

## Press Release *about Credit Unions*

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### **Credit Union Loan Originations Exceed \$270 billion in 2009 – A New Record!**

**WASHINGTON, DC** – (March 1, 2010) – The nation’s 7,700 credit unions posted a new record in total loan originations by granting more than \$271.3 billion in 2009, a 7 percent increase over 2008. New loans were extended to almost 20 million members while credit was being curtailed across the financial system. In a year when providing credit was the number-one economic policy priority for the country, total credit union loans outstanding set a new high of \$580 billion. (See Chart 1.)

The challenge of extending credit was highlighted in the just-released yearend data on the nation’s banking system. For 2009, the FDIC’s totals showed an “epic” fall of more than 7 percent in total bank loans – the sharpest decline in lending since 1942.

However, 2009 was not a one-time result for credit unions. In 64 of the past 65 years, credit unions have increased their total loans. The average compound annual growth during this 65-year period is 13.8 percent. (See Chart 2.)

“In every loan category and every geographic market, credit unions stood by their members,” said Chip Filson, President of Callahan & Associates. “The cooperative model proved to be a reliable lender in the most severe credit crisis in a generation, just as Congress intended.”

#### **New Lending Benchmarks**

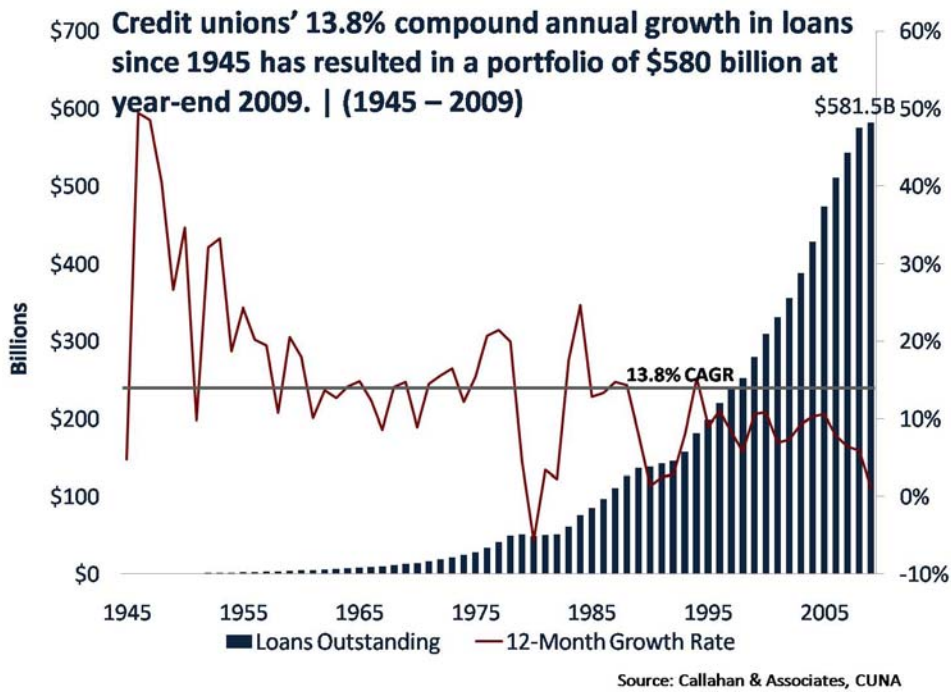
In the face of unprecedented market pressures on credit, the cooperative system set new lending benchmarks in 2009:

- Credit card outstandings plus unused lines grew to a new peak of \$108 billion, whereas bank credit card lines fell by more than \$1 trillion.
- Indirect auto loans reached \$76.5 billion, an increase of 2 percent during the worst auto-sales year of the decade.
- First-mortgage originations were \$95 billion, resulting in credit unions capturing a 4.5 percent market share.
- Loans for member businesses granted in 2009 totaled \$9.5 billion, and total outstanding business loans grew by 12.3 percent. Small businesses are the traditional sparkplug for job creation.

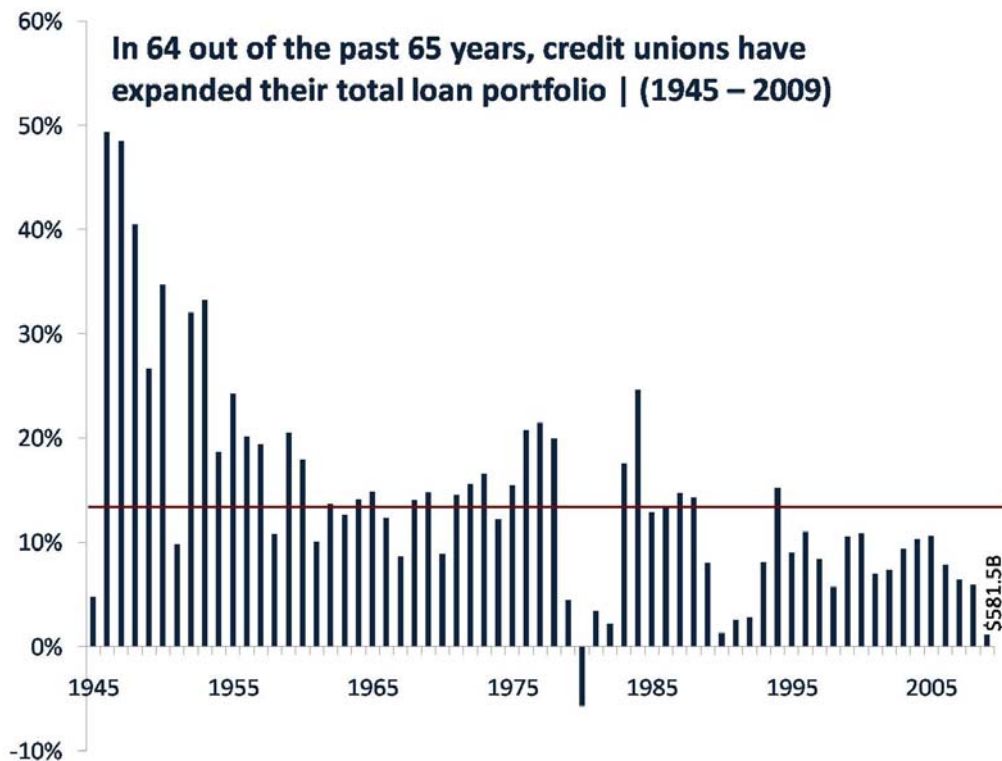
Full details of credit union’s performance will be available in Callahan & Associates’ two complimentary *Trendwatch* calls on Wednesday and Thursday, March 3 (2:00 p.m. EST) and March 4 (11:30 a.m. EST). Registration is open to anyone in the credit union industry at [www.CreditUnions.com/Trendwatch](http://www.CreditUnions.com/Trendwatch).

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**Chart 1:**



**Chart 2:**



Callahan & Associates is a Washington, DC-based firm specializing in financial publications, software development, strategic planning, and investment management for credit unions for twenty-five years. Visit [www.creditunions.com](http://www.creditunions.com) to learn more.