

## Credit Unions Thrive During Financial Crisis

By Rocco Vertuccio

The financial crisis has given the banking industry a black eye. While some banks fail, credit unions are thriving. These days, a bank's loss could be a credit union's gain.

"I think the services are very good, I enjoy it very much, the people who work here are very friendly, very accommodating," says Summit Federal Credit Union member Alfred St. John.

St. John became a member of Summit Federal Credit Union in Rochester long before the banking industry took a hit. Because of the financial crisis, more and more people are turning to credit unions as an alternative to banks. "What we are finding is that we have been talking about credit unions for a long time, that they are a great financial alternative and I think the message is finally starting to hit home," says Michael Lanotte, Credit Union Association of New York.

The Credit Union Association of New York says despite the economic downturn, credit unions are stable and safe, mainly because unlike banks, they are not-for-profits owned by their members.

"Our motive is to take care of our members, not to make a profit off of them, that I think is a big differentiator when it comes to service," says Mike Vadala, Summit Federal Credit Union.

Summit is one of 476 credit unions in New York. They have more than four million members with 43 billion dollars in deposits. Credit unions avoided the biggest problem that led to the financial crisis, sub prime lending. Vadala says credit unions did not put people in mortgages they could not afford.

"We want to put somebody in a loan they'll be able to pay over the life of the loan, they'll be able to buy the home and stay in the home, that's important to us," says Vadala.

Credit Unions also continue lending money while some banks have stopped giving out loans or made it more difficult to get a loan.

Vadala says all industries can learn from what happened in the banking industry: make decisions that serve you in the long run not just the short term.

For Alfred St. John it's the personal, hometown connection that made him bank on a credit union. "Anything that's a part of the community is a really good thing," says St. John.