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FREQUENTLY ASKED QUESTIONS

What is the difference between a credit union and a bank?

A credit union a not-for-profit cooperative that ...

- Is owned 100 percent by its members
- Reinvests all profits to benefit members
- Is governed by a volunteer board of directors, who act in the best interest of members, not stockholders
- Is run democratically, one vote per member

A bank is a for-profit institution that...

- Conducts its business to maximize the value of its stock for the benefit of its shareholders
- Is governed by a paid board of directors
- Allows only its stockholders to have voting rights

Are the terms credit union and bank interchangeable?

No. Credit unions and banks are both financial institutions; however they do not mirror each other. Please see above for differences.

How does a credit union member differ from a bank customer?

Members elect the board of directors. At Logix and other credit unions, committees that guide the operations are made up entirely of volunteer members. A credit union refers to its account holders as members because they have ownership of the institution; each member has an equal ownership of the credit union. Bank customers do not elect a board of directors unless they own stock.

Are credit union funds insured?

Credit union accounts are insured up to \$250,000 by the National Credit Union Share Insurance Fund, managed by the National Credit Union Administration, a U.S. government agency.

When referring to a member at a credit union, can you also refer to him/her as a customer?

It is proper to use the term "member" because members are part-owners of the credit union.

How do credit unions benefit their members and the community?

All deposits that flow into a credit union are used to fund loans to other members. Earnings are passed along to members in the form of higher savings rates, lower loan rates and safety.

Who can join Logix?

At Logix, membership is open to:

- Employees who work for one of the financial institution's Sponsor Companies
- Family members of current Logix members
- And members of the American Consumer Council

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