



Mutual Alert

Two Credit Union-Bank Acquisitions Announced, capital will fund more deals

Credit Union acquisitions of banks have continued to accelerate in 2022. [Illinois based Credit Union 1 announced the acquisition of Northside Community Bank](#), marking the ninth credit union acquisition of a bank this year. In Florida, [VyStar CU raised an additional \\$200 million in subordinated debt](#), which many experts believe will help fund a pending acquisition of Heritage Southeast Bank.

As AMB has previously noted, credit unions have leveraged their tax exempt status and more favorable capital rules to pursue aggressive growth. This inorganic growth calls into question whether credit unions are being held to enough regulatory scrutiny given their purported goals are to serve well-defined local communities. Additionally, H.R. 7003, which would allow federal CU's to expand their membership to underserved communities, including within 10 miles of an existing branch, and exempt loans made to businesses in those communities from the current lending cap, has recently [passed the House Financial Services Committee](#). While well-intentioned this legislation would continue to tip the scales against mutuals and community banks; and fuel further consolidation of financial institutions.

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