

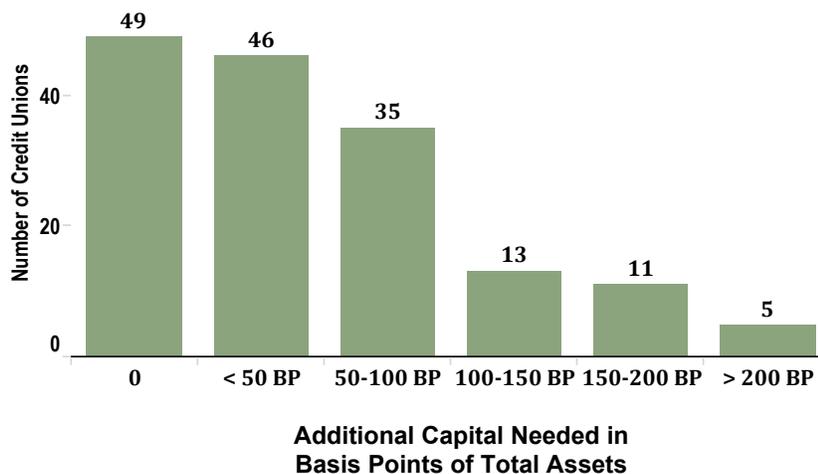
NCUA Risk-Based Capital Proposal Michigan Credit Unions

- In Michigan, there are 159 federally-insured credit unions with assets over \$40 million.*

Of these credit unions:

- 7 would fall from well capitalized in the current system to adequately capitalized in the proposed system.
 - 0 would fall from well capitalized in the current system to under-capitalized in the proposed system.
 - Only 4 would enjoy a greater cushion above the well-capitalized threshold under the NCUA proposal.
- The 159 federally-insured credit unions with assets over \$40 million in Michigan would see their cushions over well capitalized shrink by a combined total of \$0.3 billion if the proposal were in effect.
 - These credit unions now have a cushion over well capitalized equal to 431 basis points on total assets.
 - Under the proposal the cushion over well capitalized would decline to 367 basis points on total assets.
 - This represents a -63 basis point change in the cushion over well capitalized.
 - As a point of reference - the change in the cushion over well capitalized is equal to 86 percent of the ROA earned by these credit unions in 2013.
- A total of 110 credit unions - 69% of the state's total - would see their cushions over well capitalized shrink if the proposal were in effect.
 - The median increase in capital needed to maintain the current cushion above well capitalized is 60 basis points on assets for these credit.
 - In all, 29 credit unions would experience a reduction in the cushion above well capitalized of at least 100 basis points on assets.

Distribution of CUs By Additional Capital Needed to Maintain Current Cushion over Well Capitalized



*While the NCUA risk-based capital proposal focuses on credit unions with \$50 million or more in assets our analysis includes credit unions greater than \$40 million because we assume that those between \$40 and \$50 million are likely to grow above the \$50 million mark in the near future.

Source: NCUA and CUNA's Economics and Statistics Department, for questions, contact custat@cuna.coop. Credit union specific data can be found on CUNA's website under the Legislative and regulatory advocacy tab.