

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 \$397,581,078 in direct financial benefits to the state's 5,246,214 members during the twelve months ending September 2018.

These benefits are equivalent to \$76 per member or \$159 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 \$107 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.

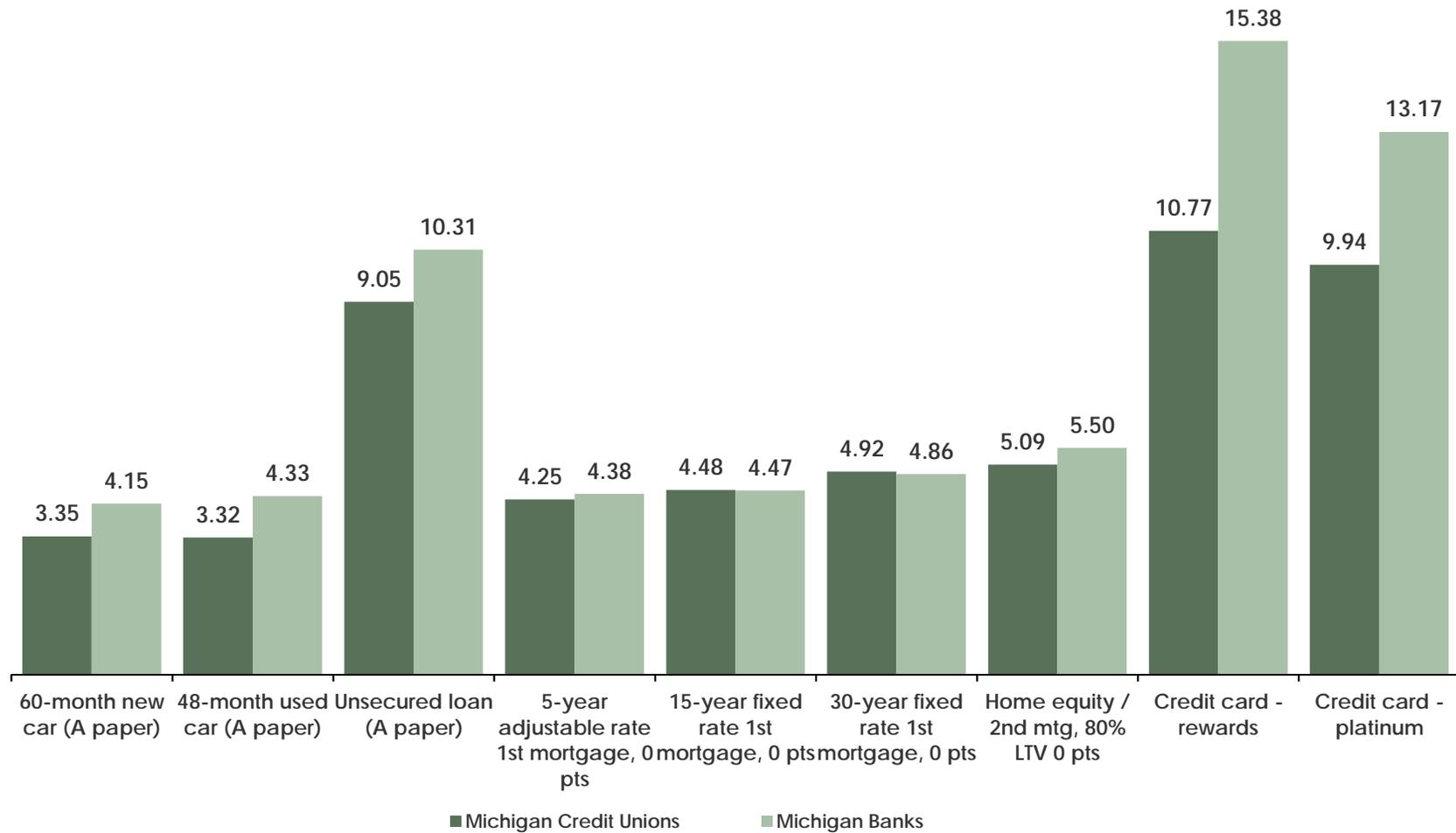
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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



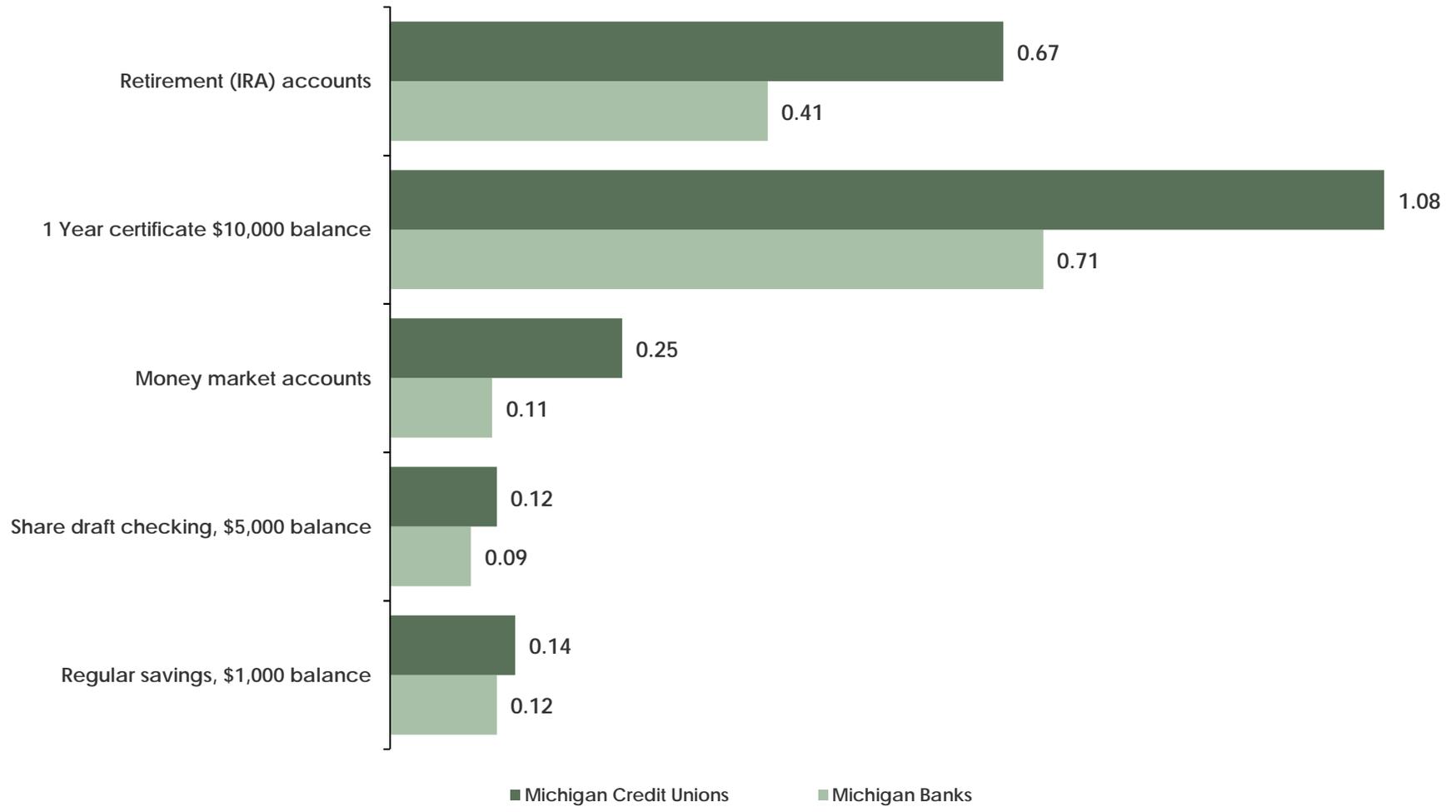
Loan Product Comparative Interest Rates (%)

by Loan Type



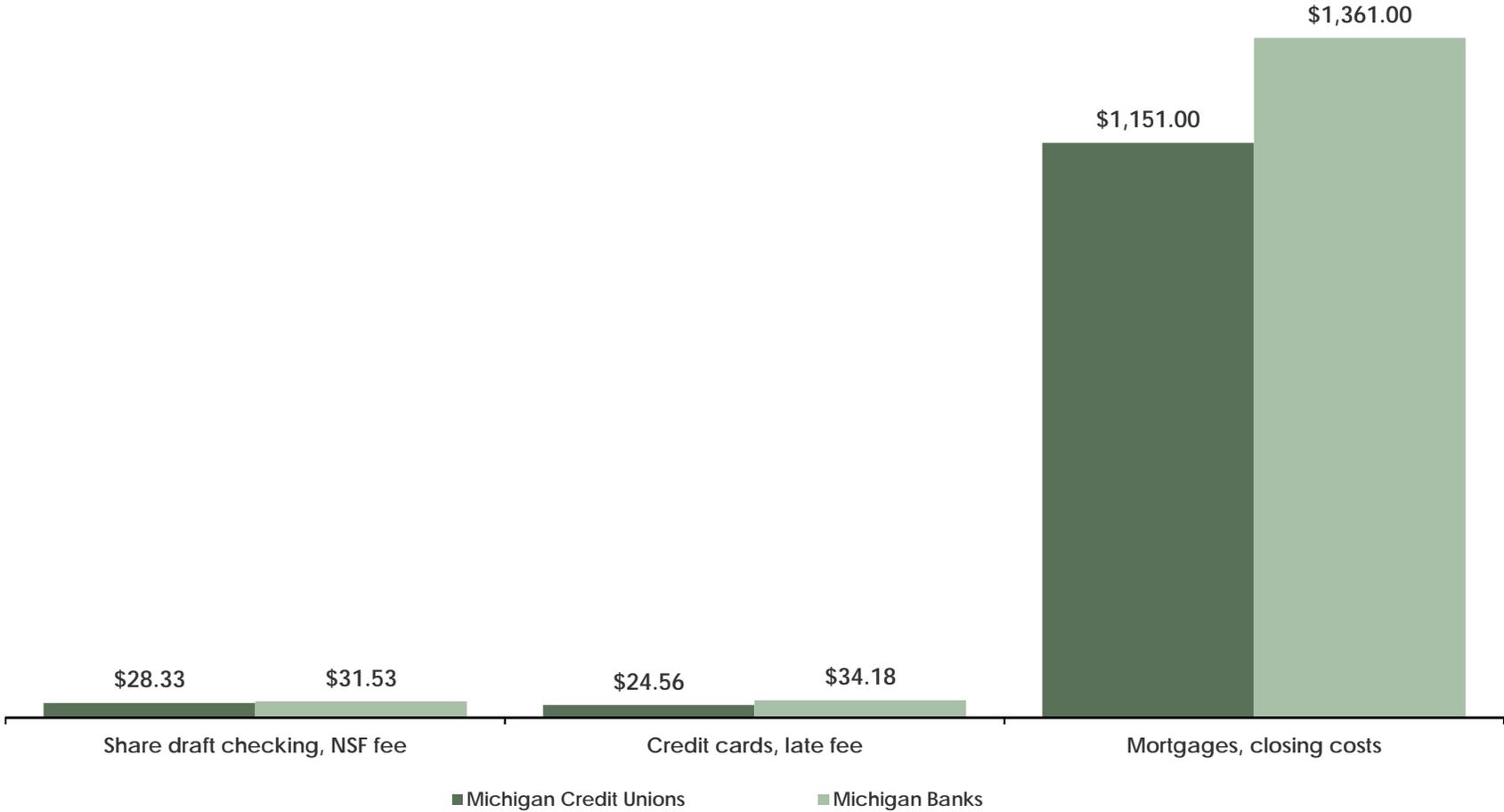
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



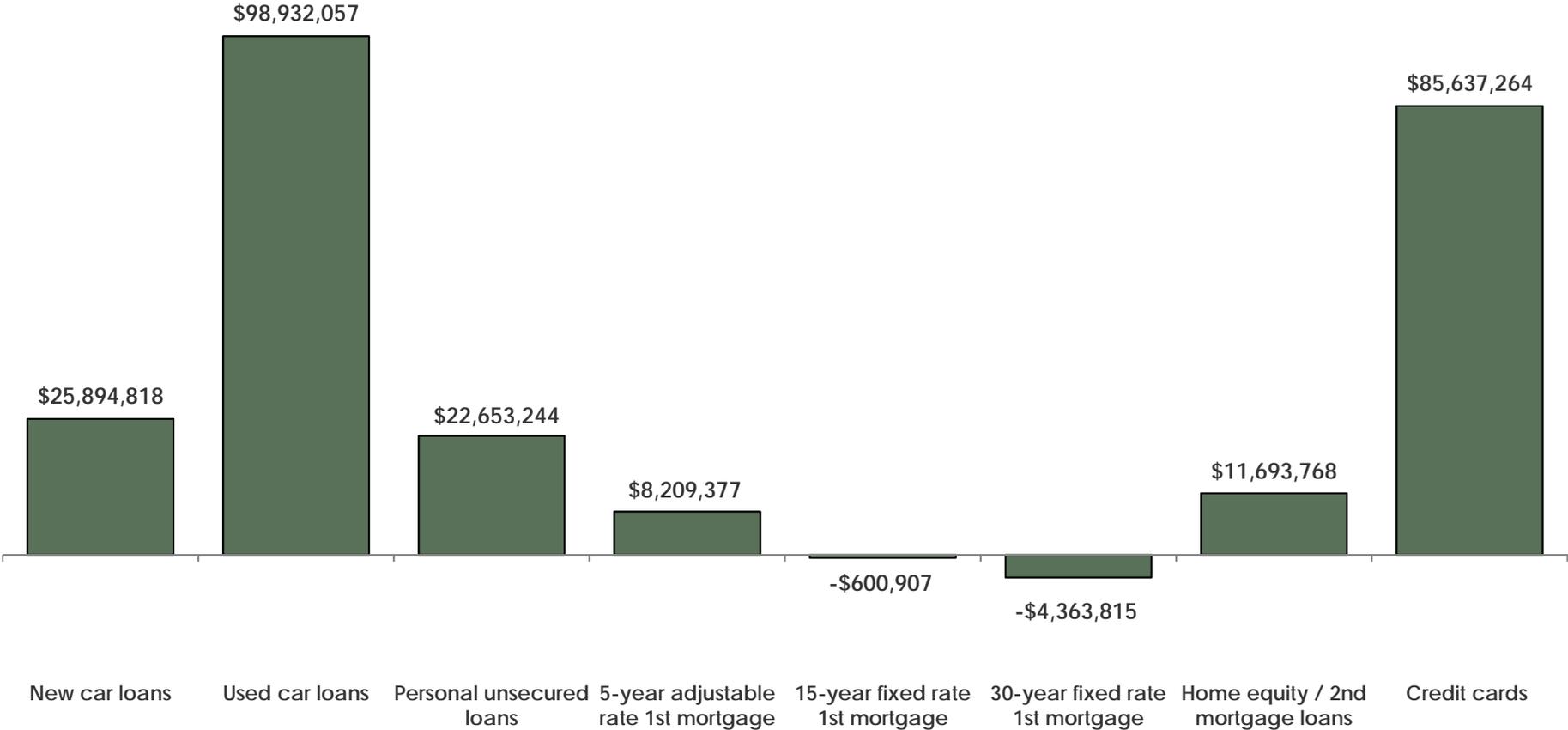
Michigan Credit Union and Banking Institution September 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.35	4.15	-0.80
48-month used car (A paper)	3.32	4.33	-1.01
Unsecured loan (A paper)	9.05	10.31	-1.26
5-year adjustable rate 1st mortgage, 0 pts	4.25	4.38	-0.13
15-year fixed rate 1st mortgage, 0 pts	4.48	4.47	0.01
30-year fixed rate 1st mortgage, 0 pts	4.92	4.86	0.06
Home equity / 2nd mtg, 80% LTV 0 pts	5.09	5.50	-0.41
Credit card - rewards	10.77	15.38	-4.61
Credit card - platinum	9.94	13.17	-3.23
Savings Products			
Regular savings, \$1,000 balance	0.14	0.12	0.02
Share draft checking, \$5,000 balance	0.12	0.09	0.03
Money market accounts	0.25	0.11	0.14
1 Year certificate \$10,000 balance	1.08	0.71	0.37
Retirement (IRA) accounts	0.67	0.41	0.26
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

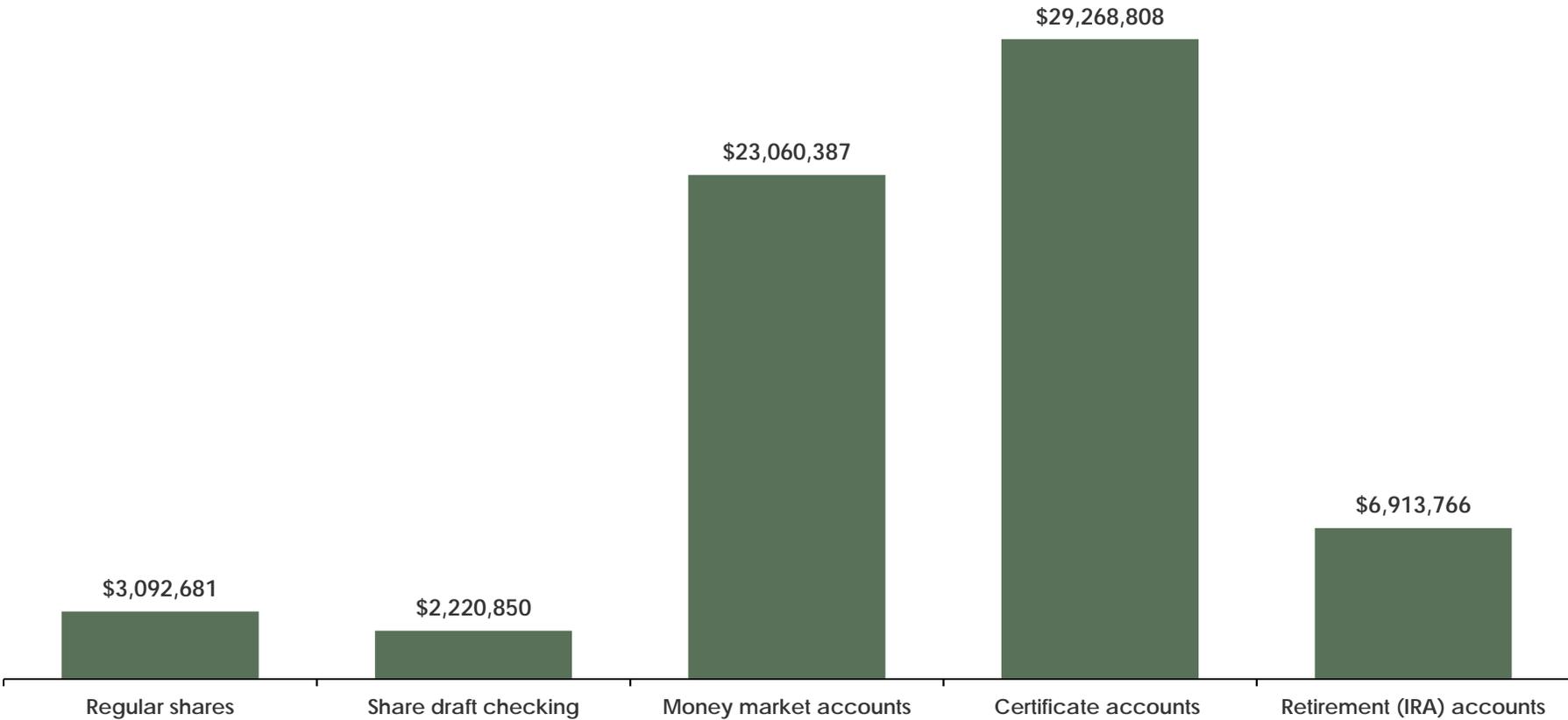
State Credit Union's Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Union's Total Savings Dividend Benefits

Compared to State Banking Institutions
by Account Type



Estimated Financial Benefits for Michigan Credit Unions September 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	3,249,036,158	-0.80	\$25,894,818
Used car loans	9,785,564,475	-1.01	\$98,932,057
Personal unsecured loans	1,793,605,983	-1.26	\$22,653,244
5-year adjustable rate 1st mortgage	6,126,400,706	-0.13	\$8,209,377
15-year fixed rate 1st mortgage	4,292,191,404	0.01	-\$600,907
30-year fixed rate 1st mortgage	7,038,410,545	0.06	-\$4,363,815
Home equity / 2nd mortgage loans	2,866,119,498	-0.41	\$11,693,768
Credit cards	2,007,554,692	-4.61	\$85,637,264
Interest rebates			\$15,133,252
Total CU member benefits arising from lower interest rates on loan products:			\$263,189,058
Savings			
Regular shares	15,463,402,620	0.02	\$3,092,681
Share draft checking	7,931,607,254	0.03	\$2,220,850
Money market accounts	16,354,884,180	0.14	\$23,060,387
Certificate accounts	7,910,488,620	0.37	\$29,268,808
Retirement (IRA) accounts	2,705,975,066	0.26	\$6,913,766
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$64,556,491
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$69,835,529
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$397,581,078
Total CU member benefit / member:			\$76
Total CU member benefit / member household:			\$159

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2018 and September 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

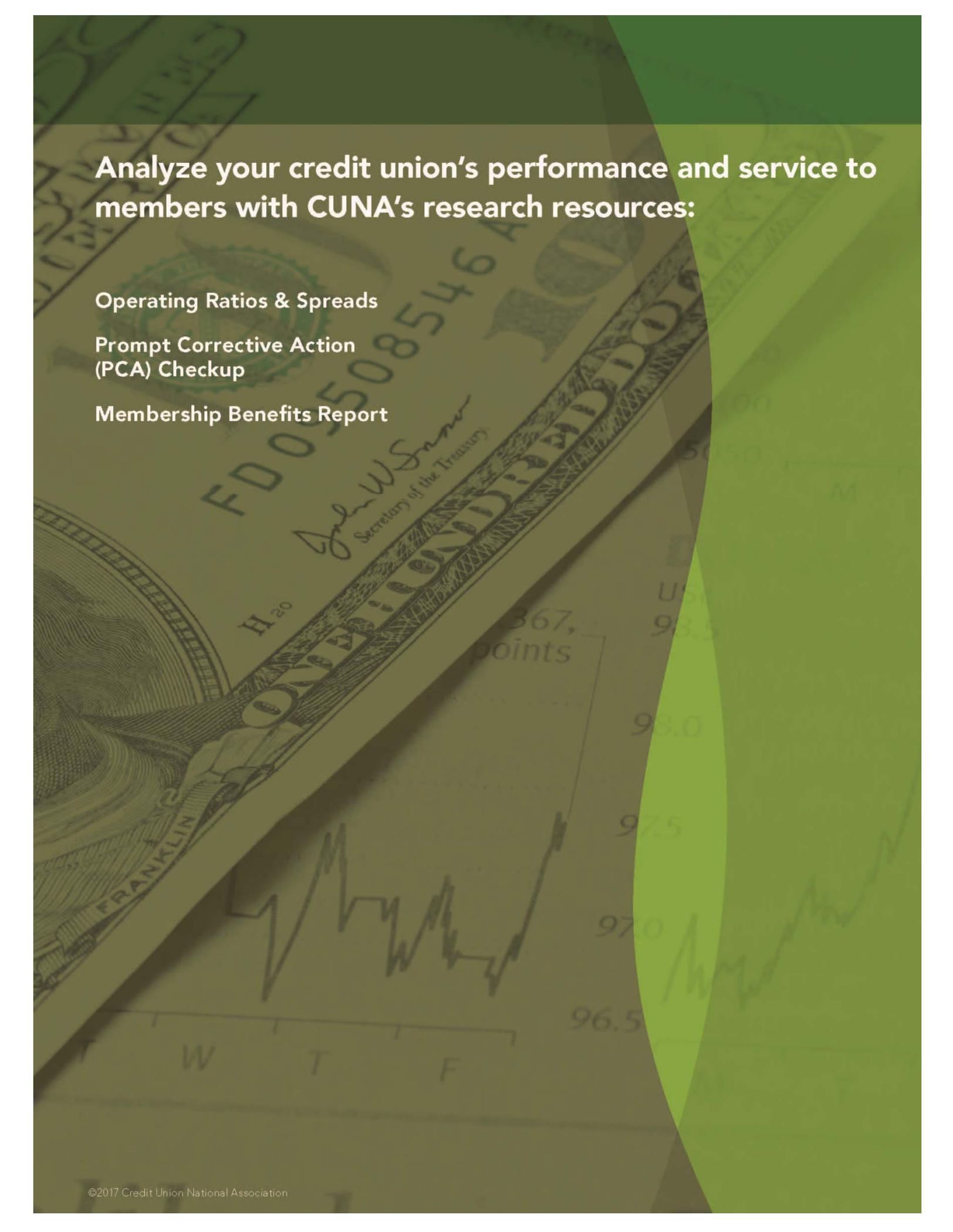
Membership Benefits Report

CUNA Economics and Statistics

Michigan Credit Union Performance Profile

Demographic Information	Sep 18	Sep 17
Number of branches	1,106	1,073
Total assets (\$ mil)	62,693	59,560
Total loans (\$ mil)	43,429	38,979
Total surplus funds (\$ mil)	16,354	17,886
Total savings (\$ mil)	52,574	50,225
Total members (thousands)	5,360	5,193
Growth Rates (Trailing 12 months) *		
Total assets	6.3 %	7.9 %
Total loans	12.3 %	12.4 %
Total surplus funds	-7.2 %	-0.9 %
Total savings	5.8 %	7.6 %
Total members	4.4 %	4.4 %
Earnings - Basis Pts. *		
Yield on total assets	374	351
Dividend / interest cost of assets	50	41
Fee & other income	165	156
Operating expense	346	337
Loss Provisions	34	31
Net Income (ROA) after stabilization exp	110	97
Capital Adequacy		
Net worth / assets	12.0	11.7
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	33	33
Bankruptcies per 1000 members	1.4	1.5
Asset/Liability Management		
Loans / savings	82.6	77.6
Loans / assets	69.3	65.4
Long-term assets / assets	37.9	37.4
Core deposits/shares & borrowings	44.9	44.3
Productivity		
Members / potential members	1.5	1.6
Borrowers / members	61.3	60.1
Members / FTE	340	349
Average shares / members (\$)	9,809	9,671
Average loan balances (\$)	13,221	12,495
Salary & Benefits / FTE	69,407	66,882

* 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