



John Normandeau, CEO

The Credit Union Perspective

By: John Normandeau, President/CEO
BestSource Credit Union

Do you know the difference between a bank and a credit union?

Although banks and credit unions have similarities, it is important to consider some key differences.

Business Type:

Credit Unions are non-profit financial cooperatives that exist to serve their members. They are guided by

an unpaid board of directors. Whereas banks are operating to meet the financial goals for their investors. The board of directors that guide banks are paid.

Membership:

A Credit Union serves members with a common bond, such as an employer group or living in the same community. A bank has no specific requirements and is open to the general public.

Rates & Fees:

At a Credit Union profits are used to offer competitive savings and loan rates to members as well as minimize fees. Banks traditionally have higher fees and rates.

Loans:

When evaluating loans Credit Unions aim to provide affordable credit to all members. Banks seek to gain from a loan and value the more profitable loans.

Insurance:

At a Credit Union your funds are insured by the National Credit Union Share Insurance Fund. At a bank, funds are insured by the Federal Deposit Insurance Corporation. Both insure funds up to \$250,000.

At BestSource Credit Union our goal is to help our members build financial stability and educate them on ways to reach their financial goals. Stop in and see us or for more information, visit www.bestsourcecu.org or call 800.666.4500.



Improving Members' Financial Lives

JN Community Forum Featured Blogger:



Meet Levi Stein

Read his latest blog at:

<http://thejewishnews.com/community>

Levi Stein blogs about his thoughts, events, international travels and experiences.

Reality Check

We are facing reality. Unfortunately, until the end of 2008, we didn't know there was a reality to face. Property values increased every year, we had unlimited credit available and it was easy to raise money to start a new venture. That was reality then.

Twenty months later, property values in the tri-county area have fallen 27 percent and are projected to decline a total of 50 percent by 2013. Available credit is a luxury enjoyed only by those who carry no credit card debt. The real estate and construction industries no longer exist.

Our community, entrepreneurial in nature, has suffered adverse consequences in this financial crisis. Real estate developers, builders and many businesses have folded. When the economy unraveled, those in the real estate industry ended up in default to their banks and closed their companies. Real estate brokers and the construction trades saw a slowdown in 2009 that is more aptly called a "melt-down." Worse yet, we all recognize that the days of the touchdown are a long way off.

To make matters worse, many business people found themselves short of income in 2009 to pay tax obligations from 2008. Often times, self-employed people catch up on their taxes with income earned the following year. With income in 2009 evaporating, there was no cash to cover 2008 tax obligations.

While this was happening, on the home front, college tuition, summer camp, dance, golf and tennis lessons continued. The loss of income combined with ongoing family obligations led to a pressure cooker.

We know simple truths. Men are reluctant to discuss the financial pressures they face. After all, we refuse to ask for directions when we have no idea where we are driving.



Ken Gross
Columnist

It is thus no surprise that we will delay the inevitable discussion with our wives that we're facing financial problems. Unfortunately, this means the situation will continue to percolate and ultimately reach the boiling point.

The need exists to take action before you reach the boiling point. If you are the spouse who does not control the finances (often

the wife), you should open your eyes a bit wider, address the problem and lend assistance. Pretending the problem does not exist will not make it go away; and moaning and griping is not the solution. Compassion and support — as difficult as that may be — is needed.

Keep in mind, many more in the community are hurting financially and the meltdown of the economy was not something within our control. Both spouses need to discuss the situation openly — and to look to

finding a solution. I know: easy to say, hard to do.

Your goal is to preserve future income for you and your family. Proper planning is needed and the strategies are not always simple. Keep in mind, besides your health your financial future is the most important asset you have. Care for it as if it was your heart. Don't listen to your neighbor,

the manicurist or the bartender. If you have heart problems, you want the best cardiologist. For addressing financial hardship, you should follow a similar course and find a professional who can address all of the issues and sort through them to find the optimal strategy to reach your goal. That is reality. □

Ken Gross is an attorney with Bingham Farms-based Thav, Gross, Steinway & Bennett and host of the Financial Crisis Talk Center, a radio program that airs weekly at 9 on Saturday mornings on Detroit Sports Talk Radio 1130 AM.