

Illinois Credit Union Mortgages: Not for People of Modest Means

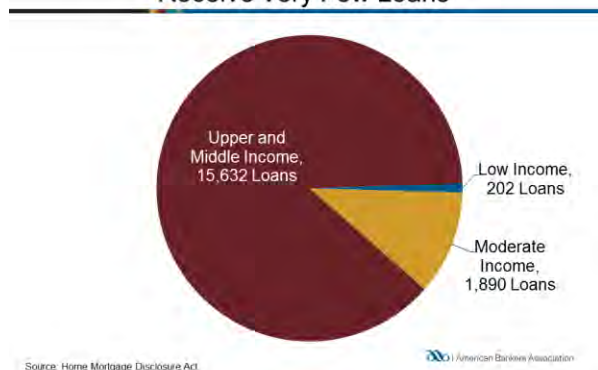
Congress granted credit unions a tax exemption so that they could meet the credit needs of people of modest means. But the evidence indicates that Illinois credit unions are no longer focused on their original mission to serve disadvantaged members of their community. In fact, Illinois credit unions are using their tax advantage to originate mortgages to upper-income individuals, who do not need taxpayer subsidized financial services. This clearly is a misuse of the credit union tax exemption.

Mortgages Originated by Credit Unions as Percent of Total

Lower Income	1%
Upper Income	39%

*The time has come for Congress to repeal
this outdated credit union tax exemption.*

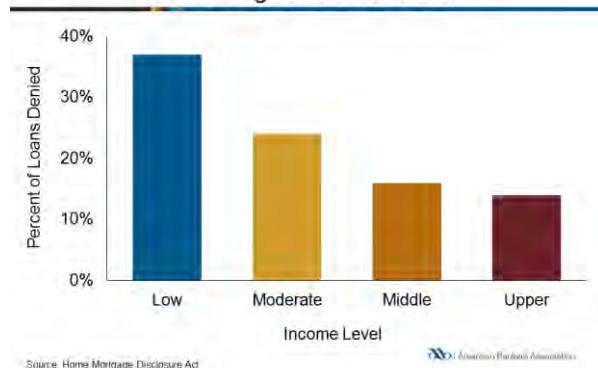
Low-Income Credit Union Borrowers
Receive Very Few Loans



In Illinois, only 202 mortgages originated went to low-income borrowers, compared to 15,632 mortgages originated to middle- and upper-income borrowers, according to the most recent Home Mortgage Disclosure Act (HMDA) data.¹

Moreover, 151 HMDA reporting credit unions serving Illinois did not make a single loan to a low-income individual. Furthermore, 21 credit unions only originated mortgages to upper-income individuals.

Low-Income Credit Union Borrowers
Have Higher Denial Rate



The largest Illinois-based credit union, Alliant Credit Union with \$8.2 billion in assets, has abused the tax exemption granted to the credit union industry. Alliant Credit Union originated 1,031 mortgages in 2012. However, only 8 of those mortgages went to low-income borrowers, whereas 624 mortgages went to upper-income borrowers.

Instead of using their tax exemption to serve people of modest means, the core mission of credit unions, this generous tax subsidy has been misdirected to benefit higher-income borrowers.

¹ Income designation definitions and data according to the Home Mortgage Disclosure Act records for 2012, the most recent data.