

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 \$555,652,125 in direct financial benefits to the state's 5,688,074 members during the twelve months ending September 2021.

These benefits are equivalent to \$98 per member or \$205 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 \$166 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.

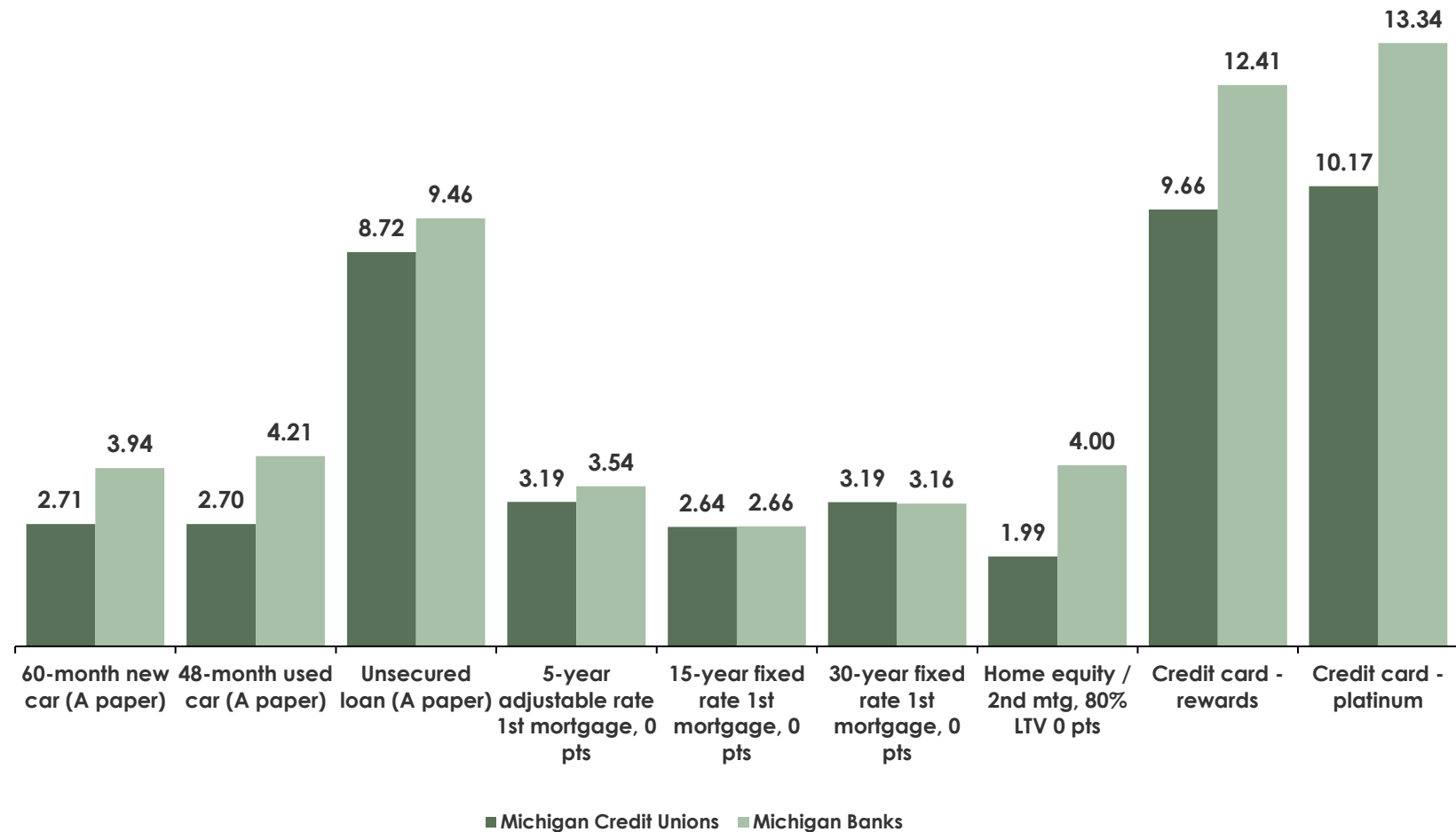
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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



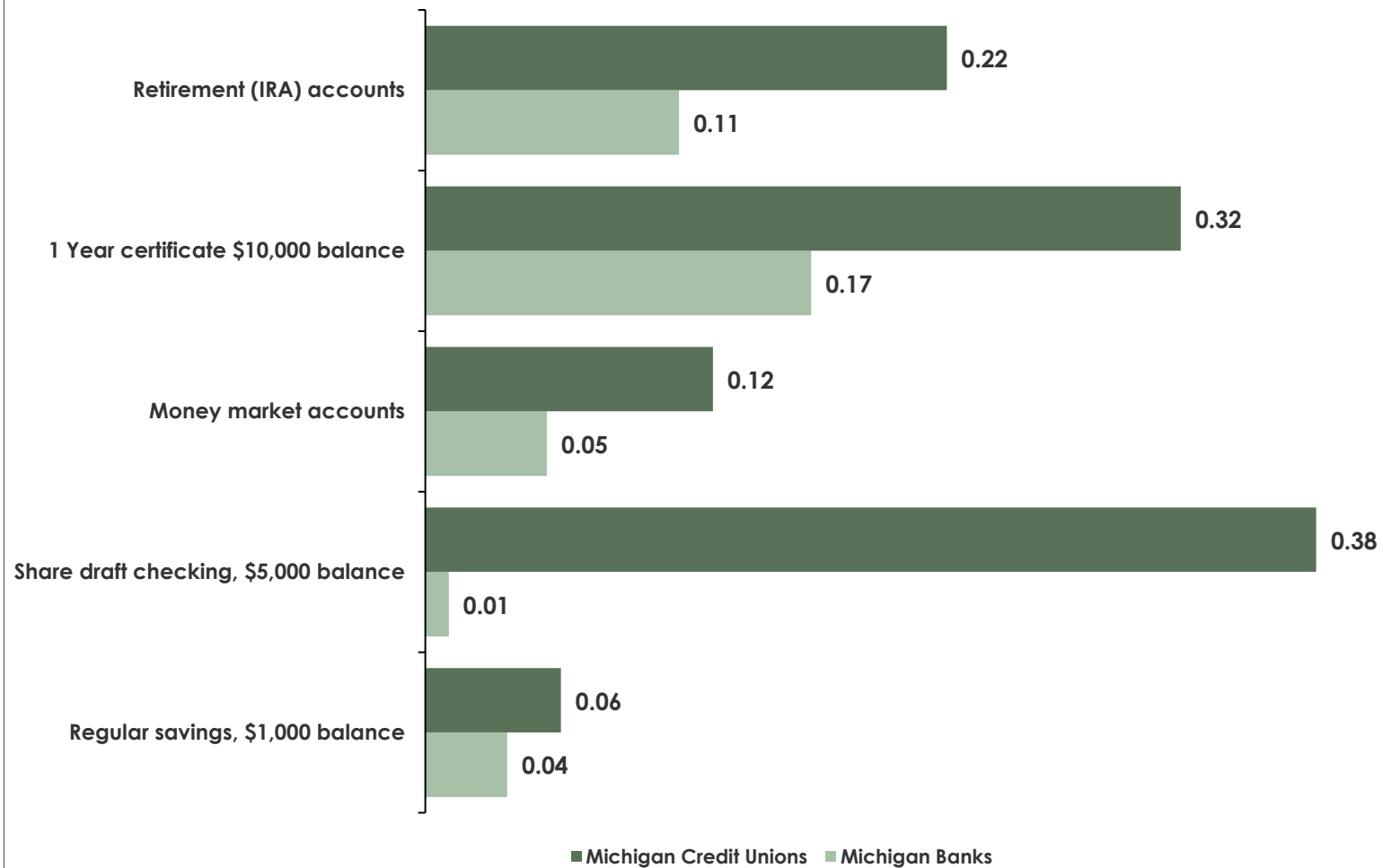
Loan Product Comparative Interest Rates (%)

by Loan Type



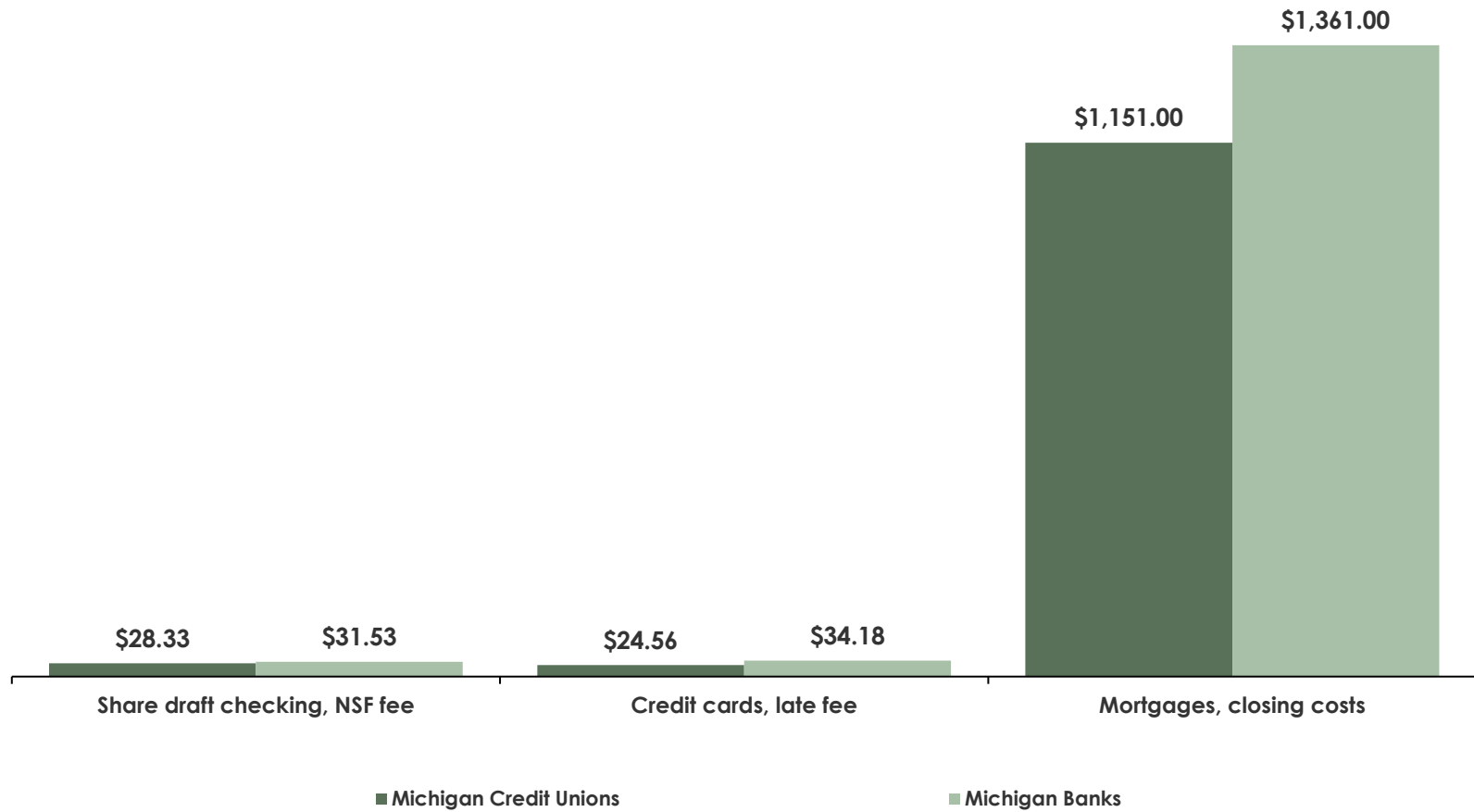
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



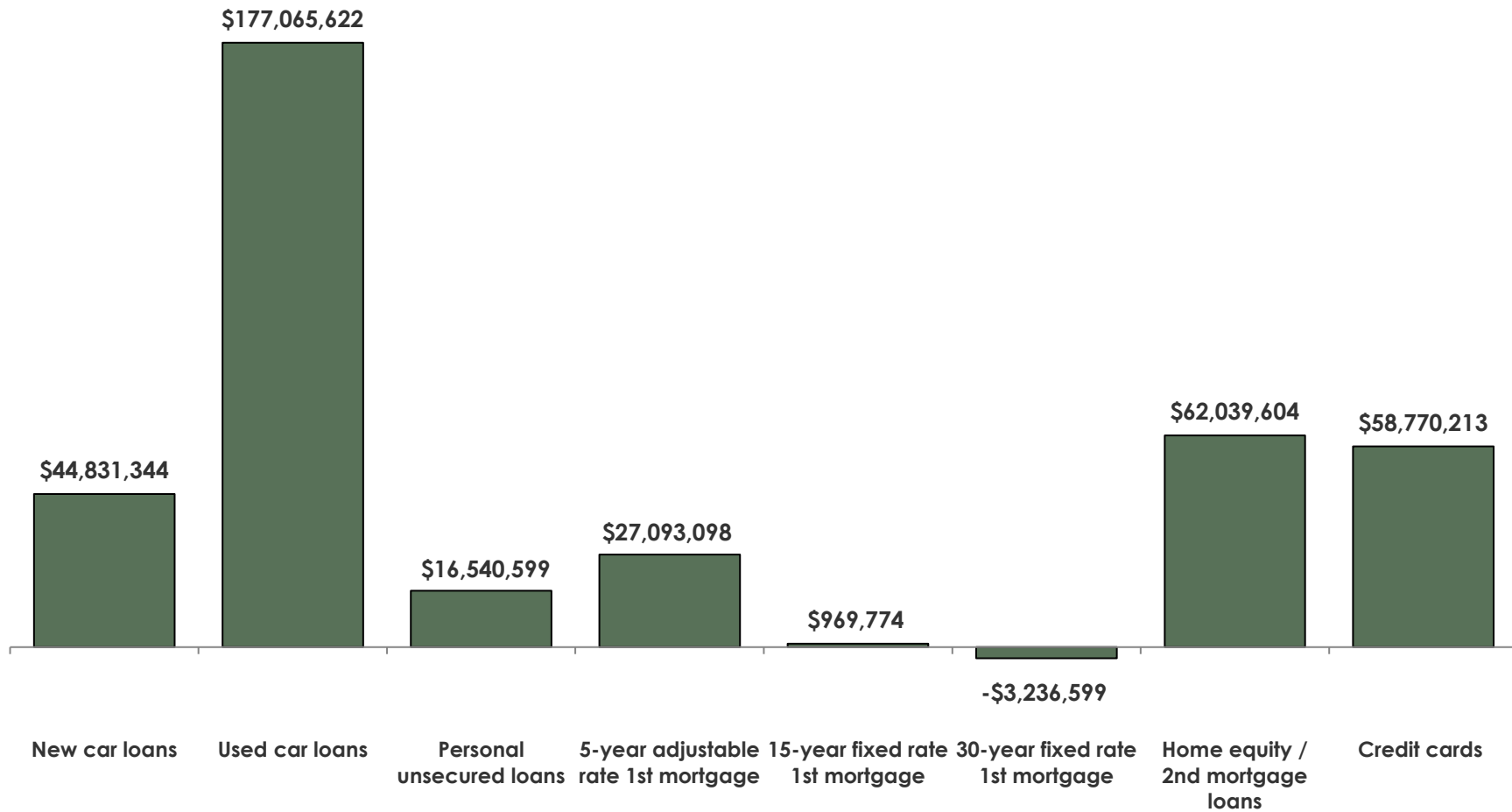
Michigan Credit Union and Banking Institution September 2021 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.71	3.94	-1.24
48-month used car (A paper)	2.70	4.21	-1.50
Unsecured loan (A paper)	8.72	9.46	-0.75
5-year adjustable rate 1st mortgage, 0 pts	3.19	3.54	-0.35
15-year fixed rate 1st mortgage, 0 pts	2.64	2.66	-0.02
30-year fixed rate 1st mortgage, 0 pts	3.19	3.16	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	1.99	4.00	-2.01
Credit card - rewards	9.66	12.41	-2.75
Credit card - platinum	10.17	13.34	-3.17
Savings Products			
Regular savings, \$1,000 balance	0.06	0.04	0.02
Share draft checking, \$5,000 balance	0.38	0.01	0.37
Money market accounts	0.12	0.05	0.07
1 Year certificate \$10,000 balance	0.32	0.17	0.16
Retirement (IRA) accounts	0.22	0.11	0.11
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

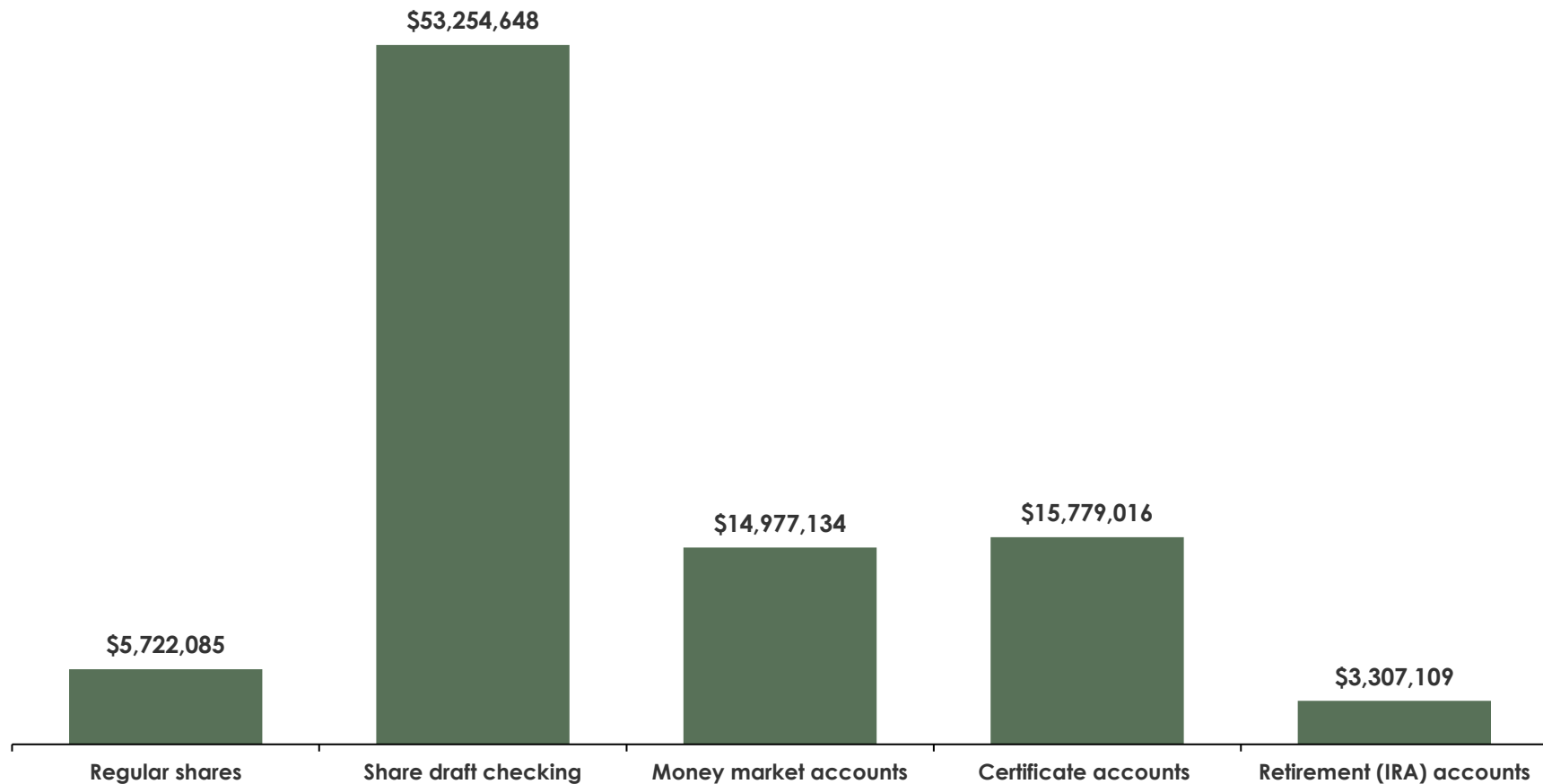
Estimated Credit Union Loan Benefits

Compared to State Banking Institutions
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to State Banking Institutions by Account Type



Membership Benefits Report

CUNA Economics and Statistics

Estimated Financial Benefits for Michigan Credit Unions September 2021

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	3,627,131,400	-1.24	\$44,831,344
Used car loans	11,772,980,173	-1.50	\$177,065,622
Personal unsecured loans	2,217,238,480	-0.75	\$16,540,599
5-year adjustable rate 1st mortgage	7,763,065,321	-0.35	\$27,093,098
15-year fixed rate 1st mortgage	6,465,159,615	-0.02	\$969,774
30-year fixed rate 1st mortgage	10,440,641,872	0.03	-\$3,236,599
Home equity / 2nd mortgage loans	3,080,417,293	-2.01	\$62,039,604
Credit cards	2,059,222,614	-2.75	\$58,770,213
Interest rebates			\$8,695,560
Total CU member benefits arising from lower interest rates on loan products:			\$392,769,216
Savings			
Regular shares	24,878,629,485	0.02	\$5,722,085
Share draft checking	14,354,352,488	0.37	\$53,254,648
Money market accounts	21,094,554,940	0.07	\$14,977,134
Certificate accounts	9,986,719,154	0.16	\$15,779,016
Retirement (IRA) accounts	2,888,305,123	0.11	\$3,307,109
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$93,039,992
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$69,842,917
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$555,652,125
Total CU member benefit / member:			\$98
Total CU member benefit / member household:			\$205

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2021 and September 2020, according to the NCUA call report.; (2) Source for rates: Datatrac;

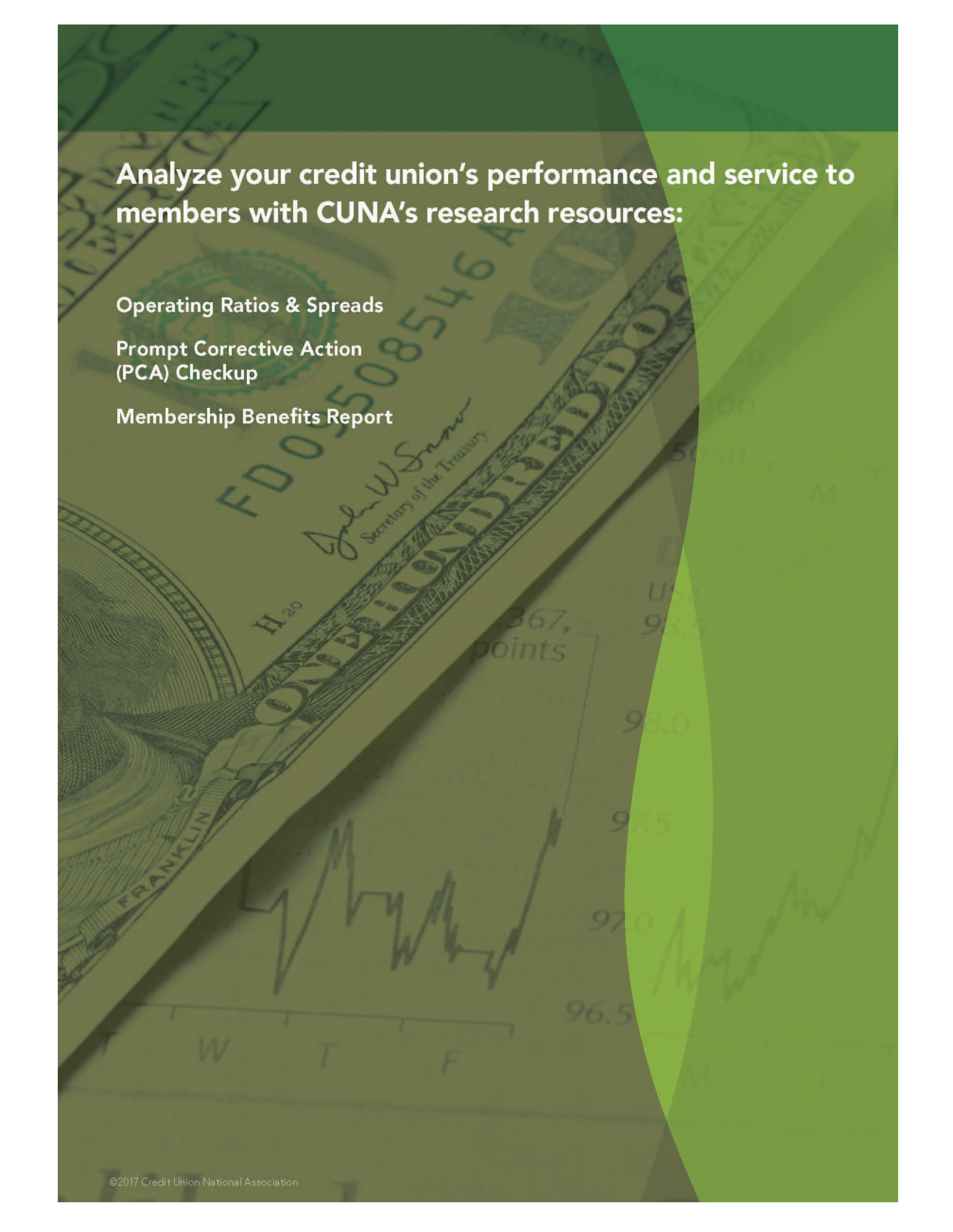
Membership Benefits Report

CUNA Economics and Statistics

Michigan Credit Union Performance Profile

Demographic Information	Sep 21	Sep 20
Number of branches	1,141	1,133
Total assets (\$ mil)	92,082	80,399
Total loans (\$ mil)	54,514	50,222
Total surplus funds (\$ mil)	33,535	26,656
Total savings (\$ mil)	79,853	68,617
Total members (thousands)	5,777	5,619
Growth Rates (Trailing 12 months) *		
Total assets	14.8 %	20.0 %
Total loans	8.7 %	8.5 %
Total surplus funds	26.2 %	52.4 %
Total savings	16.6 %	22.2 %
Total members	3.1 %	3.0 %
Earnings - Basis Pts. *		
Yield on total assets	300	356
Dividend / interest cost of assets	39	63
Fee & other income	157	164
Operating expense	296	326
Loss Provisions	6	35
Net Income (ROA) after stabilization exp	116	96
Capital Adequacy		
Net worth / assets	10.7	11.1
Asset Quality *		
Delinquencies / loans	0.3	0.5
Net chargeoffs / average loans	0.1	0.3
Total borrower-bankruptcies	20	29
Bankruptcies per 1000 members	0.7	1.1
Asset/Liability Management		
Loans / savings	68.3	73.2
Loans / assets	59.2	62.5
Long-term assets / assets	42.2	37.5
Core deposits/shares & borrowings	56.7	46.7
Productivity		
Members / potential members	1.2	1.3
Borrowers / members	59.2	60.2
Members / FTE	346	346
Average shares / members (\$)	13,823	12,210
Average loan balances (\$)	15,935	14,850
Salary & Benefits / FTE	81,430	79,511

* 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