

# CREDIT UNIONS HELP SMALL BUSINESSES

KEEP YOUR MONEY LOCAL

America's Credit Unions

ADVANCING COMMUNITIES

ONE PERSON AT A TIME

## MEMBER BUSINESS LENDING IS CRITICAL FOR COMMUNITIES

INJECTED \$25 BILLION  
INTO THE ECONOMY IN 2019

CREATED 390,000  
JOBS IN 2019

PROVIDED \$132 BILLION  
IN BENEFITS SINCE 2007

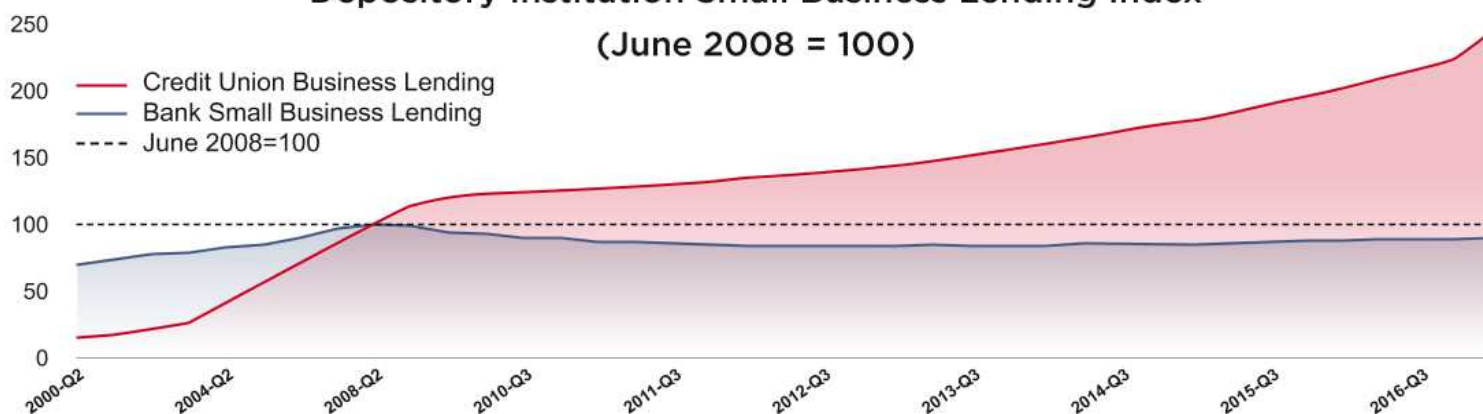
Credit unions are in a unique position to support the nation's recovery by infusing billions of dollars of capital into local economies – at no cost to the government. In order to free up this capital, **state legislatures and Congress must act** by removing the arbitrary cap on Member Business Lending (MBL) that inhibits a credit union's ability to make business loans.

For the first 90 years of credit union existence, there was no cap on business lending. This cap was instituted without any economic, safety and soundness, or historical rationale. As the nation begins to recover from the **current economic turmoil**, credit unions have the ability to significantly improve underserved and rural communities across the country and they are ready to do so.

## CREDIT UNIONS HELP BUSINESSES IN TOUGH TIMES

Depository Institution Small Business Lending Index

(June 2008 = 100)



## CREDIT UNIONS HELP COMMUNITIES DURING TOUGH TIMES

- ▶ Removing the MBL cap has the potential to support the quick economic recovery the country needs, by helping displaced workers and struggling small businesses obtain critical capital to get back on their feet.
- ▶ As not-for-profit and member-owned organizations, credit unions invest and give back to their local communities – and have proven to be more likely to loan during recessions than their bank counterparts.
- ▶ Extending access to capital for small businesses is a proven catalyst for the economy – providing income and jobs to the unemployed. During the first year of the last major recession in 2008, millions of jobs were created by businesses less than one year old.
- ▶ Credit unions place their members' financial well-being ahead of corporate profits – and give back through sponsorships, volunteering, and jobs to their local communities.



# BY REMOVING THE MBL CAP - CREDIT UNIONS CAN DO MORE

**\$5B**  
in Capital

**50,000**  
Jobs Can Be Created

**80%**  
Credit Union Business Loans

**3.3M**  
Jobs Were Created

- An additional \$5 billion in capital could be provided to small business owners by removing the MBL cap from credit unions<sup>1</sup>.
- A removal of the MBL cap on credit unions could result in the creation up to 50,000 new jobs<sup>1</sup>.
- SBA research shows 80% of credit union business loans are loans that otherwise would not be made by banks<sup>3</sup>.
- In 2008, 3.3 million jobs were created by companies less than one year old<sup>2</sup>. By removing the MBL cap, credit unions can help small businesses that others ignore during one of the worst financial crises the country has experienced.

## TOP 20 MBL STATES

State	# of CUs	# of Business Loans	\$ of Business Loans
California	296	16,445	\$11.36 billion
New York	328	11,916	\$5.98 billion
Washington	84	9,040	\$5.68 billion
Wisconsin	124	16,704	\$4.45 billion
Michigan	218	18,350	\$4.30 billion
Florida	129	8,200	\$3.71 billion
Texas	442	8,617	\$3.56 billion
Indiana	152	17,003	\$3.18 billion
Massachusetts	157	6,480	\$2.87 billion
Virginia	121	6,882	\$2.82 billion
Utah	60	4,950	\$2.66 billion
Iowa	84	5,468	\$2.50 billion
Minnesota	101	9,247	\$2.37 billion
Illinois	241	5,219	\$2.18 billion
Pennsylvania	360	8,335	\$2.02 billion
Colorado	80	3,783	\$1.85 billion
Ohio	257	9,013	\$1.72 billion
Oregon	57	5,178	\$1.71 billion
Tennessee	139	3,045	\$1.42 billion
Georgia	99	3,010	\$1.37 billion

## FACT:

Compared to banks, not-for-profit credit unions locate a higher percentage of branches in lower income areas.

Credit unions are providing more comprehensive services that will help stabilize these economies – by giving residents access to important capital and financial literacy tools to endure this recession.

<sup>1</sup> CUNA analysis of FDIC and NCUA call report data.

<sup>2</sup> Bureau of Labor Statistics. [https://www.bls.gov/bdm/entrepreneurship/bdm\\_chart2.htm](https://www.bls.gov/bdm/entrepreneurship/bdm_chart2.htm)

<sup>3</sup> Wilcox, James A. The Increasing Importance of Credit Unions in Small Business Lending. Small Business Administration Office of Advocacy. 2011. Contract SBAHQ-10-R-0009.