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The MSU Federal Credit Union: People Helping People

When used responsibly, credit is one of the most beneficial features of a capitalist society. It allows people of all backgrounds to borrow money to pay for homes, education, and other assets that they would not otherwise be able to attain. Educational loans allow individuals to make one of the best possible investments for their futures: a college education. In Michigan, these educational loans, both traditional and transitional, are integral to providing residents with the skills they need to be competitive in the global job market. That is why reliable lending institutions such as the Michigan State University Federal Credit Union (MSUFCU) are so important to the state's transitioning economy.

Background

Credit unions are structured much differently than banks. They are non-profit, member-owned institutions. Each member can vote for the board of directors, which is made up of volunteers who receive no compensation for their services. According to Kenneth Laubenstein, former president of MSUFCU, "All of the profits we make go back to the members in the form of more services, higher dividends, and lower lending rates."¹

MSUFCU was started by professors from Michigan State University (MSU) in 1937. Today, the credit union remains true to its roots; it is owned and operated by members of the Michigan State and Oakland University communities. With its 2006 membership topping 134,000, MSUFCU became the world's largest university-based credit union. It is also the second-largest credit union in Michigan, with more ATMs than any other institution in the greater Lansing area. Its 2006 assets were more than \$1.3 billion.² (See **Exhibit 1** for quick facts about MSUFCU.)

MSUFCU was known throughout Lansing as a reliable and helpful organization. It offered free seminars to the community and special services for people of all ages. MSUFCU believed that it existed for the betterment of the community, and that belief permeated the organization. The credit union received national accolades for the workplace it created.



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