One Mission. Community Banks.

July 2026

ICBA Regulatory Update: Credit Unions

Topic/Issue: Holding Credit Unions Accountable

Agency: NCUA

Status: Ongoing

ICBA Position:

- Credit union acquisitions of community banks lack transparency, with credit union executives using their members' savings to buy out bank owners in largely private deals.
- ICBA urges Congress to end the unwarranted federal tax subsidy of the credit union industry and/or promote increased tax parity between credit unions and community banks.
- ICBA staunchly opposes credit unions that exploit their tax subsidy and lax regulatory environment to acquire locally based community banks and urges Congress to use its oversight authority to investigate the National Credit Union Administration's failure to adequately regulate and supervise the industry and to adhere to the original purpose of the credit union tax exemption.
- Federal Credit Unions must file Form 990s with the IRS to be accountable to the American public.

Key Talking Points:

- Credit unions are violating the limits established by Congress to justify their tax exemption.
- Credit union acquisitions of community banks diminish tax revenues, consolidate the industry through tax subsidies, grow the publicly subsidized sector of the financial services industry, and increase the portion of the industry exempt from Community Reinvestment Act oversight.
- Congress should hold hearings to investigate the credit union tax exemption.
- Credit unions should not be able to use their tax subsidy to purchase taxpaying banks.
- Applying CRA requirements to credit unions comparable to and with the same asset-size distinctions as banks and thrifts should be the standard.
- Community banks have provided roughly 69.3% of Small Business Administration loans provided by banks and credit unions since 2010, compared to 2.8% from credit unions.
- Credit unions used their tax exemption to avoid paying nearly $4.3 billion in federal income taxes in 2025 while holding $2.5 trillion in tax-free assets.

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- The 450 credit unions with $1 billion or more in assets represent 80 percent of the industry’s assets but comprise only 10 percent of the total number of credit unions.

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