

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 \$424,080,294 in direct financial benefits to the state's 5,347,733 members during the twelve months ending June 2019.

**These benefits are equivalent to \$79 per member or \$167 per member household <sup>(1)</sup>.**

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 \$102 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.

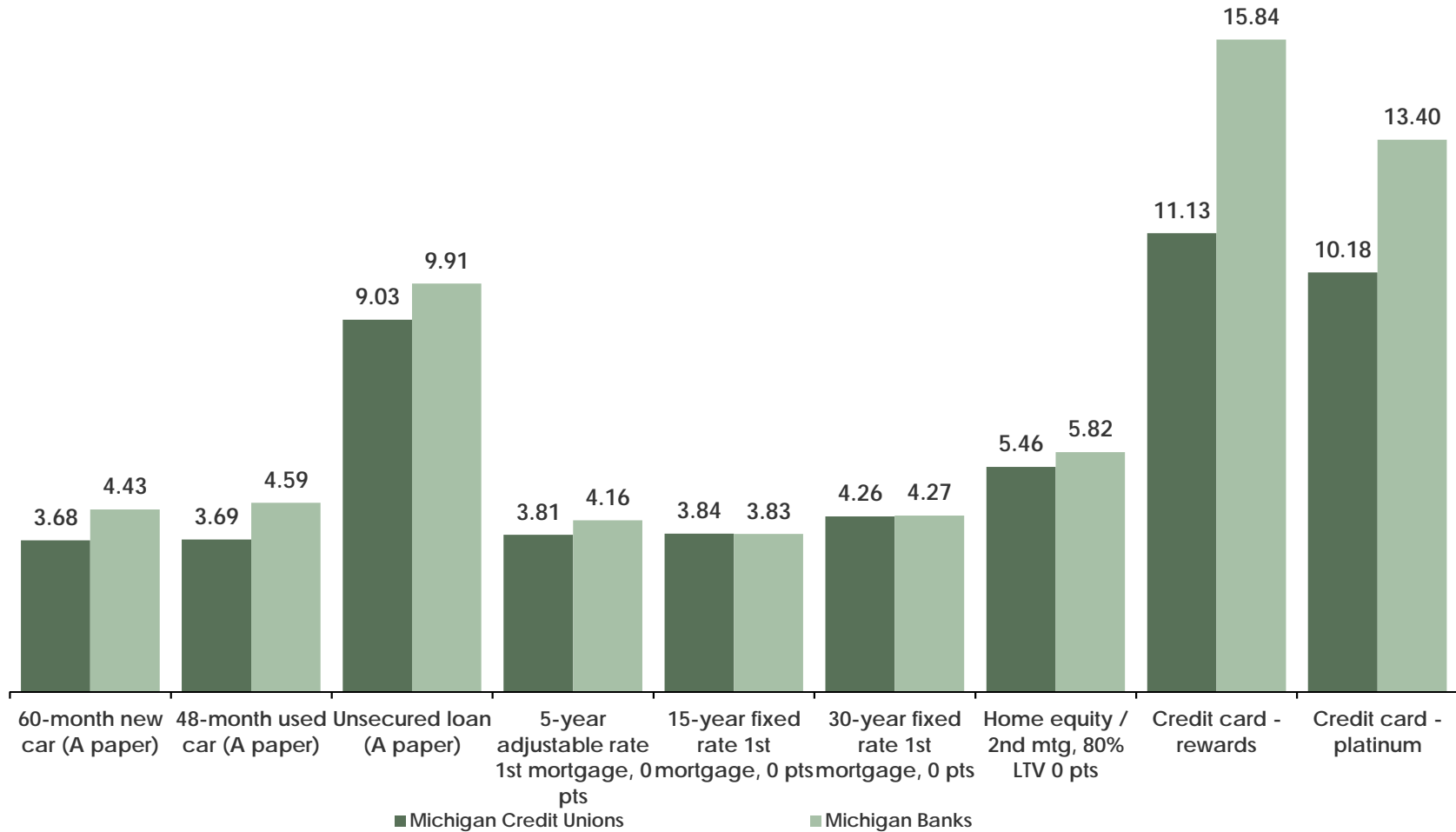
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



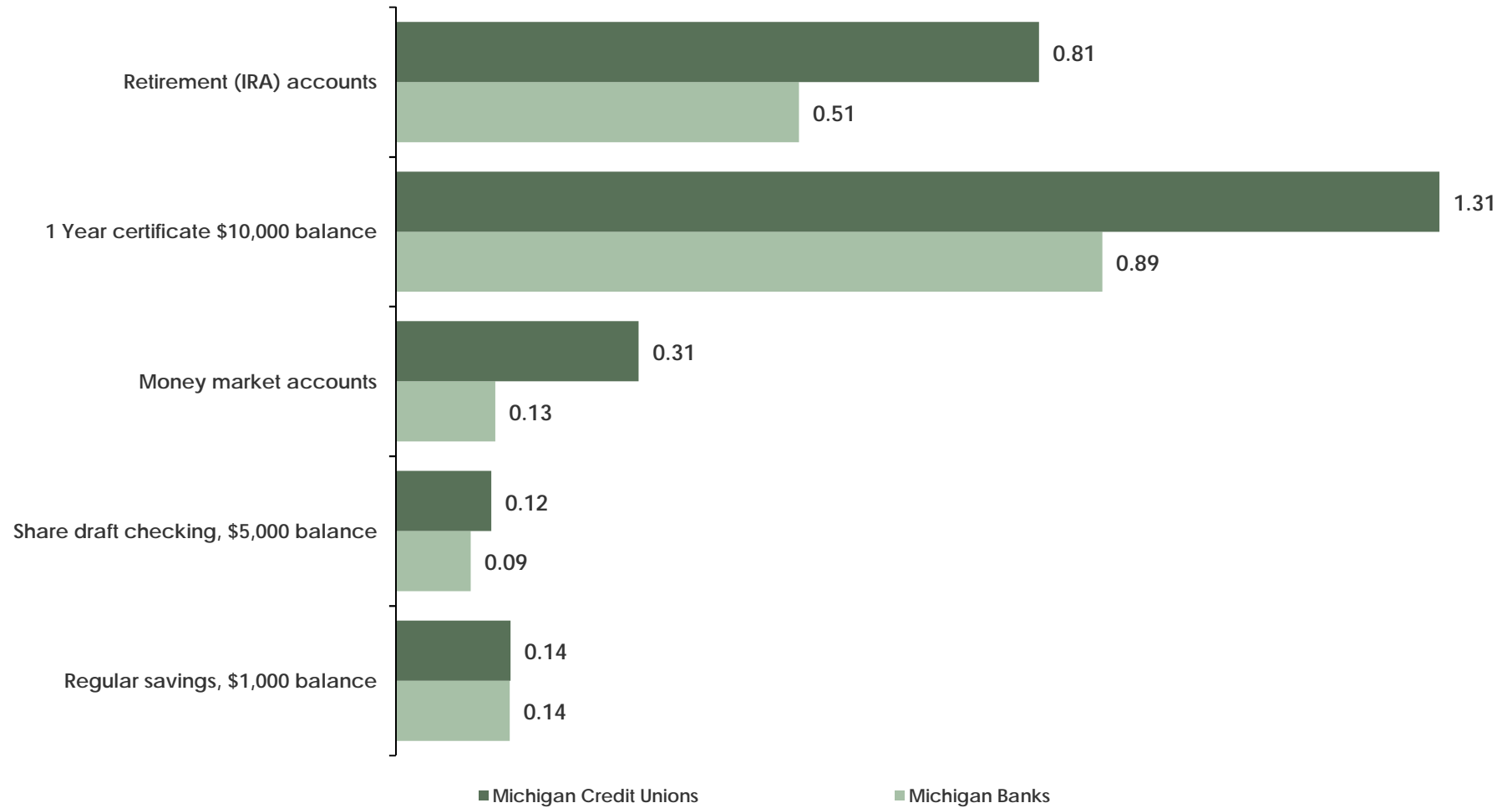
## Loan Product Comparative Interest Rates (%)

by Loan Type



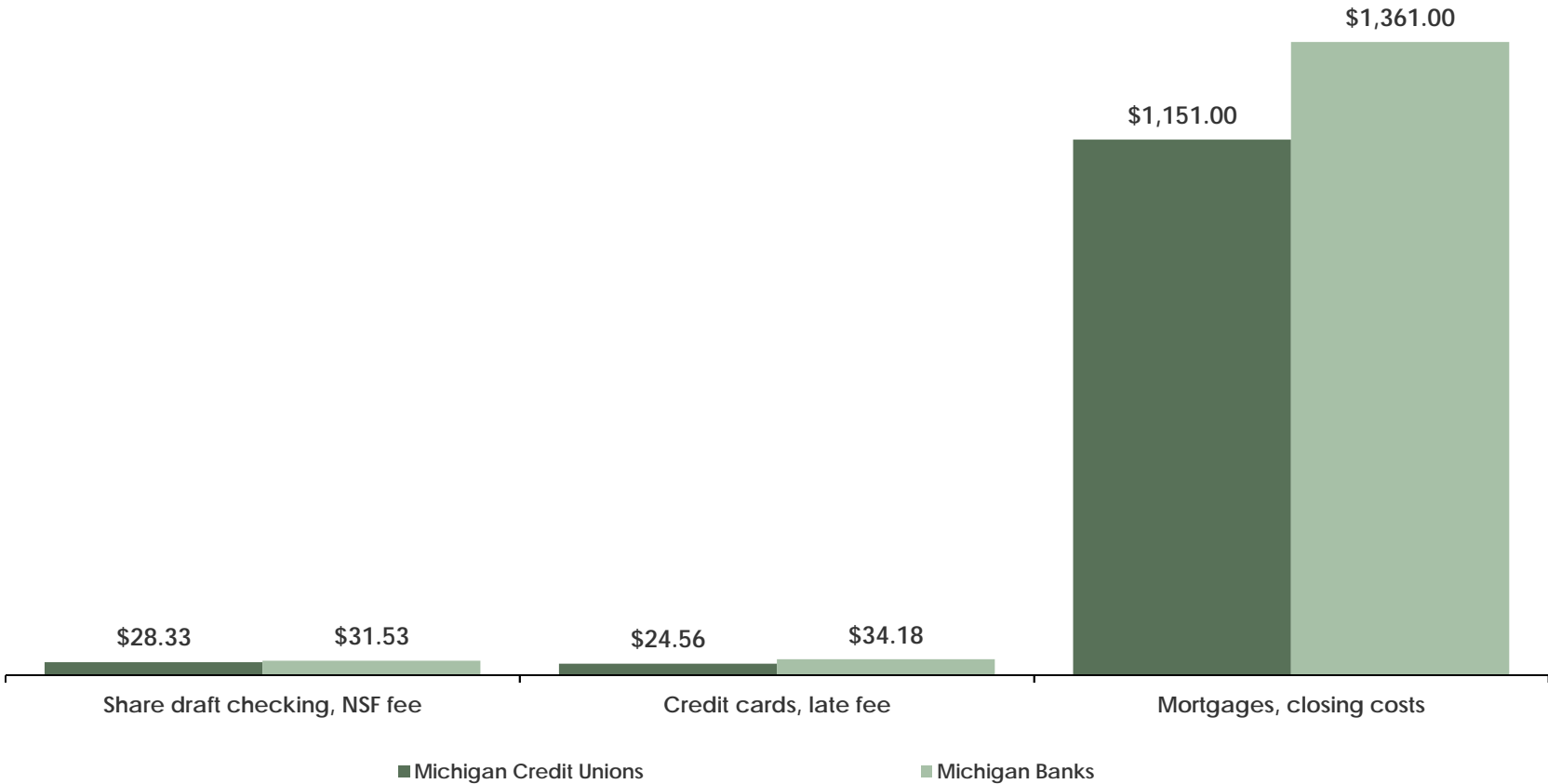
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



## Michigan Credit Union and Banking Institution June 2019 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)	3.68	4.43	-0.75
48-month used car (A paper)	3.69	4.59	-0.89
Unsecured loan (A paper)	9.03	9.91	-0.88
5-year adjustable rate 1st mortgage, 0 pts	3.81	4.16	-0.35
15-year fixed rate 1st mortgage, 0 pts	3.84	3.83	0.00
30-year fixed rate 1st mortgage, 0 pts	4.26	4.27	-0.02
Home equity / 2nd mtg, 80% LTV 0 pts	5.46	5.82	-0.36
Credit card - rewards	11.13	15.84	-4.71
Credit card - platinum	10.18	13.40	-3.22
Savings Products			
Regular savings, \$1,000 balance	0.14	0.14	0.00
Share draft checking, \$5,000 balance	0.12	0.09	0.03
Money market accounts	0.31	0.13	0.18
1 Year certificate \$10,000 balance	1.31	0.89	0.42
Retirement (IRA) accounts	0.81	0.51	0.30
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

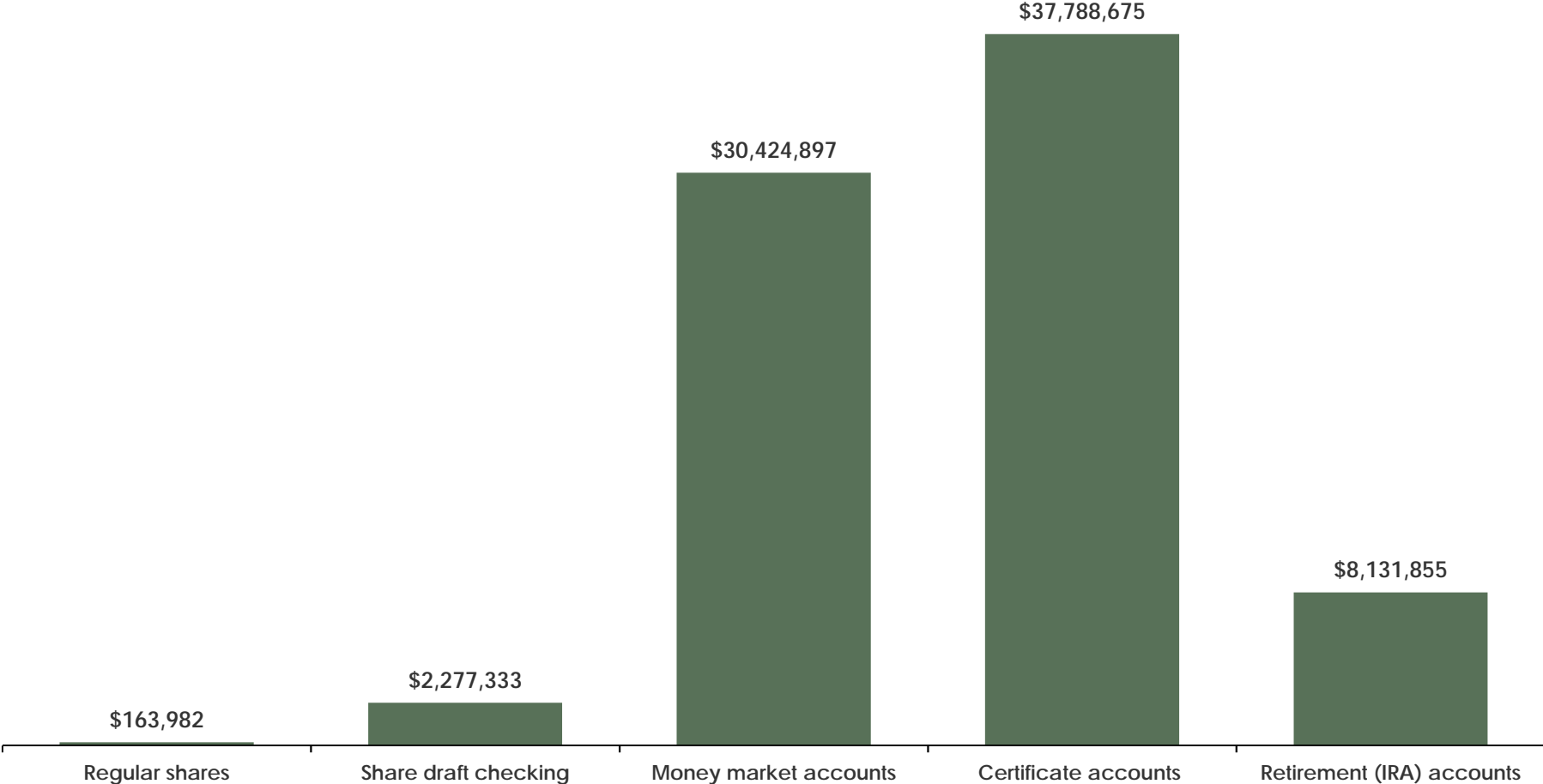
Estimated Credit Union Loan Rate Benefits

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 June 2019

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	3,469,835,651	-0.75	\$26,023,767
Used car loans	10,294,362,811	-0.89	\$92,031,604
Personal unsecured loans	1,819,398,903	-0.88	\$15,992,516
5-year adjustable rate 1st mortgage	6,817,871,442	-0.35	\$23,862,550
15-year fixed rate 1st mortgage	4,358,678,818	0.00	-\$217,934
30-year fixed rate 1st mortgage	7,597,926,772	-0.02	\$1,367,627
Home equity / 2nd mortgage loans	3,018,761,364	-0.36	\$10,867,541
Credit cards	2,087,235,376	-4.71	\$90,507,744
Interest rebates			\$13,323,096
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$273,758,511
Savings			
Regular shares	16,398,154,462	0.00	\$163,982
Share draft checking	8,758,973,561	0.03	\$2,277,333
Money market accounts	16,902,720,829	0.18	\$30,424,897
Certificate accounts	8,933,492,875	0.42	\$37,788,675
Retirement (IRA) accounts	2,697,132,751	0.30	\$8,131,855
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$78,786,742
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$71,535,041
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$424,080,294
<b>Total CU member benefit / member:</b>			\$79
<b>Total CU member benefit / member household:</b>			\$167

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2019 and June 2018, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

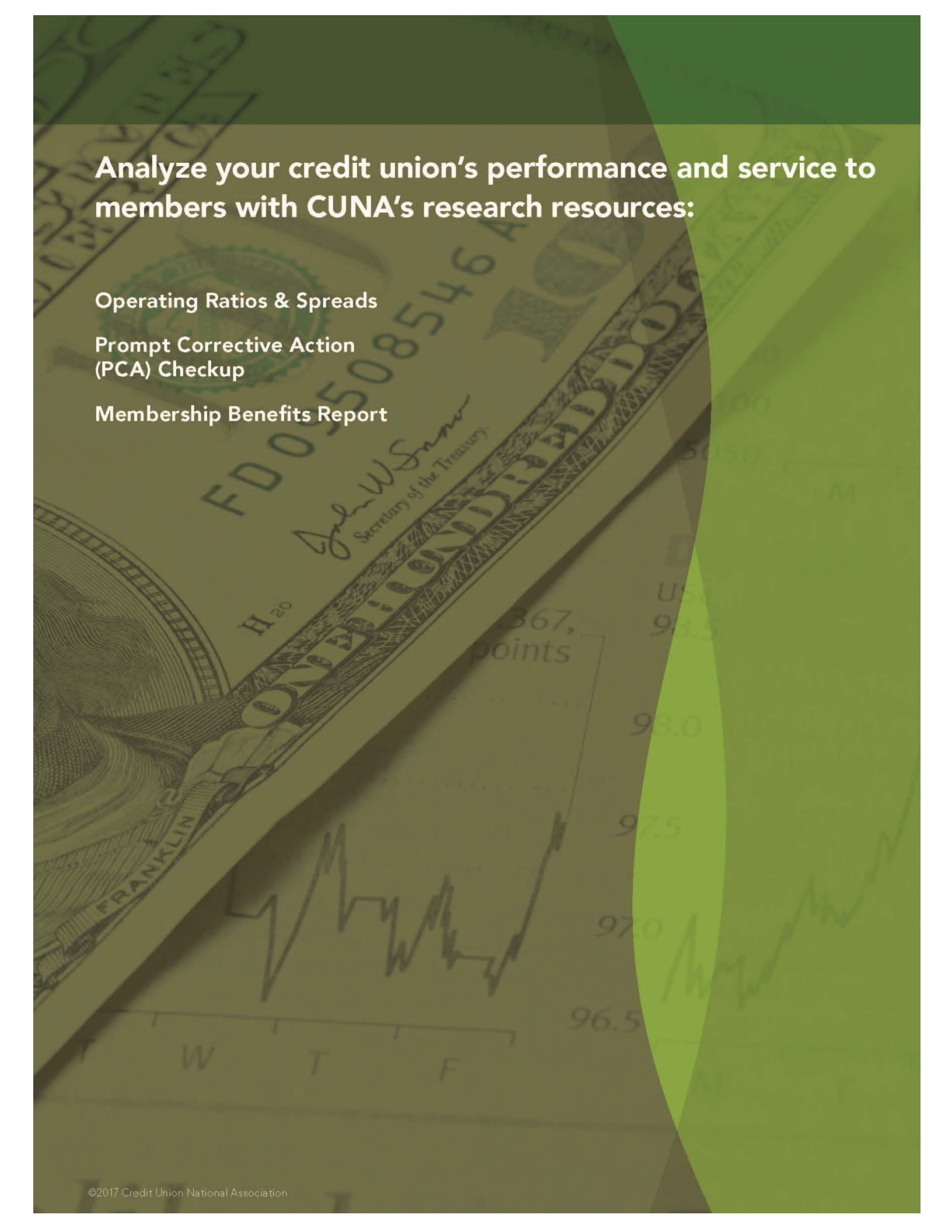
# Membership Benefits Report

CUNA Economics and Statistics

## Michigan Credit Union Performance Profile

Demographic Information	Jun 19	Jun 18
Number of branches	1,136	1,109
Total assets (\$ mil)	67,121	63,140
Total loans (\$ mil)	45,303	42,215
Total surplus funds (\$ mil)	18,697	18,006
Total savings (\$ mil)	56,433	53,466
Total members (thousands)	5,459	5,299
Growth Rates (Trailing 12 months) *		
Total assets	7.8 %	7.3 %
Total loans	8.6 %	13.3 %
Total surplus funds	6.0 %	-5.0 %
Total savings	7.1 %	6.9 %
Total members	4.2 %	4.6 %
Earnings - Basis Pts. *		
Yield on total assets	398	363
Dividend / interest cost of assets	68	46
Fee & other income	162	161
Operating expense	347	341
Loss Provisions	32	33
Net Income (ROA) after stabilization exp	113	104
Capital Adequacy		
Net worth / assets	11.9	11.7
Asset Quality *		
Delinquencies / loans	0.6	0.6
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	28	24
Bankruptcies per 1000 members	1.1	1.0
Asset/Liability Management		
Loans / savings	80.3	79.0
Loans / assets	67.5	66.9
Long-term assets / assets	37.7	38.9
Core deposits/shares & borrowings	44.3	45.6
Productivity		
Members / potential members	1.3	1.5
Borrowers / members	61.4	60.8
Members / FTE	333	340
Average shares / members (\$)	10,338	10,089
Average loan balances (\$)	13,509	13,110
Salary & Benefits / FTE	71,877	69,513

\* 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