

# THE U.S. CREDIT UNION MARKET

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# US Market Snapshot

4,287

Credit Unions

\$2.43 Trillion

Total Assets

144.7 Million

Members

## Scale in Context

Entire CU system **\$2.43T**  
Would rank #4 among US banks

JPMorgan Chase alone **\$4.4T**  
1.8x the entire CU system

Largest CU (Navy Federal) **\$197B**  
Would not crack the top 20 US banks

CU share of US deposits **~9%**  
Across 4,287 institutions

## Concentration

Top 10 CUs **18.6% of assets**

Top 100 CUs **47.2% of assets**

Bottom 2,000 CUs **1.5% of assets**

Under \$100M **2,556 CUs (58%)**

Over \$1B **467 CUs (11%)**

32 state/regional leagues | 1,117 registered CUSOs (credit union service organizations — shared-service entities owned by CUs) | National trade: America's Credit Unions

Source: The Credit Union Wire | NCUA Q4 2025. Data reflects federally insured credit unions only; does not include non-federally insured CUs.

# Top-Line Growth Masks Underlying Stress

Asset Growth

5.4% YoY

Up \$126B to \$2.43T. Added 2.4M members.

Membership

144.7M members

But the majority of individual CUs are shrinking — growth is concentrating at the top

Net Income

\$18.8B

Up 31.5% vs. 2024. ROA at 79 bps — but 12% of CUs lost money and another 10% earned under 25 bps

Delinquency

1.03% (103 bps)

Up 5 bps YoY. Highest level since 2013

Charge-Offs

78 bps

Down 2 bps YoY but still elevated

Loan Growth

4.6% YoY

\$1.72T total loans. Loan-to-share ratio fell to 83.2%

# Consolidation & Bank Acquisitions

## CU-to-CU Mergers

CUs lost YoY	168
Mergers in 2025	131
Total since 2019	831
Under \$100M in assets	2,556 (58%)
Over \$1B in assets	467 (11%)

Strategic, not distressed. Technology costs are the primary driver.

## CU Acquisitions of Banks

2024 was a record year. 2025 continued the trend. CUs are acquiring banks for commercial lending authority, branch networks, and deposit growth.

### The political response:

Bank trade groups (ICBA) are pushing Congress to end the tax exemption for CUs over \$1B in assets.

This is unique to the US market — Canadian credit unions don't have this dynamic. Advisors expect continued activity in 2026.

# Emerging Pressures & Opportunities

## Deregulation

NCUA shifting to lighter-touch oversight under Chairman Hauptman. 21 NPRMs out, 20%+ staff took buyouts, cybersecurity demoted from standalone priority. Innovation-friendly posture — but fraud and BSA expectations intensifying.

## AI

The dominant technology push. Fraud detection, loan decisioning, member service, compliance, back-office automation. For smaller CUs, AI may be the path to reducing operational costs driving consolidation.

## Fraud

Standalone NCUA exam priority for 2026. NACHA real-time monitoring rule effective March 2026. Deepfakes, synthetic IDs, and AI-generated attacks accelerating faster than legacy detection can follow.

## Rising Costs

Major driver behind consolidation. Core, digital banking, cybersecurity, and compliance costs rising faster than most sub-\$1B CUs can absorb. AI-driven automation is the clearest path to bending that curve.

## Legacy Infrastructure

Most core platforms were built decades ago. The gap is widening.

## Member Experience

US CUs are competing against Chime (9.5M members, IPO'd), Cash App (57M users), and embedded finance inside platforms members already use. The bar for digital experience keeps rising.

## Wealth & Investments

Emerging as a member retention strategy. CUs exploring wealth management and investment platforms to keep assets inside the CU ecosystem instead of losing them to brokerages and fintechs.

## Due Diligence

The vendor landscape is crowded with hype. Most CU “AI” products are wrappers on third-party models. Leaders need to separate real technology from marketing.

# Technology Landscape

## Technology Infrastructure

### Core Processors **27**

serve the US CU industry. Top 2 hold 37.9% market share.

### CUSOs **1,117**

Credit Union Service Organizations — CU-owned entities providing shared services. Examples: insurance brokerage, software development, loan servicing, IT consulting, title & escrow.

### FedNow **1,683**

institutions live on real-time payment rails (495 CUs, 1,188 banks).

## The AI Push

AI is the dominant technology conversation in US credit unions right now. Where it's being deployed:

- Fraud detection and prevention
- Loan decisioning and underwriting
- Member service (voice agents, chatbots)
- Compliance and BSA monitoring
- Document processing and back-office automation

**What's lacking:** data infrastructure, governance frameworks, and the ability to tell the difference between genuine AI and marketing wrappers on third-party models.

# Where This Leaves Us

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The US credit union system is \$2.43 trillion and 144.7 million members. Net income hit \$18.8B — but growth is concentrating at the top while the majority of individual CUs are shrinking.

Consolidation is generally strategic, not distressed. Technology costs are the driver. The bottom 2,000 CUs hold 1.5% of system assets.

Fraud, payments modernization, and AI are converging — and they all require infrastructure most CUs don't have.

**The credit unions that invest in purpose-built infrastructure now will define the next decade. The rest will be on the other side of a merger conversation.**

# Thank You

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