

# STATE OF THE (CREDIT) UNION

## CHANGES IN CREDIT UNION REGULATION

In the commercial real estate market, credit unions are rapidly emerging as competitive lending alternatives to large commercial banks. Until recently, commercial real estate lending among credit unions was restricted by guidelines that:

- Limited lending exposure to 12.5% of total assets
- Required borrowers to provide full personal guarantees as recourse

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## THE RULES HAVE CHANGED

In May 2014, Congress passed legislation to lift these guidelines. As a result, we anticipate a surge in lending volume from credit unions. We have also seen a number of substantial credit unions located outside Greater Boston aggressively seeking opportunities to provide debt capital locally.

Please contact Boston Realty Advisors for more information about active credit unions and loan products.

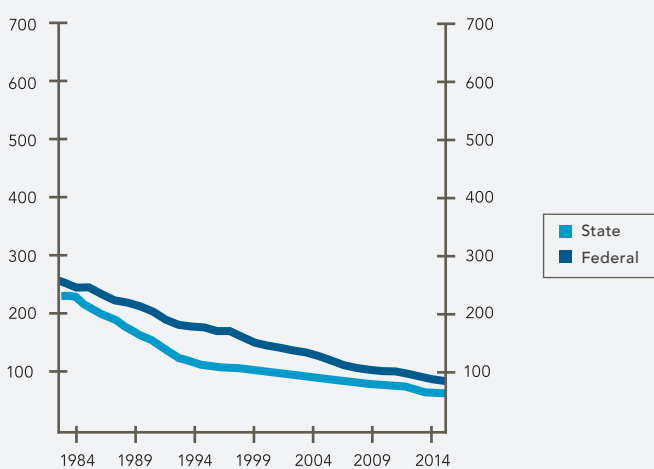
## CREDIT UNION VS. BIG BANKS

Federally chartered credit unions are regulated by the National Credit Union Administration, not the Federal Reserve, and were formed to assist the underserved consumers within a community. Credit Unions are non-profit organizations and distribute free cash to its members in the form of a dividends or interest rebates. Banks are for-profit organizations typically owned by shareholders looking to maximize profits.

## HISTORICAL TRENDS

Source: Credit Union National Association

### NUMBER OF MASSACHUSETTS CREDIT UNIONS 1984–2014



### LOAN GROWTH AT MASSACHUSETTS CREDIT UNIONS 1984–2014

