

CUNA Michigan
**MEMBERSHIP BENEFITS
REPORT**

Michigan

The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Michigan credit unions provided \$762,022,385 in direct financial benefits to the state's 5,963,849 members during the nine months ending September 2023.

These benefits are equivalent to \$128 per member or \$268 per member household ⁽¹⁾.

Estimated total benefits of credit union membership are calculated by accounting for differences in credit union and bank pricing. Specifically, average credit union savings account yields, loan interest rates and fees are compared to average bank savings account yields, loan interest rates and fees. The interest rate differences are then applied to respective average credit union loan and savings balances. Fee differences are weighted and applied to credit union non-interest income to obtain the total estimated benefits arising from fees.

The per-member and per-household benefits delivered by Michigan credit unions are substantial, but these benefits are *averages*. Mathematically, that means the total benefits provided are divided across all members (or all member households) - even those who conduct very little financial business with Michigan credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Michigan credit union will save members an average \$88 per year in interest expense compared to what they would pay at a banking institution in the state.

Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

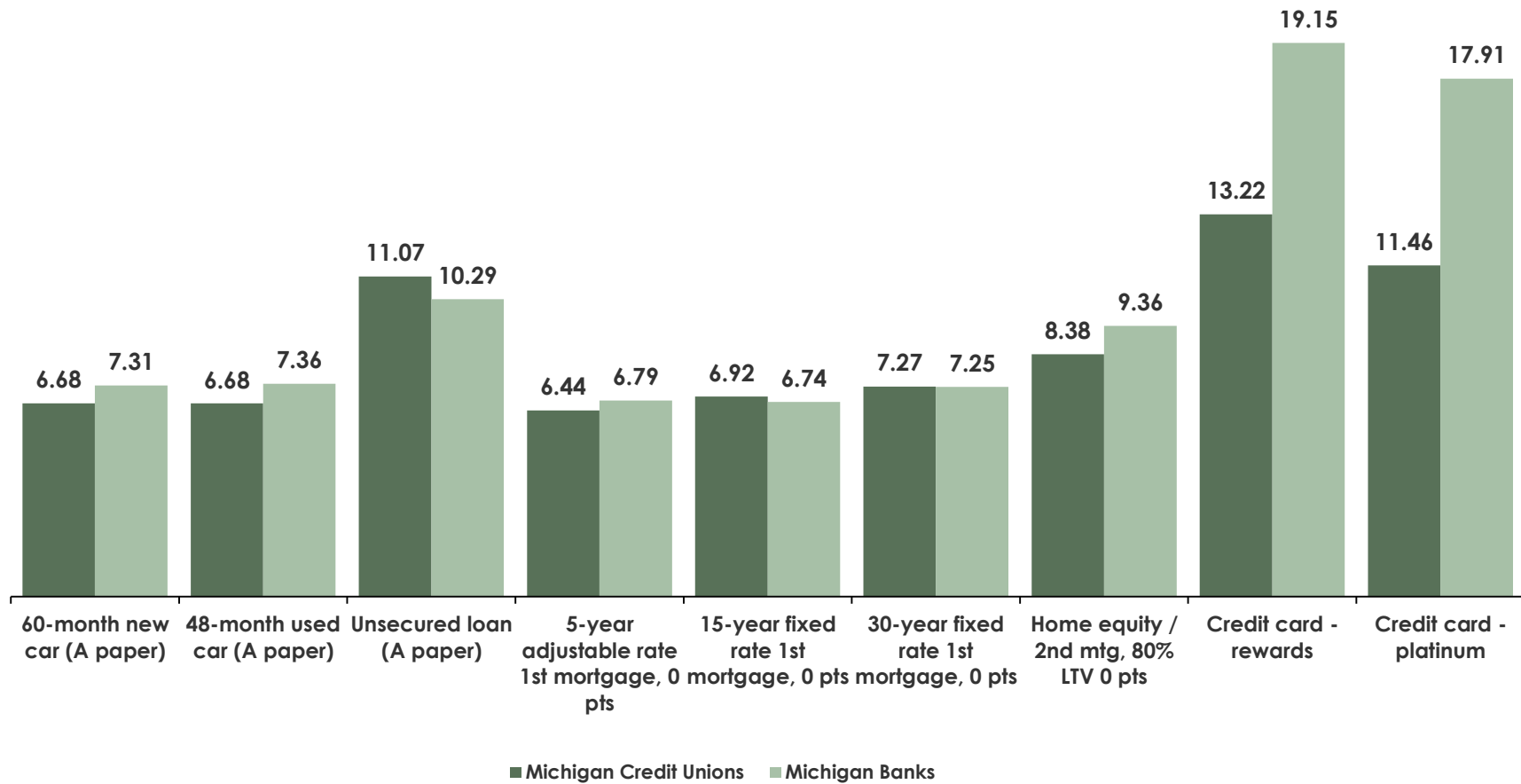
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

Michigan credit unions also pay members higher average dividends on the following accounts: share draft checking, money market accounts, certificate accounts, IRAs.



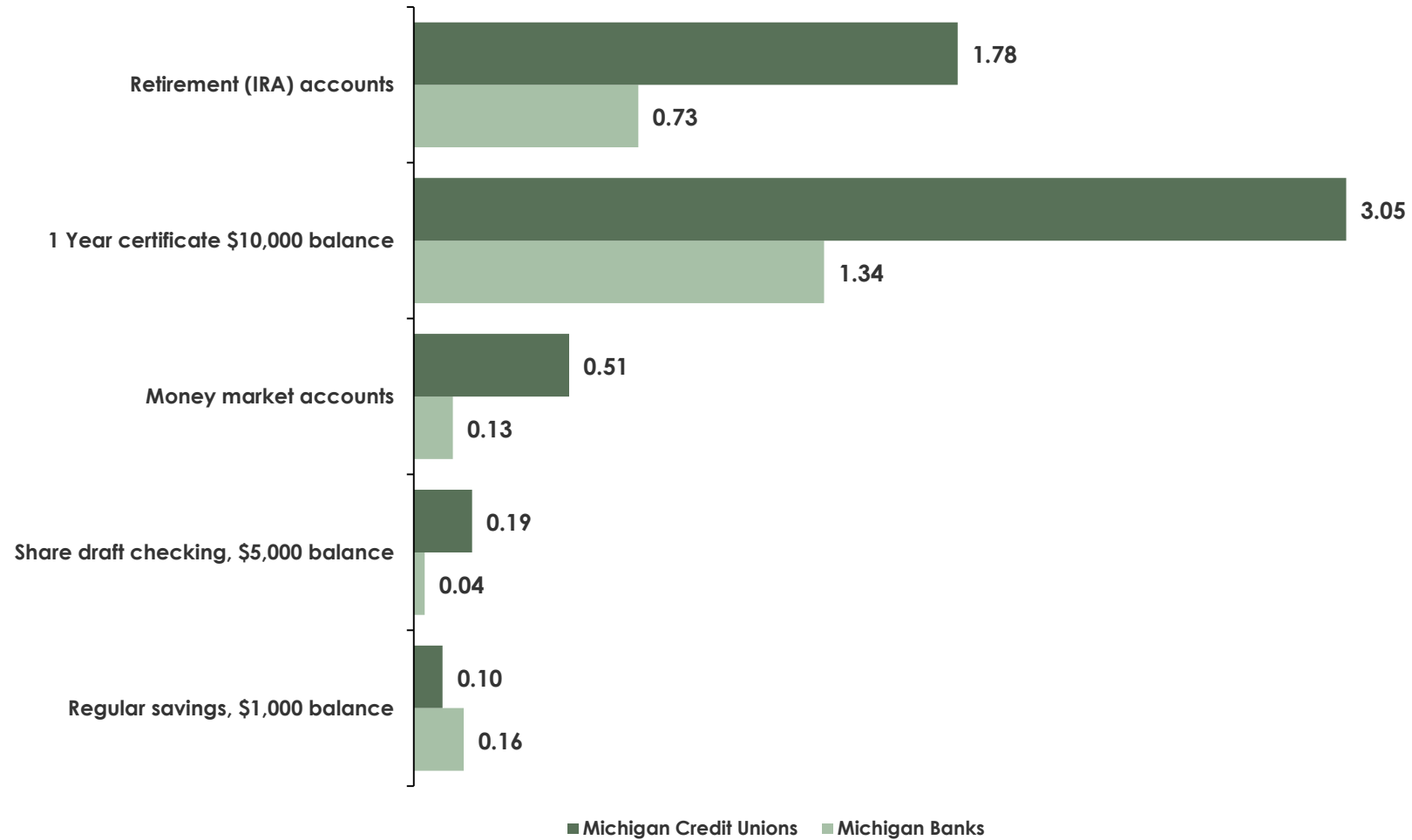
Loan Product Comparative Interest Rates (%)

by Loan Type



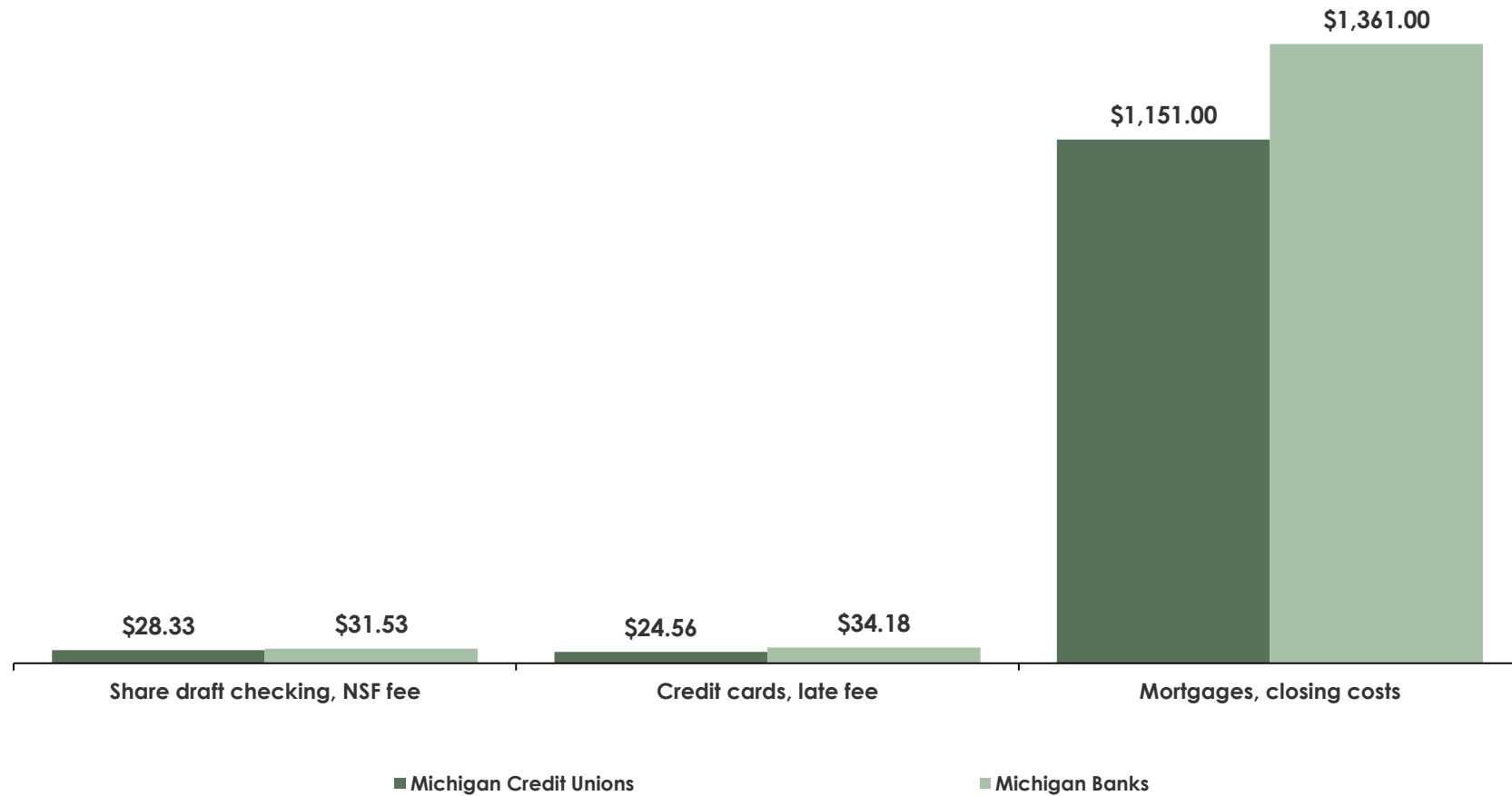
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



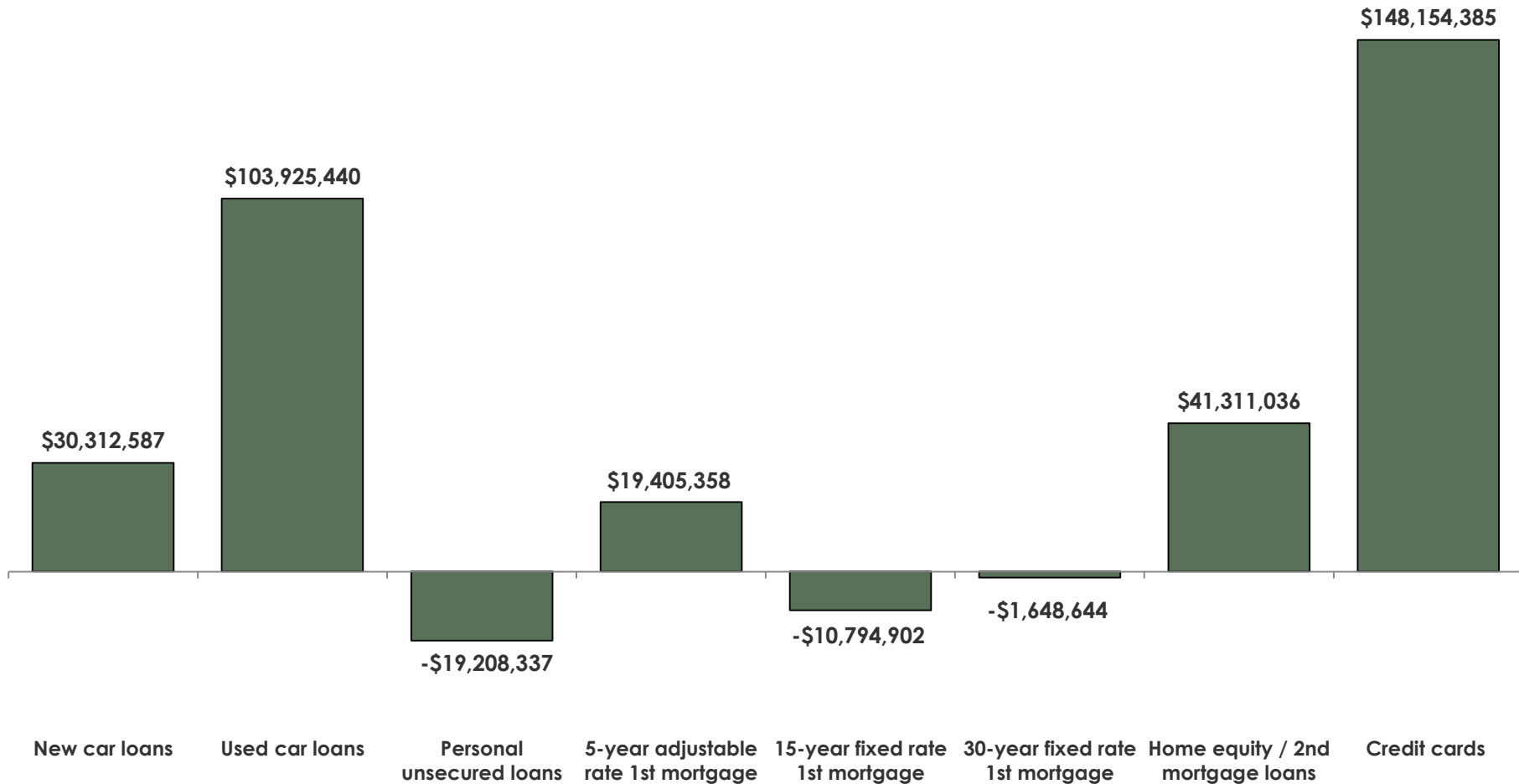
Michigan Credit Union and Banking Institution September 2023 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	6.68	7.31	-0.62
48-month used car (A paper)	6.68	7.36	-0.68
Unsecured loan (A paper)	11.07	10.29	0.78
5-year adjustable rate 1st mortgage, 0 pts	6.44	6.79	-0.35
15-year fixed rate 1st mortgage, 0 pts	6.92	6.74	0.18
30-year fixed rate 1st mortgage, 0 pts	7.27	7.25	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	8.38	9.36	-0.98
Credit card - rewards	13.22	19.15	-5.93
Credit card - platinum	11.46	17.91	-6.46
Savings Products			
Regular savings, \$1,000 balance	0.10	0.16	-0.07
Share draft checking, \$5,000 balance	0.19	0.04	0.16
Money market accounts	0.51	0.13	0.38
1 Year certificate \$10,000 balance	3.05	1.34	1.71
Retirement (IRA) accounts	1.78	0.73	1.04
Fee Income			
Share draft checking, NSF fee	\$28.33	\$31.53	-\$3.20
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

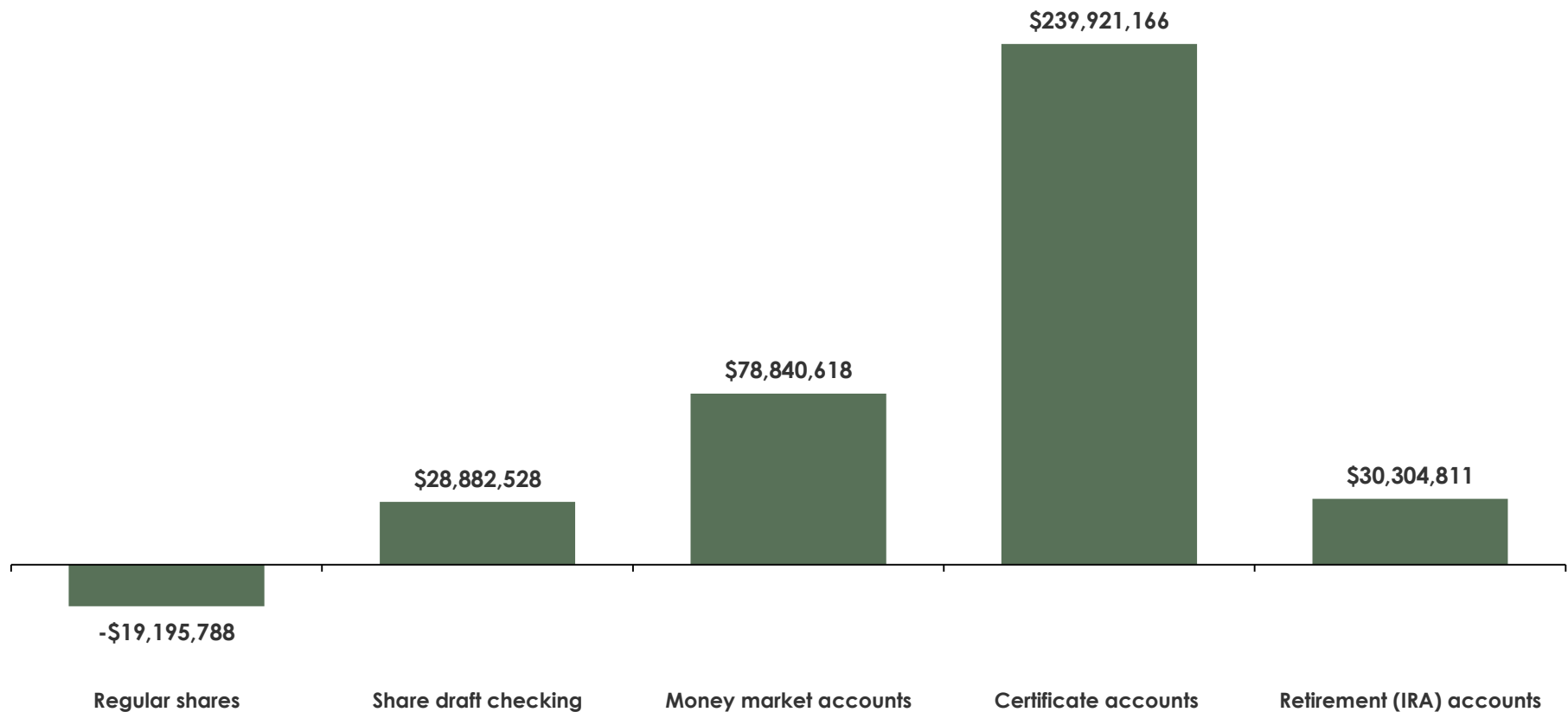
Estimated Credit Union Loan Benefits

Compared to State Banking Institutions
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to State Banking Institutions by Account Type



Estimated Financial Benefits for Michigan Credit Unions September 2023

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,857,786,449	-0.62	\$30,312,587
Used car loans	15,193,777,743	-0.68	\$103,925,440
Personal unsecured loans	2,456,309,047	0.78	-\$19,208,337
5-year adjustable rate 1st mortgage	5,624,741,395	-0.35	\$19,405,358
15-year fixed rate 1st mortgage	6,064,551,846	0.18	-\$10,794,902
30-year fixed rate 1st mortgage	13,738,702,840	0.01	-\$1,648,644
Home equity / 2nd mortgage loans	4,215,411,798	-0.98	\$41,311,036
Credit cards	2,444,287,649	-5.93	\$148,154,385
Interest rebates			\$10,351,005
Total CU member benefits arising from lower interest rates on loan products:			\$321,807,927
Savings			
Regular shares	27,819,982,268	-0.07	-\$19,195,788
Share draft checking	18,633,888,956	0.16	\$28,882,528
Money market accounts	20,747,530,925	0.38	\$78,840,618
Certificate accounts	14,071,622,632	1.71	\$239,921,166
Retirement (IRA) accounts	2,906,936,320	1.04	\$30,304,811
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$358,753,335
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$81,461,123
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$762,022,385
Total CU member benefit / member:			\$128
Total CU member benefit / member household:			\$268

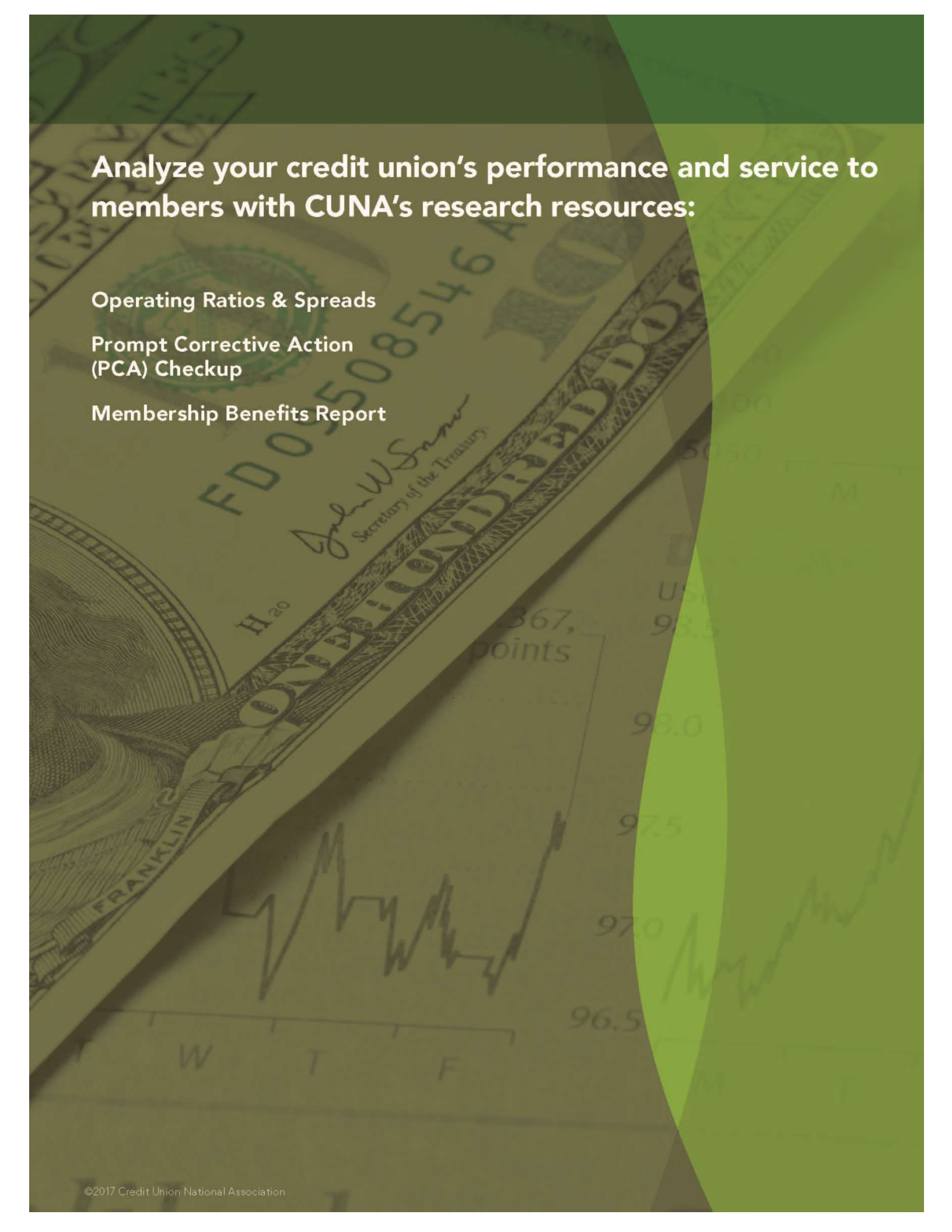
Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2023 and September 2022, according to the NCUA call report.; (2) Source for rates: Datatrac;

Michigan Credit Union Performance Profile

Demographic Information	Sep 23	Sep 22
Number of branches	1,201	1,194
Total assets (\$ mil)	100,949	97,107
Total loans (\$ mil)	71,513	64,279
Total surplus funds (\$ mil)	24,607	28,240
Total savings (\$ mil)	86,492	84,924
Total members (thousands)	6,015	5,945
Growth Rates (Trailing 12 months) *		
Total assets	4.5 %	6.5 %
Total loans	11.6 %	18.9 %
Total surplus funds	-12.2 %	-14.8 %
Total savings	2.4 %	7.4 %
Total members	1.7 %	4.0 %
Earnings - Basis Pts. *		
Yield on total assets	408	309
Dividend / interest cost of assets	113	34
Fee & other income	131	129
Operating expense	311	294
Loss Provisions	24	11
Net Income (ROA) after stabilization exp	90	99
Capital Adequacy		
Net worth / assets	11.5	11.3
Asset Quality *		
Delinquencies / loans	0.6	0.4
Net chargeoffs / average loans	0.3	0.2
Asset/Liability Management		
Loans / savings	82.7	75.7
Loans / assets	70.8	66.2
Long-term assets / assets	45.4	47.1
Core deposits/shares & borrowings	50.5	57.0
Productivity		
Members / potential members	1.2	1.2
Borrowers / members	63.0	60.6
Members / FTE	329	337
Average shares / members (\$)	14,379	14,284
Average loan balances (\$)	18,875	17,848
Salary & Benefits / FTE	87,474	83,506

* Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

**Prompt Corrective Action
(PCA) Checkup**

Membership Benefits Report