

Credit Union Industry Strong and Resilient Amid Silicon Valley Bank Collapse

CUs who gathered at Eltropy's "Digital Conversations For CFIs" event in San Jose on March 16 discussed reasons to stay calm and stay the course – as credit unions highlight the stability of their community lending approach

MILPITAS, Calif. – March 27, 2023 – In the wake of the recent collapse of Silicon Valley Bank (SVB) and other banks, Eltropy hosted a “Digital Conversations For CFIs” event along with the California and Nevada Credit Union League on March 16. At the event, senior leaders from Patelco Credit Union, Redwood Credit Union, and Stanford Federal Credit Union spoke confidently about the state of the industry. They expressed the need to [remind and re-educate](#) Americans about the advantages of banking with credit unions at times like these.

Eltropy Co-founder and CEO Ashish Garg, who also spoke at the event, said, “Credit unions have a lot in common with Wall Street banks when it comes to the services that they offer to consumers, but they’re distinct in many ways. For one, credit unions operate under a strict set of regulations and are not driven by profit and shareholder interests. In addition, they have more protections in place to safeguard members' funds, so historically they’ve been protected at times when institutions such as SVB and Washington Mutual have faltered.”

While the recent collapse of Silicon Valley Bank is a reminder of the risks of over-concentrating one’s deposits at a single institution, it also highlights the importance of staying informed and being prepared for potential changes in the industry.

In recent years, many have also expressed concerns about the stability of community financial institutions as a whole in light of the digital transformation, changes in preferences among the rising generation, and the COVID-19 pandemic. However, [the credit union industry has a track record](#) of remaining stable and resilient through changing and challenging times. Those who spoke at the March 16 event emphasized the need to stay calm and use today’s digital tools to communicate at times like these.

"In today's world, the expectation from our members is to have 24/7/365 access to their banking, just as they've become accustomed to that experience in other aspects of their lives," said Paul Jockisch, CFO of Stanford Federal Credit Union in Palo Alto, Calif. "As the news about SVB spread over the weekend we literally had some of our top executives on the phone with concerned members. That may seem unusual for a Sunday night, and it is, but crisis aside, the baseline is changing. The point being – we need to have the resources and technology ready to communicate anytime, anywhere with our members."

The next “Digital Conversations for CFIs” event will be in Pasadena, Calif., this Thursday, March 30, at the Westin Pasadena. Click [here to register](#).

About Eltropy

Eltropy is the leading digital conversations platform for community financial institutions (CFIs). Its AI-driven communications tools empower CFIs to communicate, automate, improve operations and engagement, and increase productivity across the institution – all while maintaining the highest standards of security and compliance. Using Eltropy's platform, CFIs can connect with their consumers anytime, anywhere via Text, Video, Secure Chat, co-browsing, screen sharing, and chatbot technology — all integrated into a single platform. For more information, please visit eltropy.com.