CBS Early Show, other media give boost to CUs

NEW YORK (12/18/09)--Is it time for consumers to dump their banks? That's a question the *CBS Early Show* posed to consumers in a highly positive Thursday story about credit unions.

The story, "Credit Unions Better than Banks For You?" compared credit unions with banks, touting credit unions' benefits--including low rates, member service and the fact that credit unions are still lending, even though many banks have pulled back.

"[Consumers are] tired of all the big fees being imposed by the big banks, they're tired of the really bad customer service...so they're making the switch from the banks to the credit unions. Membership was up 11% in the third quarter," said "Early Show" financial contributor Vera Gibbons.

"If you look at the bank loan portfolios, they're actually shrinking, whereas the credit union loan portfolios are growing," she added. "What that means--is if you're a creditworthy customer you stand a better chance of getting a loan at a credit union than at a big commercial bank."

She also noted that credit unions offer higher rates on deposits and lower rates on loans, especially auto loans.

"The overall satisfaction rate is very high at credit unions," Gibbons said.

Another story by *CBS Moneywatch* Thursday said to "consider a credit union" as one of the "nine best strategies for borrowing in 2010." The story cited a 2009 Pew Charitable Trusts Study, which said credit union credit card interest rates are about 20% lower than banks. The Pew study has received significant attention from other media including *The New York Times* and *The Wall Street Journal*.

On Thursday, *CNBC* noted that consumers should check out credit unions when seeking auto loans. The story quoted Jim Hanson, Credit Union National Association vice president of personal finance. Hanson told *CNBC* that credit unions' rates tend to be 1% to 1.5% lower than banks'.

To see a video of the *CBS Early Show* story, "CUs Better than Banks for You?" or to read the full *MoneyWatch* article, use the links.