



## The Truth About Public Deposits At Credit Unions

### Myth ▼

Public entities already have the ability to deposit funds into credit unions.

There is one local bank in every community in South Carolina.

There is **no difference** between credit unions and banks.

Credit unions **do not** have deposit insurance.

Credit unions **do not** pay taxes.

### Fact ▼

While state law allows credit unions to accept public deposits, **public entities are not permitted to make those deposits.**

Banks are leaving South Carolina in record numbers, **resulting in over 80% of state funds being held in out-of-state banks.** In many parts of rural South Carolina, the only financial institution is a credit union.

Credit unions are member-owned, so they don't have to share profits with shareholders. **That is why credit unions offer higher interest rates on deposits and lower interest rates on loans. Also, because credit unions are not-for-profit,** they offer financial services at lower costs than banks.

**Credit Unions do offer deposit insurance for up to \$250,000 per individual per financial institution through the National Credit Union Administration (NCUA).** This is the same amount the banks offer through Federal Deposit Insurance Corporation (FDIC).

**Credit unions do pay local property taxes, payroll taxes, and personal property taxes.**