

CNN, Forbes on CUs: 'Grab them while you can'

ATLANTA (9/19/08)--"If there's a calm in the economic storm, it may be credit unions, whose investors are sleeping through the night," reported Susan Lisovicz of *CNN* Thursday during an interview with Neil Weinberg, senior editor of *Forbes* Magazine.

"We've had mergers and bailouts and a lot of us are nervous. Tell us why we should take a second look or in some instances a first look at credit unions," asked Lisovicz, amid banner headlines that said, "Credit unions weather rough seas."

Weinberg's answer focused on two reasons why "credit unions are a safe harbor":

- Credit unions are operated as a "stable and profitable business, taking deposits from you and me through our savings and checking accounts, and lending out money for car loans, which earns a spread that is profitable."
- Most credit union accounts are federally insured by the government up to \$100,000.

"They tend to be conservatively managed and federally insured, which in this day and age is what you want," advised Weinberg.

He explained that through lobbying in Washington, credit unions have "managed to open the doors of membership quite a bit" and in many cases a person related to someone in an affinity group can join a credit union.

"You want to jump on board," Weinberg advised.

When asked what is it about credit unions that doesn't lead to the same kind of forecast for other commercial institutions, Weinberg said credit unions haven't got into the same trouble as commercial banks that specialized in mortgages and made risky home loans.

"Typically, credit unions have federal charters and federal inspectors, with strict, tougher rules. Because they began as agricultural cooperatives, they are run conservatively. You want to go for those credit unions."

"I got the message," said the Lisovicz. "You want to go for a credit union. Grab them while you can."