICES YOU NEED

Making it matter means creating products and services you actually need. From creating savings and checking accounts that have the features you want to providing the loan products that support your life, we're focused on our members and their needs.

WE'LL BE THERE WHEN YOU NEED US

Making it convenient means having 17 branches throughout Alabama. It means introducing ATM Plus+ machines that allow you to get cash, make deposits, transfer funds, make payments, and even talk to a human. And it also means constantly working to offer you the latest in technology so you can manage your accounts anytime, anywhere with services like mobile deposit, alerts, card controls, and Money Manager.

WE'LL MAKE A DIFFERENCE IN OUR COMMUNITIES

Making it local means getting involved in the communities in which we work and live. From representing Avadian through service to charities and participating in local events to taking part in the life of the town as part of our everyday lives, we want to make communities better because they're our communities too.

Ready to join?

It's easy. Your relationship with Avadian begins with a \$5 opening deposit into an Avadian savings account. [Apply online](#) or stop by one of our [branches](#) today.

We can't wait to meet our newest member.

This credit union is federally insured by the
National Credit Union Administration.

Additional insurance of up to \$250,000 on your savings accounts is provided by Excess Share Insurance Corporation, a licensed insurance company.



We are an Equal Housing Opportunity Lender.



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