



## Mutual Alert

### **GreenState Credit Union Acquires 3rd Bank in 5 Months, Continues Trend of Credit Union and Bank Consolidation**

In an October 25 release, GreenState CU announced plans to acquire Midwest Community Bank, based out of Freeport Illinois. [This acquisition would be the third by GreenState](#) in just five months. All three of these acquisitions have been banks out of GreenState's home state of Iowa, due to a February 2020 moratorium on credit union acquisition of banks in Iowa. This acquisition marks the 12th credit union acquisition of a bank in 2021. Credit unions have leveraged their tax exempt status to rapidly expand, creating more consolidation of community banks. As credit unions continue to expand their product offerings, services, and geographic footprint, there will be increasing pressure to re-examine the tax exempt status under the *Federal Credit Union Act*. While some argue for extending this tax status to other mutual institutions, it is more likely that bank trade groups will take a more hardline stance against community bank acquisition by credit unions.

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