

Texas Credit Unions: The Real Story

Tax-paying Texas banks compete head to head with tax-exempt credit unions. Although they portray themselves as mom and pop shops for people of modest means, today credit unions are a \$2.3 trillion industry, with many indistinguishable from banks. The BIG difference—they don't pay federal income taxes, depriving the U.S. Treasury of nearly \$3.25 billion every year.

Who Pays the Taxes?

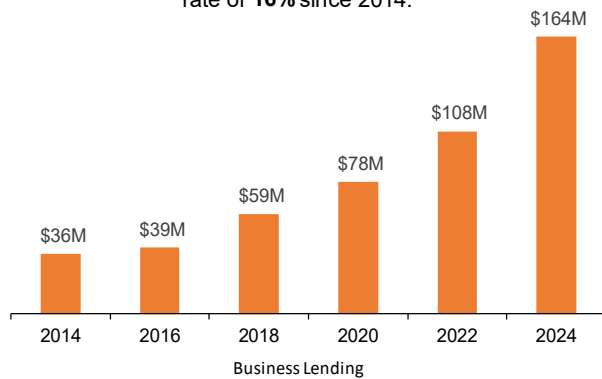
| Taxes Paid in 2024 | |
|-------------------------|-----------------|
| <u>TX Credit Unions</u> | <u>TX Banks</u> |
| \$0 | \$1,617,273,000 |

*Includes all applicable federal, state and local, and foreign income taxes

Randolph-Brooks Federal Credit Union would have paid **\$51.2 million in taxes** during 2024, had it paid its fair share.

Indistinguishable from Banks

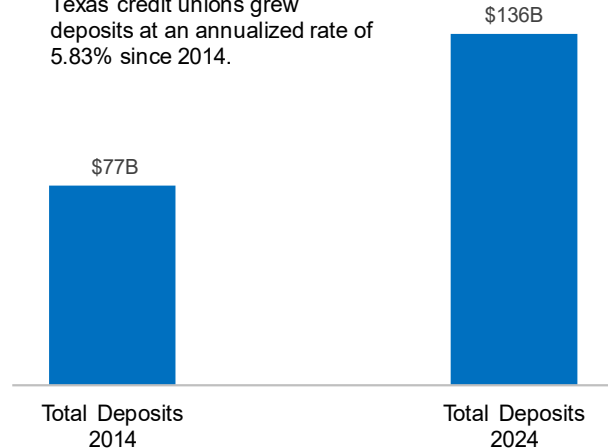
Security Service Federal Credit Union used its tax advantage to **aggressively expand** its business lending at an annual rate of **16%** since 2014.



Randolph-Brooks Federal Credit Union, with \$18 billion in assets, is the largest credit union in Texas, larger than 98% of Texas headquartered banks.

Texas Credit Unions Leverage Their Tax Exemption to Grow Deposits

Texas credit unions grew deposits at an annualized rate of 5.83% since 2014.



Large Credit Union Auto Lenders

All five of the top five Texas-headquartered auto lenders are credit unions.

| Institution | Auto Loans (\$000) |
|---------------------------------------|--------------------|
| Security Service Federal Credit Union | 3,649,769 |
| Randolph-Brooks Federal Credit Union | 3,591,318 |
| Rally Credit Union | 2,188,128 |
| EECU | 1,920,408 |
| GECU Federal Credit Union | 1,861,409 |