

Kentucky's Credit Unions

2021 Update

Unique Structure

- Member owned, not-for-profit, financial institutions
- Cooperatives/no stockholders
- Volunteer Boards, Supervisory Committees
- Paid Professional Staff
- Capital: Accumulated Retained Earnings
- Fields of Membership: Single Sponsor, Multiple Group, Community or Association
- Charters - Federal and State

Credit Union History in Kentucky

- Kentucky became the 13th state to enact a state credit union act on March 24, 1922.
- The Kentucky State Act predates the Federal Credit Union Act by 12 years – passed by Congress in 1934.
- The first credit union charter in Kentucky was granted in November 1923, to the Berea Credit Union – merged.

History

- The second charter was issued to Louisville Federal Credit Union (state chartered) in 1924 – which is still in existence today
- First credit union in the U.S., still in existence, St. Mary's Bank – 1908, Manchester, NH
- At our peak:
 - Kentucky – 280 credit unions
 - Nationally - >22,600 credit unions
- Today we have approximately 5100 federally insured credit unions nationwide and 59* in Kentucky – 56 League members

**was 63 in 2020*

History (3/31 data)

- All credit union deposits are federally insured up to \$250,000 by the National Credit Union Share Insurance Fund (NCUSIF). The NCUA is the administrator of this fund. **There are no privately insured CUs in Kentucky.**
- Smallest credit union in existence in Kentucky today is Security Plus FCU with \$756,407 in assets.
- Largest credit union domiciled in Kentucky today is Abound FCU, with assets of +\$1,8 billion.

A Look at Today (3/2021 data)

- 38 federally chartered, 21 state chartered
- Total assets - \$12,307,000
 - State chartered assets - \$5,516,083
- Total loans - \$7,513,000
 - State chartered loans - \$3,378,016,710
- Average net worth – 11.4% (above national average - 10%)
 - State chartered ANW – 11.5%
- Delinquencies – 0.32% (below national average – 0.45%)
 - State chartered Delinquency – 0.40%
- Total Number of FT employees – 2300
- Total membership – 915,000

Challenges

- Influx of dollars (artificial growth)
- Lending
- Cybersecurity
- Talent retention/recruitment
 - Rising costs
 - Competition