



California Credit Unions Stand Out in Today's Banking Turmoil

California (March 30, 2023): As members of Congress discuss U.S. banking system “liquidity” with federal regulators in committee meetings this week, one unique option in the financial services ecosystem continues to stand out in nearly every community across California and the entire nation: **credit unions**.

Locally headquartered and owned by their members, the **267 credit unions** opening their doors every week throughout California to serve **13.3 million members** will enter the second quarter of 2023 on solid financial footing according to public data released by the National Credit Union Administration (NCUA).

In fact, today's mini-crisis in U.S. banking is shining a light on *who* is local, *who* has a high percentage of insured deposits, and *who* has the wherewithal to serve consumers during volatile periods. More importantly, *who* advocates for the best financial interests of individuals is also in focus.

More than 90 percent of the \$241 billion in member deposits at California credit unions is insured by the National Credit Union Share Insurance Fund (NCUSIF), where members have never lost a penny throughout history. In addition, credit unions in the state have a robust **\$51.4 billion in liquidity** to safely manage daily operations and financial settlements.

In contrast, 68 percent of customer deposits is insured within the U.S. banking system overall, as shown in the Federal Deposit Insurance Corporation's (FDIC) fourth-quarter 2022 [Quarterly Banking Profile](#). Additionally, only 12 percent of Silicon Valley Bank deposits and 10 percent of Signature Bank deposits were insured as of year-end 2022, according to FDIC [testimony to Congress regarding both failed banks on March 28](#).

From a “net worth” perspective, credit unions across the Golden State are also utilizing a healthy **\$29.9 billion in equity reserves** to weather economic storms and remain a safe harbor. California credit unions' net-worth-to-assets ratio is **10.5 percent** — well above the 7 percent “well capitalized” federal regulatory threshold.

“Credit unions always prioritize safety and soundness during unpredictable economic periods for their members,” said Diana Dykstra, president and CEO of the California Credit Union League. “As trustworthy financial partners, credit unions are committed to serving consumers during good times and uncertain times. Today is no different as legislators and regulators assure consumers of the safety and soundness of our U.S. banking system.”

Credit unions across California:

- Serve **Main Street consumers and businesses**, *not* Wall Street.
- Are locally headquartered and **member-owned** (*not* owned by stockholders/investors).
- Remain democratically managed by volunteer boards of directors and **act in accordance with their members' wishes**.
- Stand out as a **reliable and secure option** for consumers, households, and small businesses.
- Are **not-for-profit financial cooperatives offering relevant financial products and services** through competitive rates on loans and deposit accounts, as well as lower-priced fees or no fees.

“In today's national dialogue, California credit unions continue playing an important role for their 13.3 million members,” Dykstra said. “There is a local credit union in *every* community across California. Credit unions serve members with competitive financial services that put their financial wellbeing first. They will continue using their safe-and-sound financial position and member-owner philosophy during a time of uncertainty to support existing and new members during this unique period in history.”

California Credit Union League

Headquartered in Ontario, California, the League exists to help credit unions change people's lives by supporting their operations, guidance, strategy and philosophy. Our trade association aids 267 local credit unions in California serve 13.3 million members and manage \$285 billion in assets.

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