

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 \$736,181,600 in direct financial benefits to the state's 5,895,376 members during the twelve months ending June 2023.

These benefits are equivalent to \$125 per member or \$262 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 \$122 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.

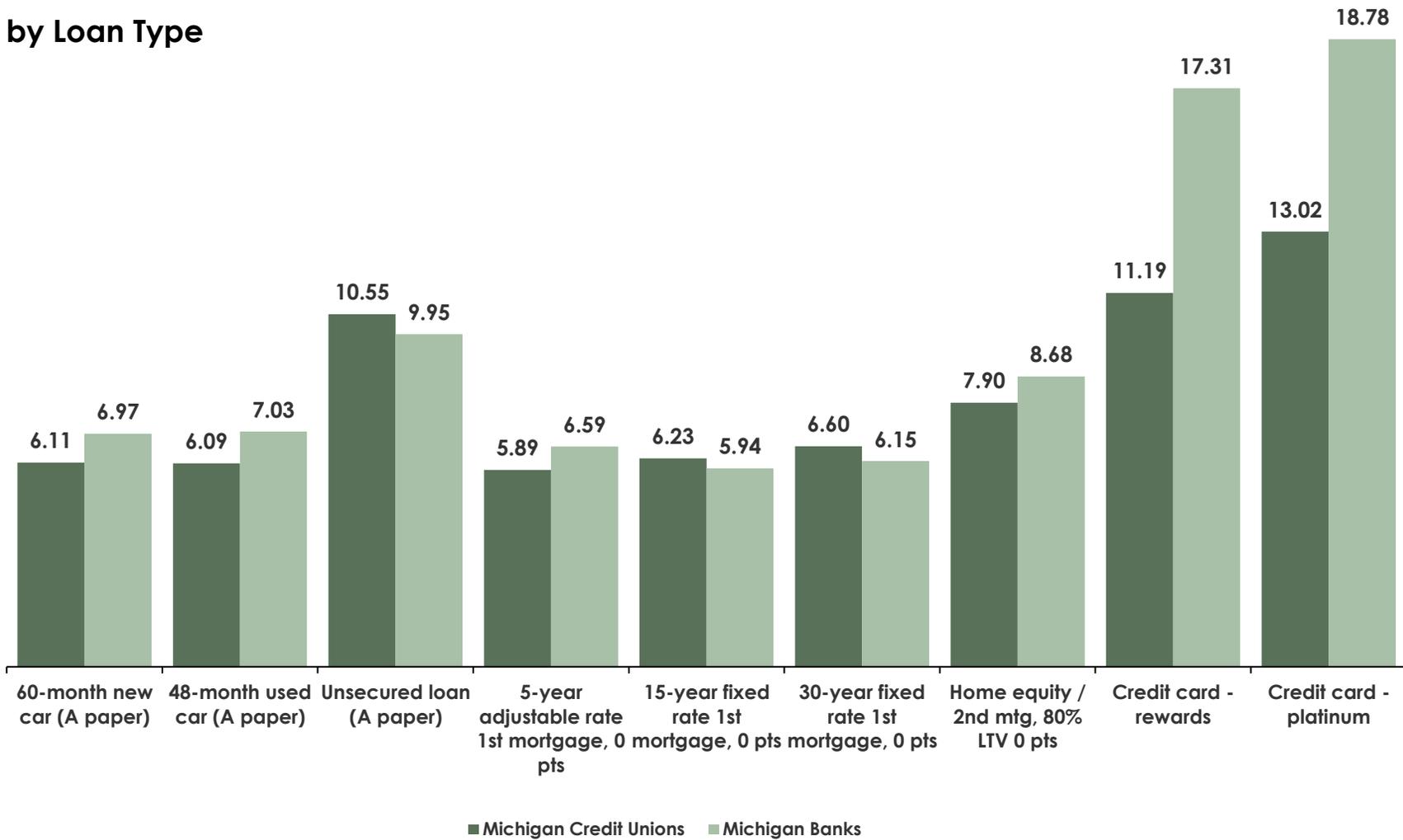
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

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



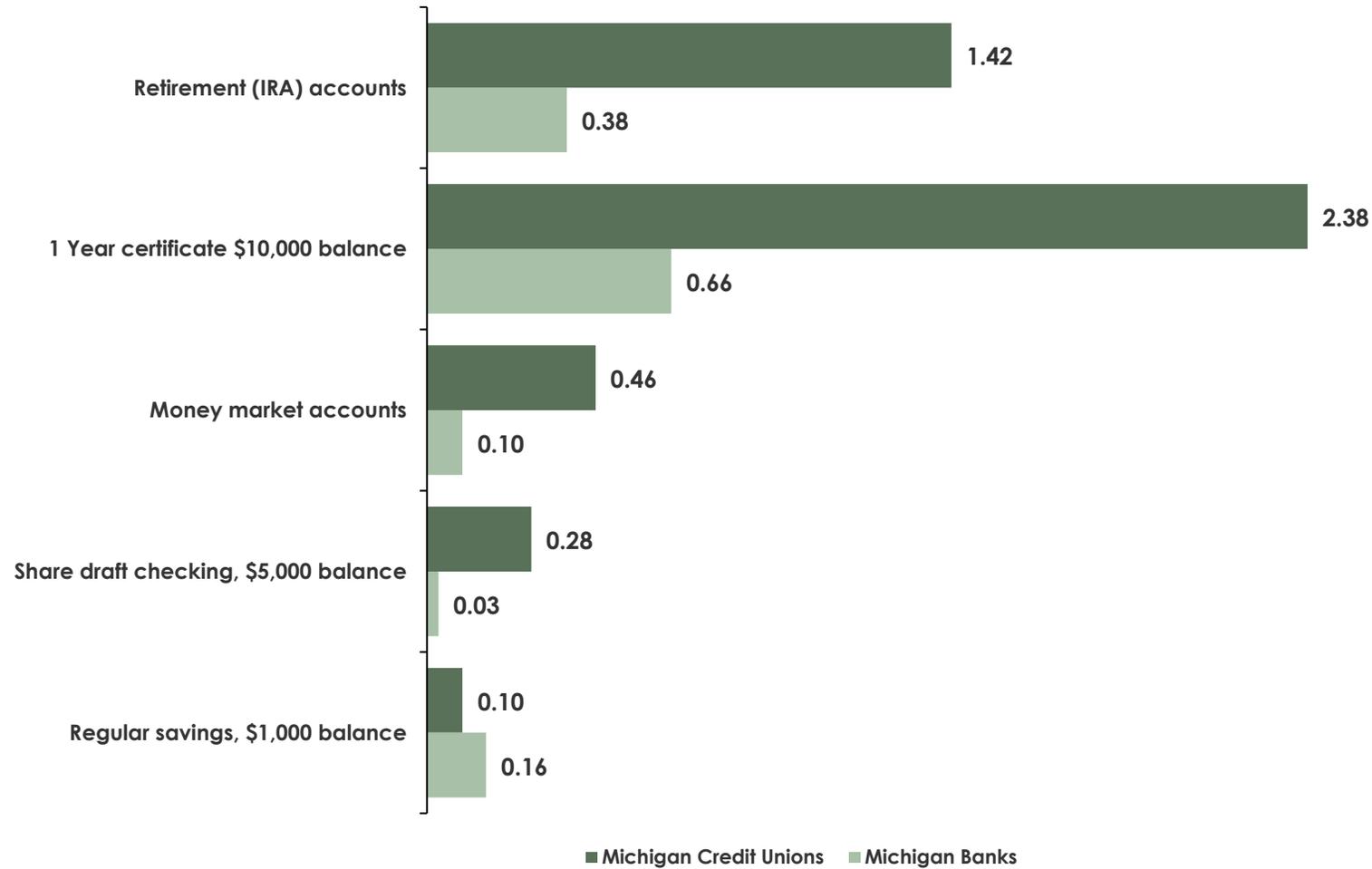
Loan Product Comparative Interest Rates (%)

by Loan Type



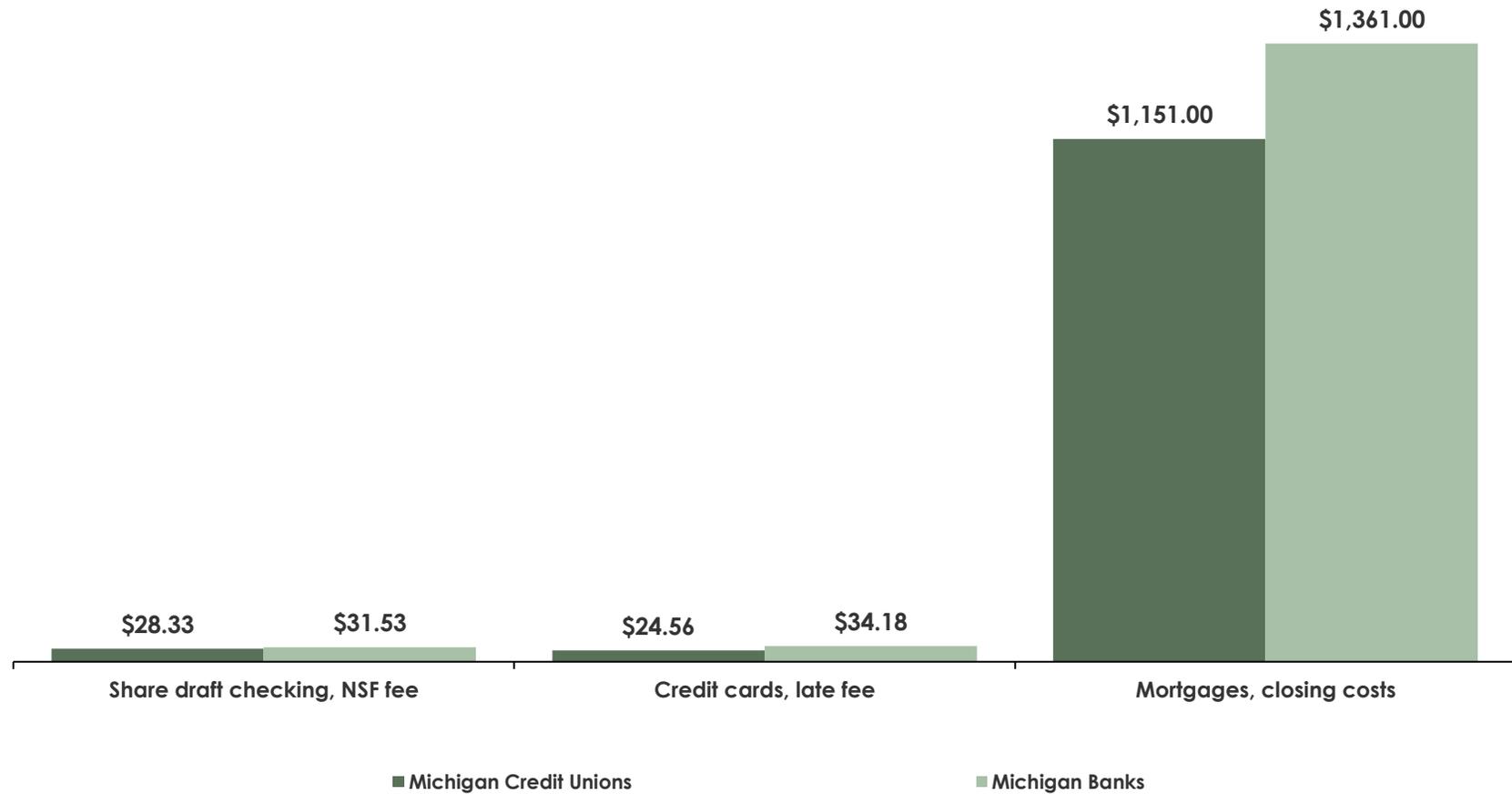
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



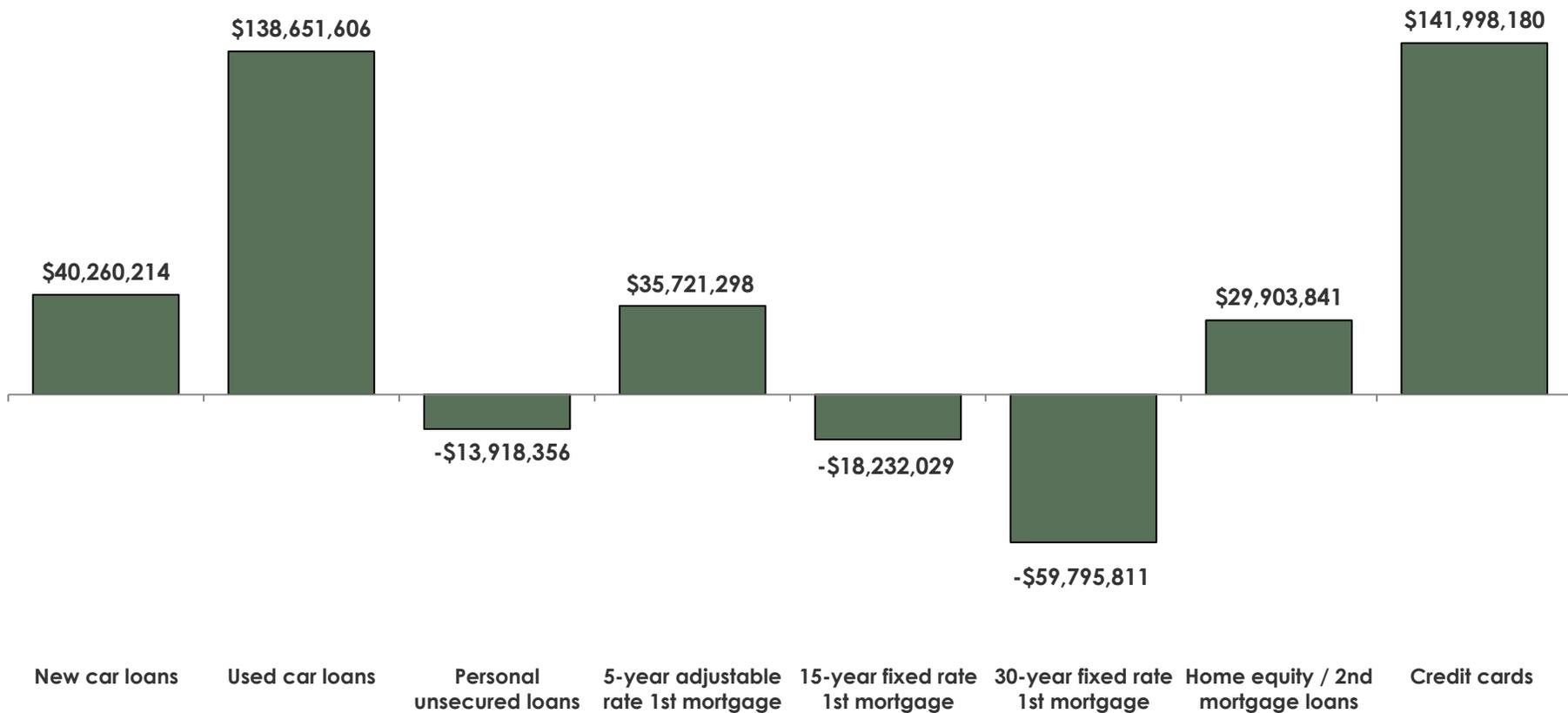
Michigan Credit Union and Banking Institution June 2023 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	6.11	6.97	-0.87
48-month used car (A paper)	6.09	7.03	-0.95
Unsecured loan (A paper)	10.55	9.95	0.60
5-year adjustable rate 1st mortgage, 0 pts	5.89	6.59	-0.70
15-year fixed rate 1st mortgage, 0 pts	6.23	5.94	0.29
30-year fixed rate 1st mortgage, 0 pts	6.60	6.15	0.45
Home equity / 2nd mtg, 80% LTV 0 pts	7.90	8.68	-0.78
Credit card - rewards	11.19	17.31	-6.13
Credit card - platinum	13.02	18.78	-5.76
Savings Products			
Regular savings, \$1,000 balance	0.10	0.16	-0.06
Share draft checking, \$5,000 balance	0.28	0.03	0.25
Money market accounts	0.46	0.10	0.36
1 Year certificate \$10,000 balance	2.38	0.66	1.72
Retirement (IRA) accounts	1.42	0.38	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

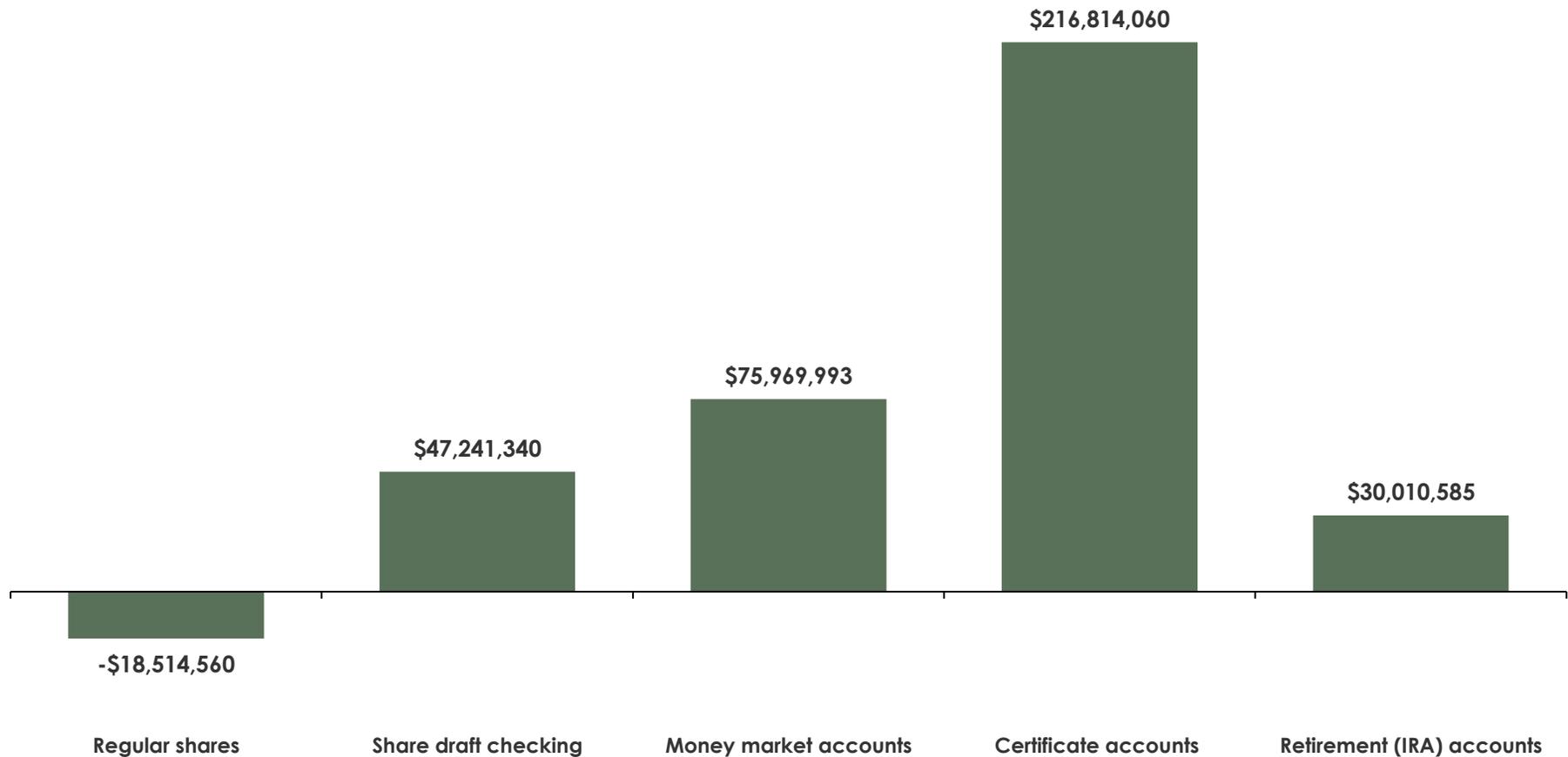
Estimated Credit Union Loan Benefits

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 June 2023

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
Loans			
New car loans	4,648,985,454	-0.87	\$40,260,214
Used car loans	14,641,141,063	-0.95	\$138,651,606
Personal unsecured loans	2,323,598,741	0.60	-\$13,918,356
5-year adjustable rate 1st mortgage	5,110,343,080	-0.70	\$35,721,298
15-year fixed rate 1st mortgage	6,201,370,553	0.29	-\$18,232,029
30-year fixed rate 1st mortgage	13,377,138,857	0.45	-\$59,795,811
Home equity / 2nd mortgage loans	3,828,916,856	-0.78	\$29,903,841
Credit cards	2,353,593,506	-6.13	\$141,998,180
Interest rebates			\$10,333,768
Total CU member benefits arising from lower interest rates on loan products:			\$304,922,710
Savings			
Regular shares	28,929,000,588	-0.06	-\$18,514,560
Share draft checking	18,821,251,024	0.25	\$47,241,340
Money market accounts	21,102,775,965	0.36	\$75,969,993
Certificate accounts	12,590,828,091	1.72	\$216,814,060
Retirement (IRA) accounts	2,882,861,151	1.04	\$30,010,585
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$351,521,417
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$79,737,472
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$736,181,600
Total CU member benefit / member:			\$125
Total CU member benefit / member household:			\$262

Source: Datatrac, NCUA, and CUNA

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

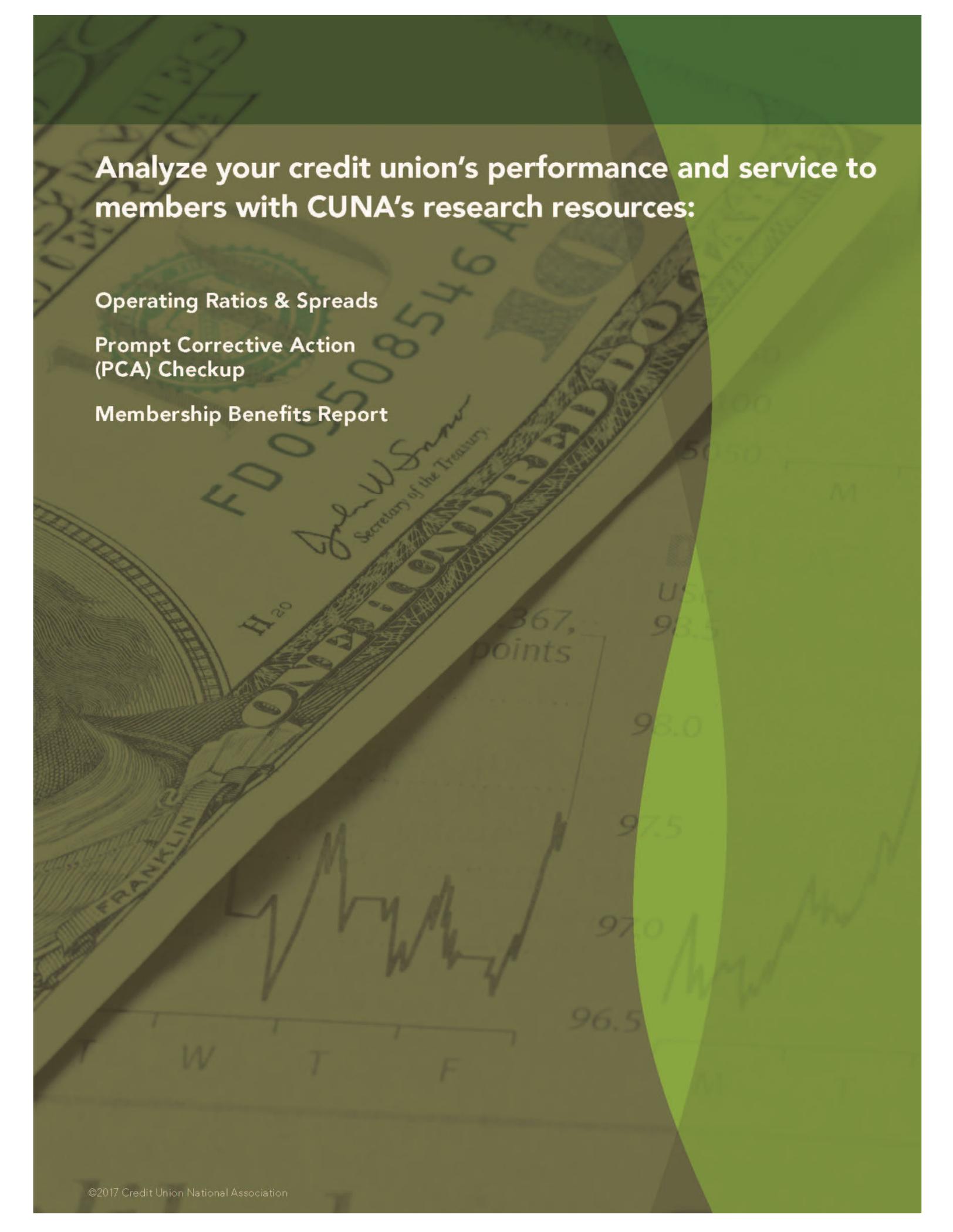
Membership Benefits Report

CUNA Economics and Statistics

Michigan Credit Union Performance Profile

Demographic Information	Jun 23	Jun 22
Number of branches	1,200	1,186
Total assets (\$ mil)	100,957	97,029
Total loans (\$ mil)	70,183	60,929
Total surplus funds (\$ mil)	26,043	31,529
Total savings (\$ mil)	86,789	85,375
Total members (thousands)	5,989	5,874
Growth Rates (Trailing 12 months) *		
Total assets	5.0 %	7.0 %
Total loans	16.0 %	14.9 %
Total surplus funds	-16.3 %	-6.5 %
Total savings	2.6 %	8.5 %
Total members	2.9 %	2.8 %
Earnings - Basis Pts. *		
Yield on total assets	394	294
Dividend / interest cost of assets	101	31
Fee & other income	132	129
Operating expense	308	289
Loss Provisions	21	8
Net Income (ROA) after stabilization exp	96	94
Capital Adequacy		
Net worth / assets	11.4	11.0
Asset Quality *		
Delinquencies / loans	0.5	0.4
Net chargeoffs / average loans	0.3	0.2
Total borrower-bankruptcies		
Bankruptcies per 1000 members		
Asset/Liability Management		
Loans / savings	80.9	71.4
Loans / assets	69.5	62.8
Long-term assets / assets	45.6	46.7
Core deposits/shares & borrowings	53.0	58.0
Productivity		
Members / potential members	1.2	1.2
Borrowers / members	62.8	60.4
Members / FTE	327	337
Average shares / members (\$)	14,492	14,534
Average loan balances (\$)	18,653	17,174
Salary & Benefits / FTE	87,325	83,892

* 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