



2020-Q2 COVID-Crisis Impact Report

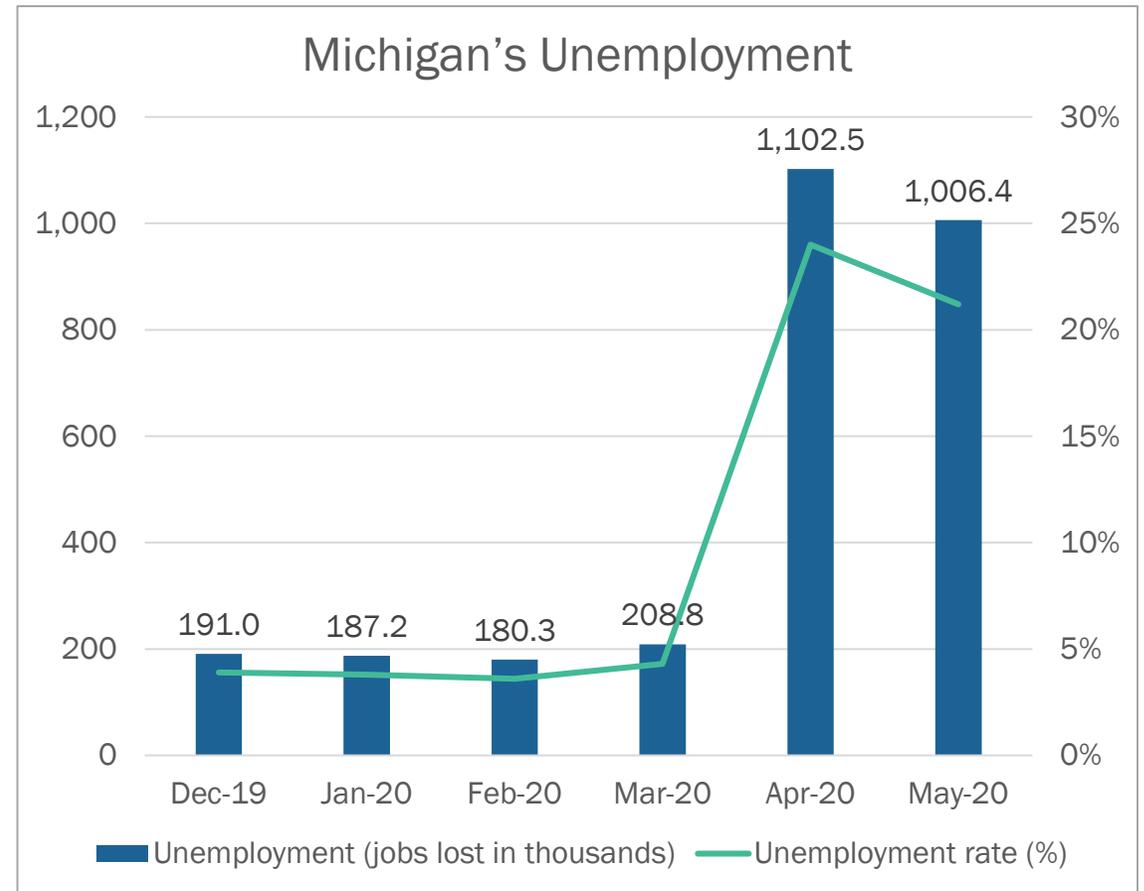
MARCH 24-JUNE 30 | 2020

Michigan's COVID Landscape

On March 24, 2020, Governor Whitmer issued a statewide stay-at-home order to mitigate public health issues created by the COVID pandemic. As a result, 10M Michiganders paused their livelihoods to reduce exposure and unintentional risk caused by the virus.

The pause created an unfortunate spike in unemployment, loss of income, closed businesses and a need for financial assistance.

Of those 10M residents, more than 5.5 million (55%) are credit union members. This report covers credit union efforts during the second quarter of 2020 to help those affected by the COVID pandemic.



Source: U.S. Bureau of Labor Statistics

Michigan's COVID Response

Michigan Data:

- Population: approx. 10M
- Households: 3.9M
- Median household income: \$54,938
- Persons in poverty: 17%
- Total businesses (2018): 222,656
- Total employment establishment: 3.9M

(An establishment is a single physical location at which business is conducted or where services or industrial operations are performed)

- As essential service providers, credit unions have stayed open for business, serving their 5.5 million members statewide (55% of the state population), while restricting most branch operations to appointment-only for the safety of employees and members.
- While more than half of Michigan's 10,000 statewide credit union workforce has had to work remotely, this has not hindered their ability to serve members and businesses via call centers, drive-thrus, ATMs and mobile banking services, offering new loans or modifications, income-saving refinanced loans and access to emergency services for cash needs.

Data Sources: U.S. Census Bureau, U.S. Bureau of Labor Statistics, credit union self reports, MCUL.org data entries, SBA PPP lender data (July 2020), CUNA call reports, and NCUA Michigan-based credit union specific data.



\$4.3 Billion

Credit unions helped more than 55% of the Michigan population with \$4.3B in member assistance due to the COVID pandemic over a three-month period.

“These numbers are very powerful and speak to the overwhelming impact our not-for-profit movement has on the lives of millions of Michiganders. Once again, we showed that when a crisis hits, you can always turn to your local credit union. Even outside of these product and service offerings, we have seen credit unions go to great lengths to make sure many of their members’ needs are met, financial and otherwise.”

*Dave Adams,
CEO, Michigan Credit Union League*

**Cumulative total of business loans and member services over the course of Q2 2020.*

Helping Michigan's Main Streets

"I'm continually amazed at what credit unions continue to do in spite of all that is thrown at us ... It was a cooperative group of people working together to help small rural communities survive. The power of the cooperative is why I love being a CEO of a credit union in Michigan."

*Kris Lewis,
CEO, Allegan Credit Union*



Paycheck Protection Program

PPP distribution equals nearly
\$600,000,000

- More than 10,400 Paycheck Protection Program (PPP) loans have been made to very small businesses with an average of 5 employees per loan
- The median loan sizes are approximately \$20,400

"Communication was wonderful, and I couldn't have asked for a better experience during difficult times. I just keep hearing stories of everyone having nightmare experiences, and everything went great for me. I will be working to move the remainder of my banking to LAFCU going forward. This PPP loan will certainly help in a very tough time."

*David Trumpie,
Trumpie Photography*

Paycheck Protection Program

10% of PPP
recipients, or
nearly 2,000
businesses

are new/non-members that received financing from a credit union after being turned away by other lenders.

"One business in particular that I have been working for the last five years to move all their accounts called me right after the first round ended. She stated her large bank would not call her back.

Her family's businesses had banked with them for years. The family owns about five insurance agencies throughout Michigan. I said I was not sure what I could do, but let's collect an application and get it ready for when the second round opened.

When it opened, we submitted and had an SBA-approved number within a few days and funded [shortly after]."

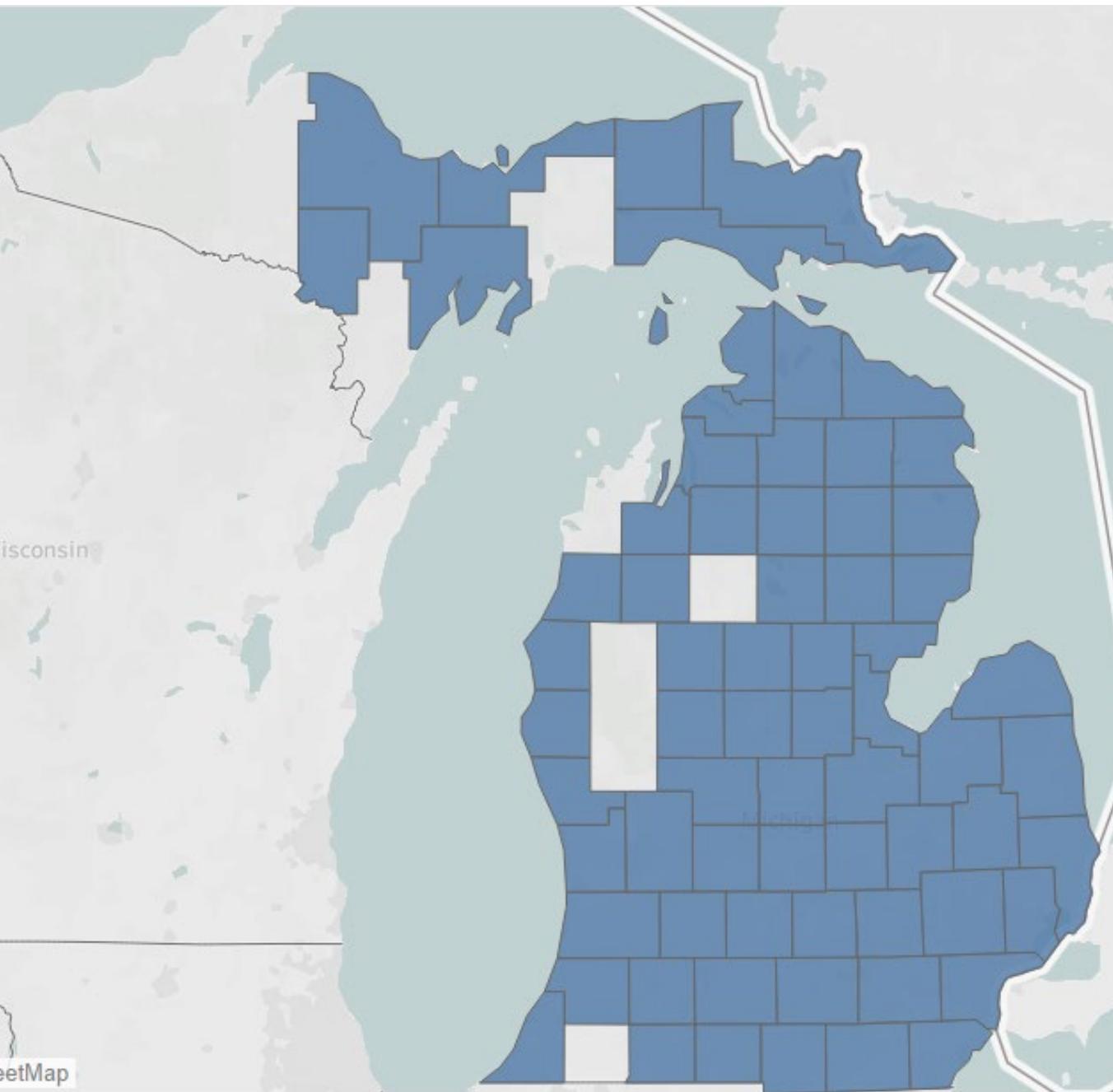
Result: This member is now moving all her accounts to a credit union and was just pre-approved for a \$900,000 second mortgage. The residuals beyond a PPP will be priceless.

Paycheck Protection Program Tracked County Distribution

"Genisys truly fulfilled the business purpose and tagline, 'Where you come first!' We have been waiting for more than three weeks with our current bank and with Genisys it took less than two days from start to finish. Thank you to the entire behind the scene team at Genisys that is helping small businesses like ours in these hard times."

*Prasad Gullapalli,
Founder and CEO, Srinergy*

*Each county in blue houses a credit union with reported PPP lending data.
Based on credit union self reports, surveys and SBA data released July 2020.



Helping Those Hardest Hit

“It almost goes without saying that the coronavirus outbreak has placed tremendous strain on a great many people, businesses, organizations and governments everywhere ... We feel a deep responsibility to our communities at all times – but especially in moments like this when the need is so significant and widespread.”

*Michael Goad
Dow Chemical Employees’ Credit Union, CEO*

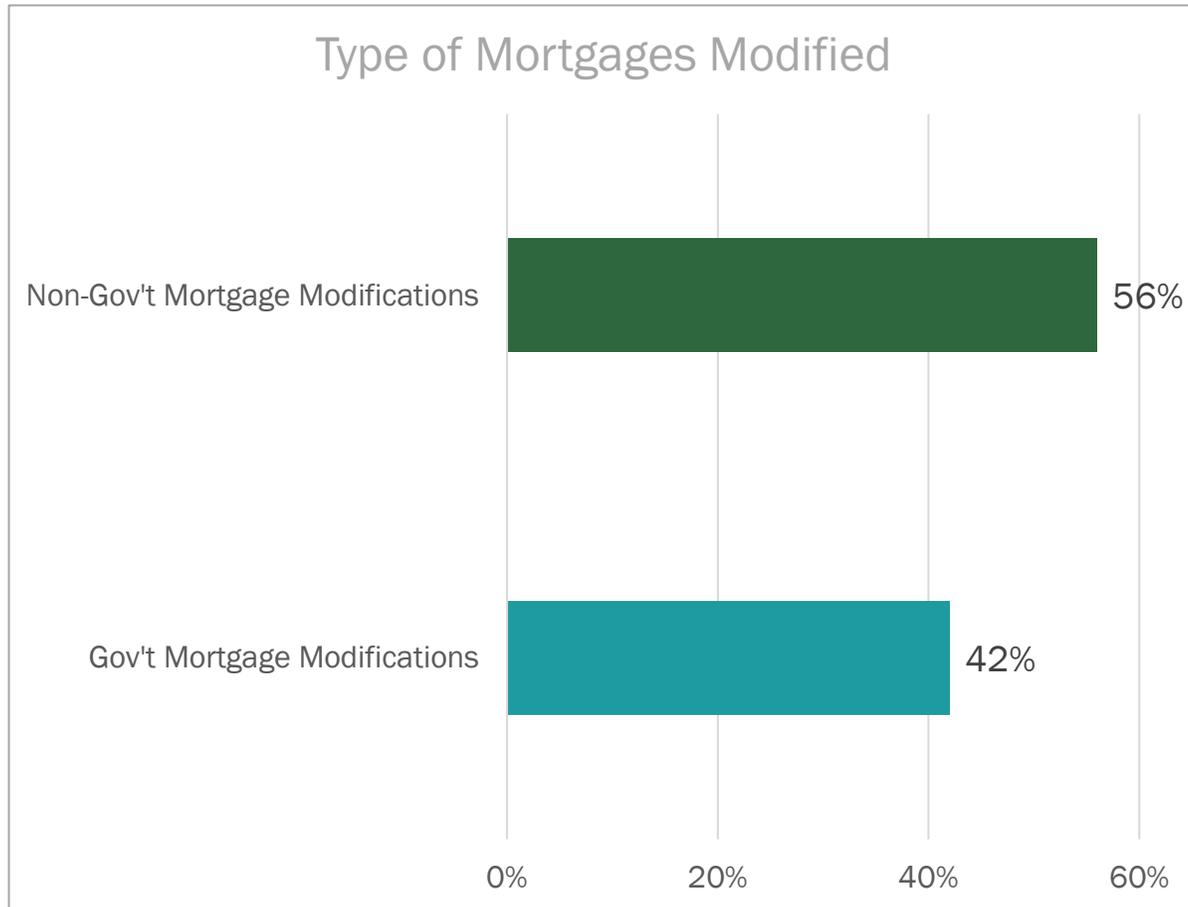


Mortgage Assistance



Helping 14,000+
homeowners owing almost
\$1.9 Billion
in mortgage loans with
payment delays. *(forbearance)*

Mortgage Assistance



- 76% of polled credit unions offered mortgage assistance
- Additionally, more than 300 homeowners had foreclosures postponed

Providing Relief with Loan Modifications

“We’re happy we can do something to make our members’ lives easier. We try to live the “People helping People” credit union philosophy everyday.”

Thelma Dasho

Wayne Westland Federal Credit Union, Former CEO



Member Loan Modifications



Nearly 80,000 auto and other consumer loans, covering

\$800,000,000

in outstanding balances, have had payment terms modified to provide financial relief to those in need.

Member Loan Modifications



Nearly 9,500 in emergency cash loans, covering more than

\$22,500,000

- Usually carrying a 0% loan rate and deferred payments, provided an average of \$2,300 per borrower – essential funds for paying rent, other critical bills and just putting food on the table.

Member Loan Modifications



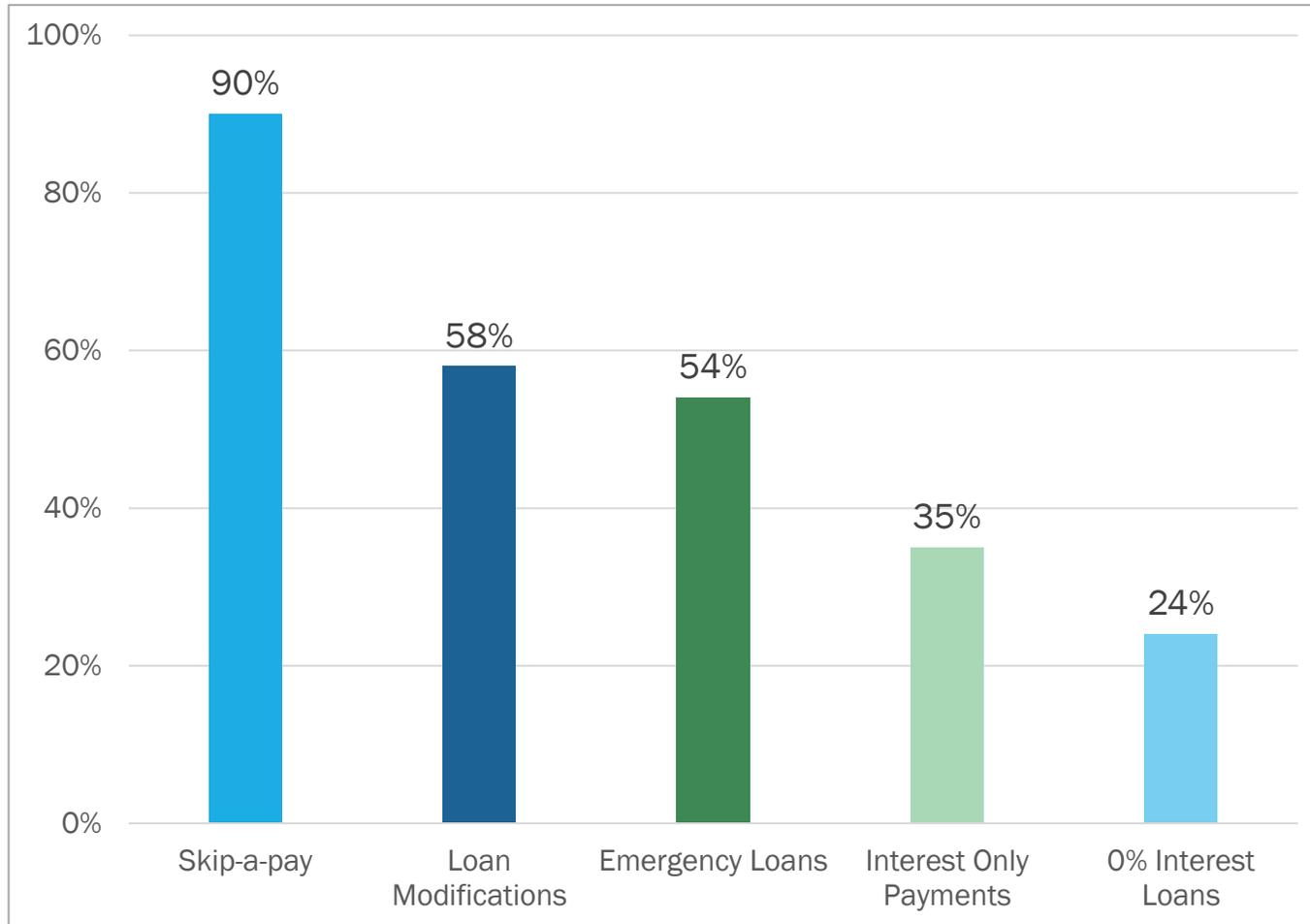
Moreover, members in need were issued more than 250,000 skipped payments, resulting in more than

\$1 Billion

in payment delays

due to income loss-related financial hardship.

Member Loan Modifications



100% of polled credit unions offered loan modifications or loan alternatives

Putting Members First with Fee Waivers

“Credit unions are collectives built upon the foundation that members help one another achieve financial success...a rising tide lifts all boats. This philosophy rings especially true right now as we work together to safeguard the physical health and financial well-being of those in the communities we serve.”

*Andy Kempf,
4Front Credit Union, CEO*

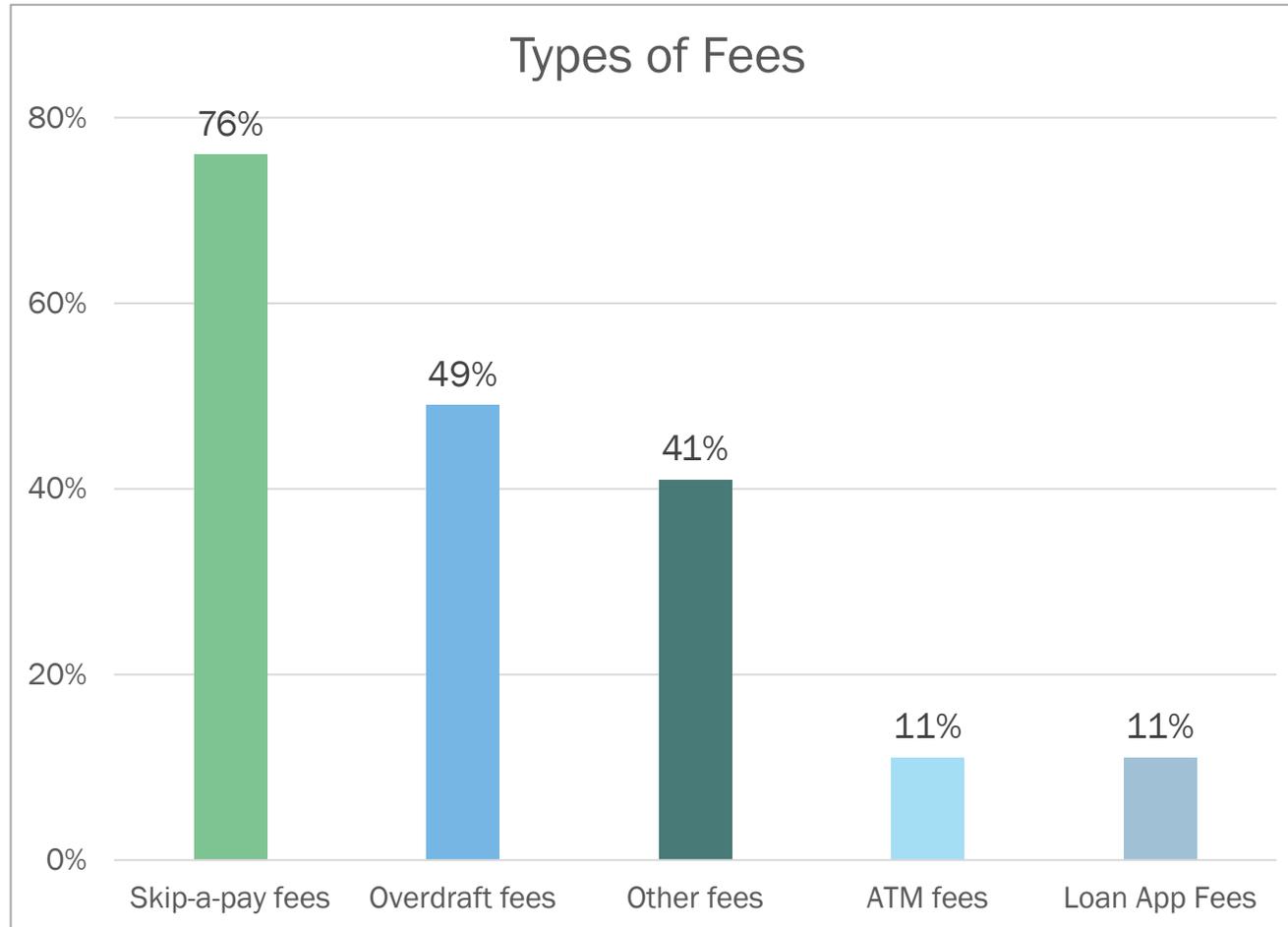
Member Fee Waivers



Saving Members \$9,500,000 in Fee Waivers

Credit unions provided impacted members with more than 450,000 fee waivers for late payments, skip-a-pays, early CD withdrawals, Insufficient funds, negative balance fees, ATM overdrafts and more.

Member Fee Waivers

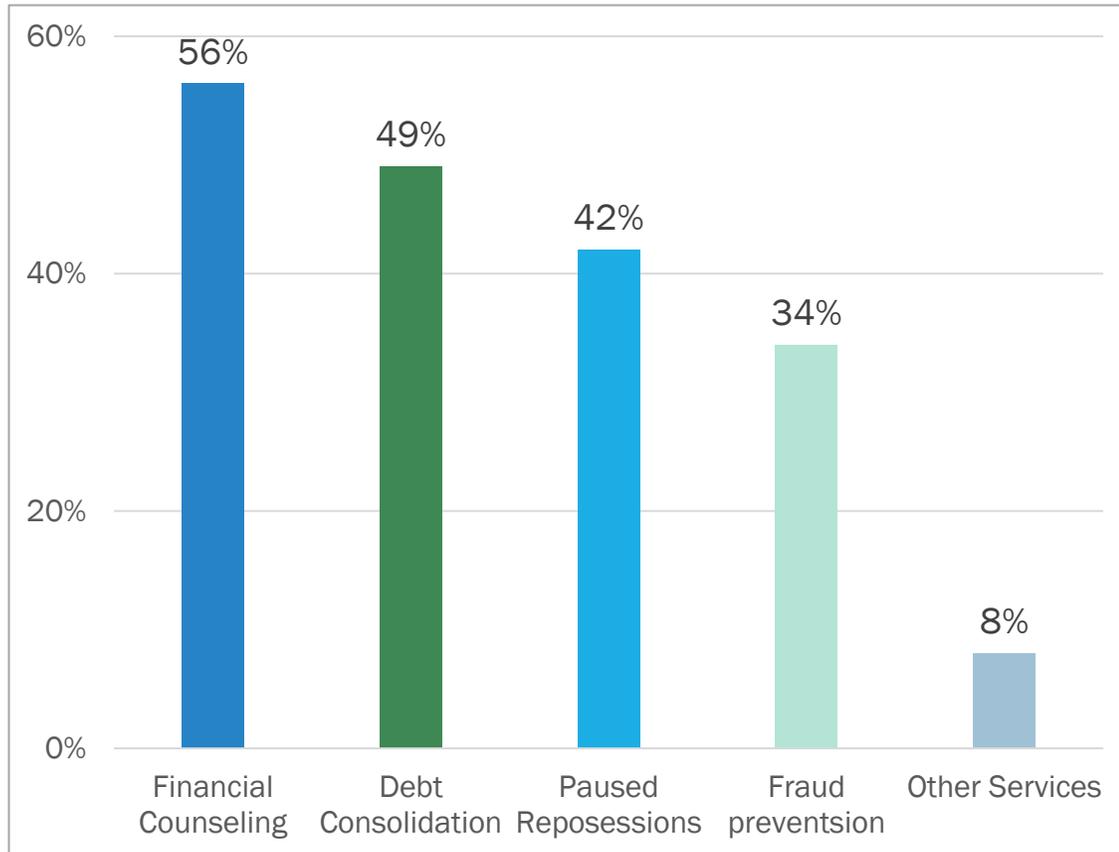


83% of polled credit unions offered fee waivers

“Other” includes:

- Late fees
- CD early withdrawal penalties
- NSF/Negative balance fees
- Business account minimum balance fees
- Subordination fees
- Phone and web payment fees

Additional Member Services



80% of polled credit unions provide member safety and security services

“Other” includes:

- Escrow-only payments on mortgages
- Proactive outbound calls to newly delinquent members
- Retirement Seminars
- Skip on entire visa portfolio for the months of May & June

Supporting Communities

“Health Advantage Credit Union has partnered with a local radio station to honor local healthcare heroes. Listeners can call in or go online to nominate a Healthcare Hero worker fighting on the frontlines against COVID-19.

Each week the radio show hosts will tell the stories and highlight their heroes! One winner will be chosen each week and the credit union provides the winner a prize.”



Supporting Communities



Credit unions are also stepping up their normal community service efforts, expanding support to more than 3,300 organizations with nearly

\$2,000,000

in contributions.

“Paul Bunyan Chapter of Credit Unions partnered with the Michigan Credit Union Foundation to contribute to Feeding America West Michigan.”



“Genisys Credit Union donated several hundred pairs of rubber gloves and N95 masks to the Oakland County Health Department. Every Friday in April, Genisys provided pizza lunches to the McLaren Oakland Hospital staff in Pontiac from local Pontiac restaurant, Filmore 13. In addition, the team raised a total of \$7,830 which was matched by United Way for a total donation to Lighthouse for \$15,660.”

“Alpena Alcona Area Credit Union donated to food banks in each of branch locations and provided lunches to medical workers in our area. Following the Midland flooding, the credit union in conjunction with the Blue Ox Chapter of Credit Unions made a financial contribution to the flood victims.”

Credit Unions Supporting Communities

“ELGA Credit Union provided 20 twin beds to children without.”

“Community Choice Credit Union team members have made more than 4,000 courtesy check-in phone calls to senior members, \$1700 in gifts and N-95 masks were sent to 34 family members of CCCU team members who are first responders, and team members have also made and donated over 154 masks to individuals in our communities. We have several support initiatives in progress including \$7,000 in tablets (approximately 100) to be donated to members with limited access to technology so they can more easily do their banking and stay in touch with loved ones. Additionally, the team delivered approximately \$5,000 in gifts for 662 members who are policemen, firefighters and grocery store employees, and \$5,000 is being earmarked for a revolving micro-lending program that would allow members to borrow for low-cost, immediate needs like groceries, utilities, gas or car repair.”

“Genisys partnered with Main Street Oakland County to provide three \$7,500 grants to local restaurants; Trail's End Cafe' in Wixom, Liberty Bar in Pontiac and Honcho/Union Joints Restaurant in Clarkston.”

“Wolverine State Credit Union has sponsored food bank distributions that feed over 400 families each week. In addition, WSCU staff have volunteered their time to working the distribution.”

Credit Unions Supporting Communities

“Community Financial Credit Union has increased donations to local food pantries, the United Way and Salvation Army offices. In addition, the recent \$25,000 Thumbs Up initiative was distributed to 11 organizations making an impact during the pandemic. The organizations include Humane Societies, Habitat for Humanity, local radio stations, mental health services and additional food pantries. Additionally, by mid-May, we will donate \$5,000 to the American Red Cross and match any donations made by team members up to \$2,500.”

“Michigan Schools and Government Credit Union community efforts include: face shields to first responders, healthcare workers, educators and other essential employees on the front line; financial assistance to flood victims; meals and gift cards to first responders; school supplies to community schools helping with virtual learning; county-wide sponsorship for small businesses; community recognition program for unsung hero.”

“Isabella Community Credit Union is embarking on #ImpactIsabella to encourage employees and members still working to make an impact with their Economic Impact Payment by donating to local COVID-19 Community Response Funds (and helping to educate on the CARES Act above the line tax credit for doing so).“

“Wildfire Credit Union created a social media campaign to support local businesses and an employee nomination program for essential and front-line responders, and also held gift card giveaways with radio station listeners nominating essential and front-line responders.”

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SECOND QUARTER, 2020

INQUIRIES: RESEARCH@MCUL.ORG