

The Credit Union Difference...The History of Credit Unions



As a member of NorState Federal Credit Union, you know credit unions are always striving to serve their members and communities as much as possible. We value each members' input as an equal owner in the credit union and we offer flexible loan terms, low-cost accounts, and higher dividends to help members achieve and maintain financial wellness.

Both Credit Unions and banks provide consumers with financial services and products, but there are many distinctions between the two. The primary credit union difference lies at its core. Banks are created to generate profit for their owners, while credit unions are non-for-profit cooperatives, created to provide members with a place to manage their finances at the best possible terms.

The first credit union was established in 1864 in Southern Germany and in 1909 the credit union movement reached the American shores. In 1934, President Franklin D. Roosevelt signed the Federal Credit Union Act into law. Federally chartered credit unions in every state were legally authorized to create a system of not-for-profit cooperatives to promote thrift and sound financial practices. In 1970, the public's confidence in the credit union model grew stronger as the National Credit Union Share Insurance Fund was established. With it, credit union deposits became federally insured. The credit union movement was growing at its most rapid pace, with American credit union assets tripling between 1970-1979. In 1977, another credit union-friendly regulation was signed, empowering credit unions to offer more products and services to members.

The goal of putting members first is deeply rooted in the history of the credit union movement. It's also deeply rooted in NorState FCU's history. From its humble beginning in March of 1941 as Fraser Employees Federal Credit Union to currently a multi-branch organization serving thousands, NorState FCU has followed a strict notion of service to its members throughout its 80 year history. *Pictured at right is Ed McMahon, a founder of Fraser Employees FCU, now known as NorState FCU.*

Today, the credit union movement continues to thrive and is backed by the "full faith and credit of the United States Government." These not-for-profit institutions serve their 103 million+ members by always putting their members' needs first.

Here at NorState FCU, we are proud to join the chain of institutions committed to the credit union mission. As a member owned cooperative our only objective is your financial success.

For more information about NorState FCU and how you can become a member, [stop in to see us](#) or visit www.norstatefcu.org.

