

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 \$567,252,111 in direct financial benefits to the state's 5,606,125 members during the twelve months ending March 2021.

**These benefits are equivalent to \$101 per member or \$212 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 \$154 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.

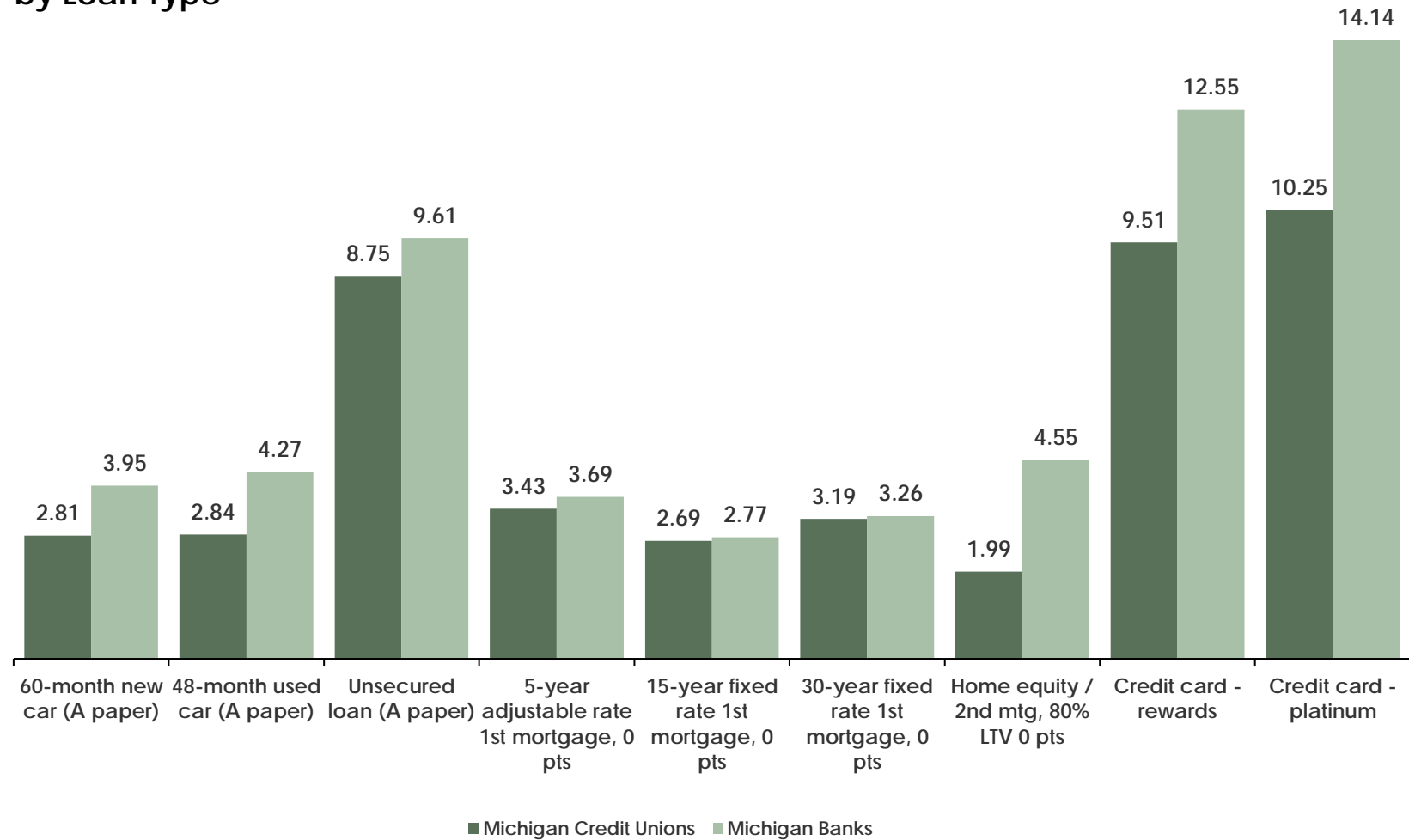
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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



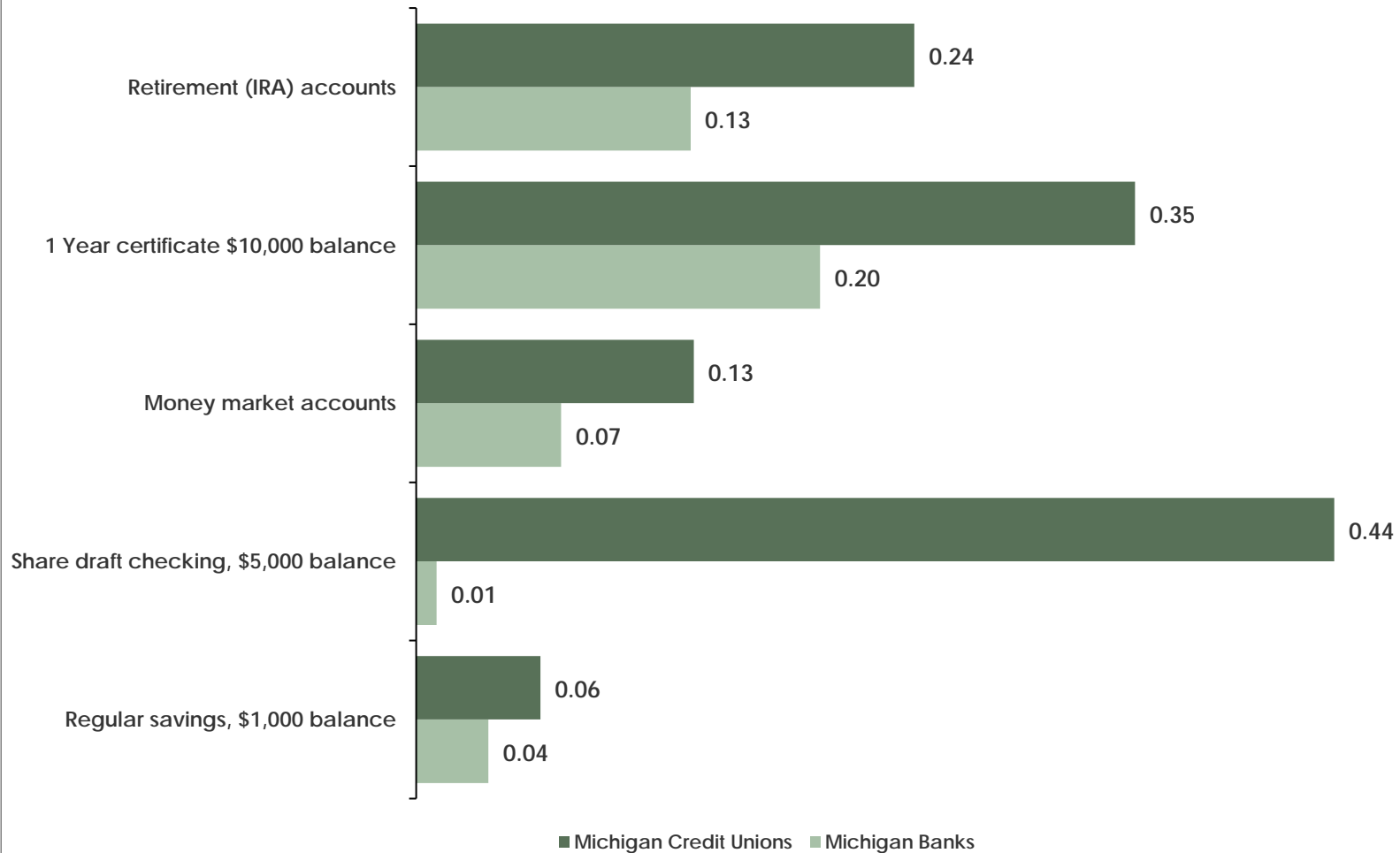
## Loan Product Comparative Interest Rates (%)

by Loan Type



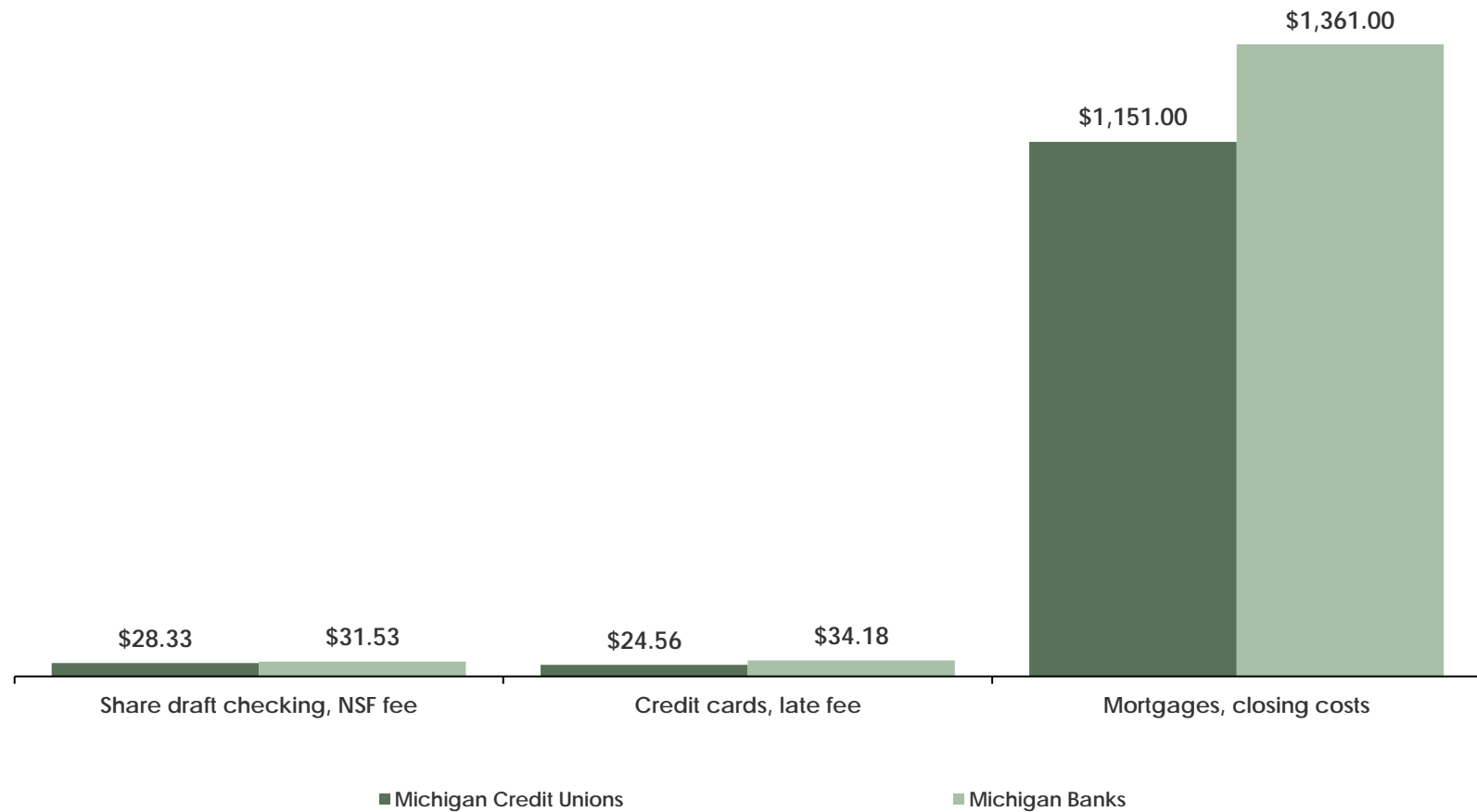
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



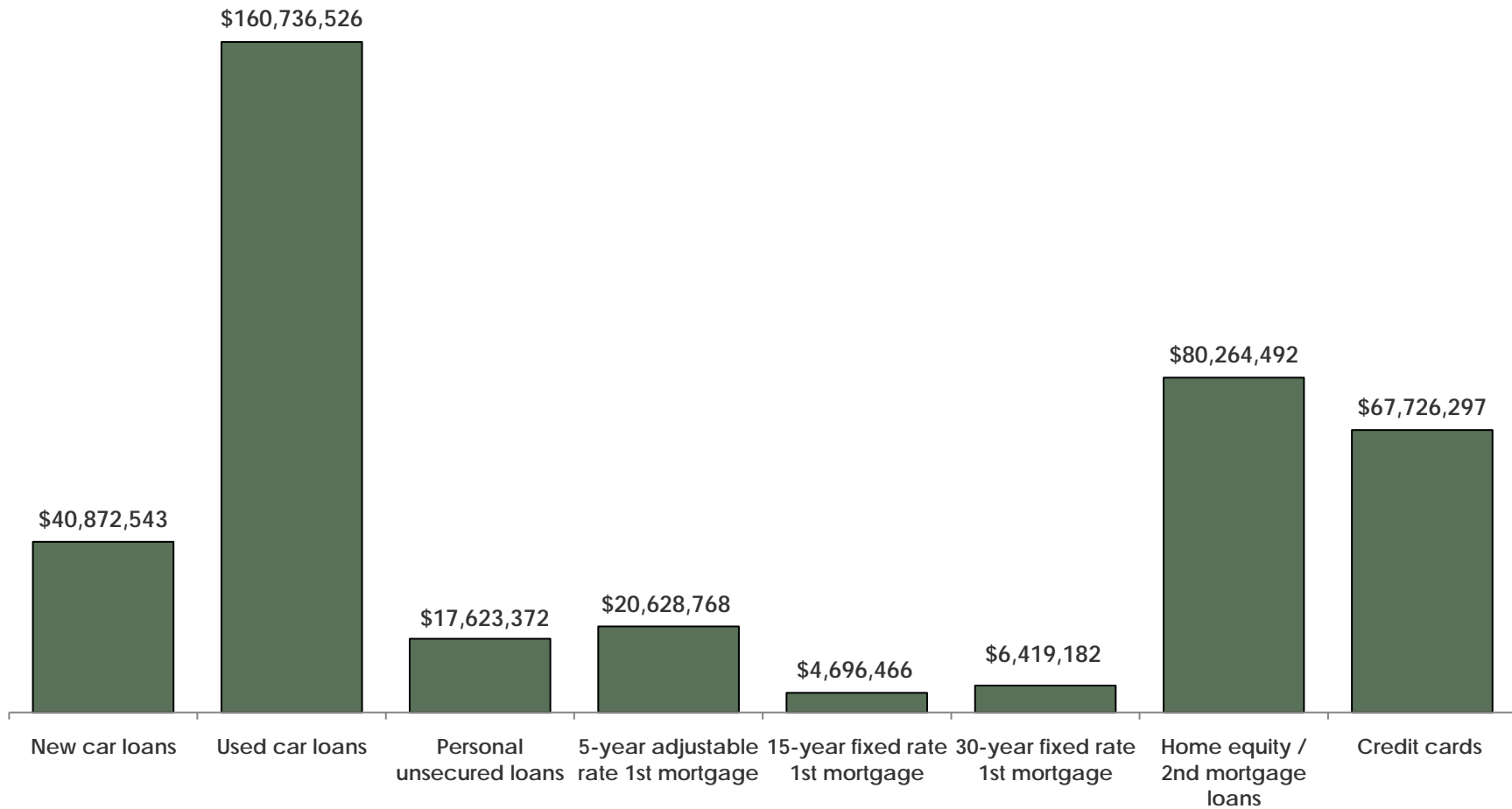
## Michigan Credit Union and Banking Institution March 2021 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.81	3.95	-1.15
48-month used car (A paper)	2.84	4.27	-1.44
Unsecured loan (A paper)	8.75	9.61	-0.86
5-year adjustable rate 1st mortgage, 0 pts	3.43	3.69	-0.27
15-year fixed rate 1st mortgage, 0 pts	2.69	2.77	-0.08
30-year fixed rate 1st mortgage, 0 pts	3.19	3.26	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	1.99	4.55	-2.56
Credit card - rewards	9.51	12.55	-3.04
Credit card - platinum	10.25	14.14	-3.88
Savings Products			
Regular savings, \$1,000 balance	0.06	0.04	0.03
Share draft checking, \$5,000 balance	0.44	0.01	0.43
Money market accounts	0.13	0.07	0.06
1 Year certificate \$10,000 balance	0.35	0.20	0.15
Retirement (IRA) accounts	0.24	0.13	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

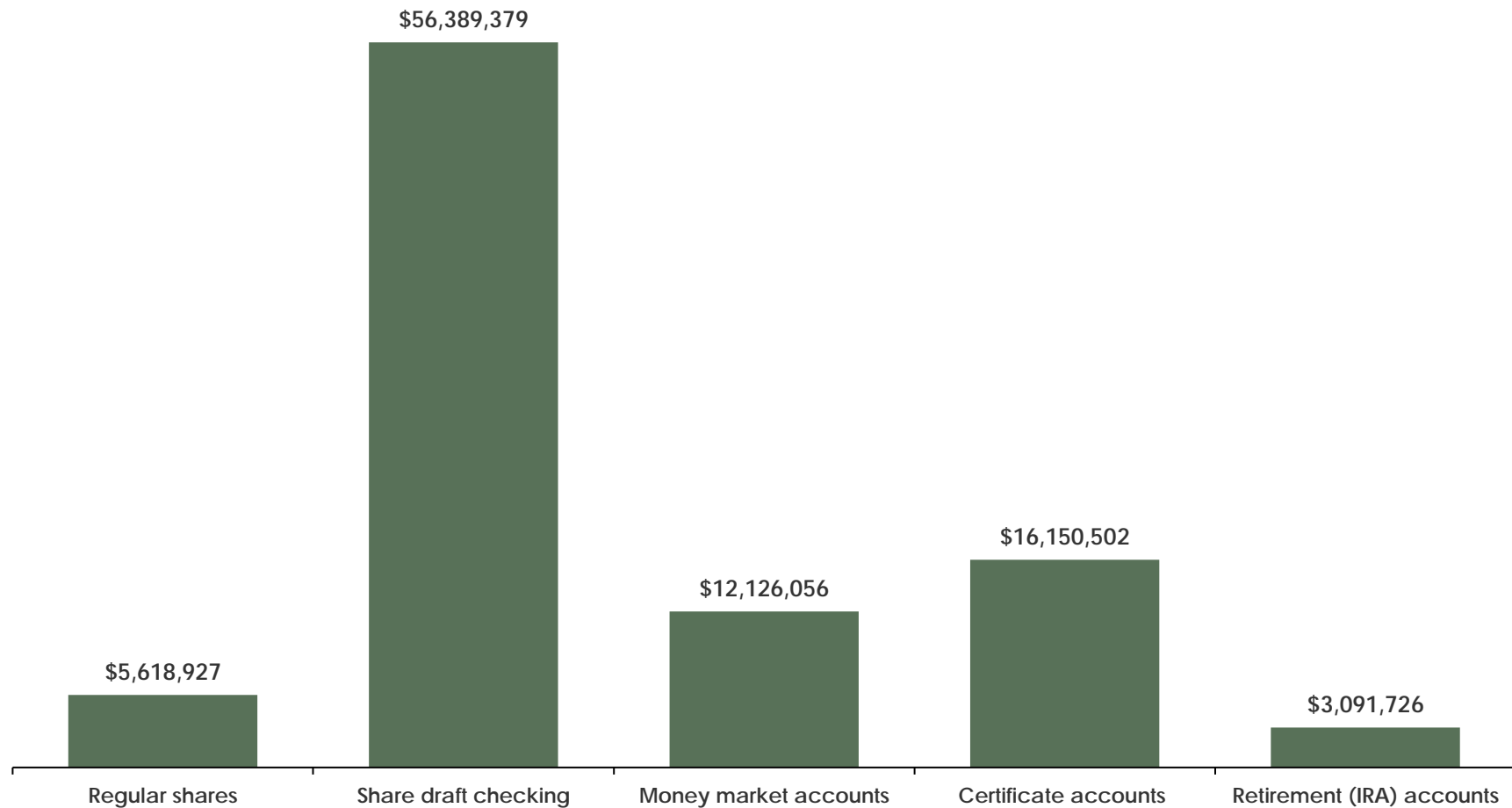
## Estimated Credit Union Loan Benefits

Compared to State Banking Institutions  
by Loan Type



## Estimated Credit Union Savings Dividend Benefits

### Compared to State Banking Institutions by Account Type





## Estimated Financial Benefits for Michigan Credit Unions March 2021

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
<b>Loans</b>			
New car loans	3,569,654,398	-1.15	\$40,872,543
Used car loans	11,185,561,997	-1.44	\$160,736,526
Personal unsecured loans	2,042,105,684	-0.86	\$17,623,372
5-year adjustable rate 1st mortgage	7,668,686,876	-0.27	\$20,628,768
15-year fixed rate 1st mortgage	5,658,392,215	-0.08	\$4,696,466
30-year fixed rate 1st mortgage	9,580,867,998	-0.07	\$6,419,182
Home equity / 2nd mortgage loans	3,141,467,405	-2.56	\$80,264,492
Credit cards	2,085,972,040	-3.04	\$67,726,297
Interest rebates			\$8,675,116
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$407,642,761
<b>Savings</b>			
Regular shares	22,475,707,636	0.03	\$5,618,927
Share draft checking	13,022,951,382	0.43	\$56,389,379
Money market accounts	18,946,962,309	0.06	\$12,126,056
Certificate accounts	10,625,330,371	0.15	\$16,150,502
Retirement (IRA) accounts	2,862,709,578	0.11	\$3,091,726
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$93,376,591
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$66,232,759
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$567,252,111
<b>Total CU member benefit / member:</b>			\$101
<b>Total CU member benefit / member household:</b>			\$212

Source: Datatrac, NCUA, and CUNA

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

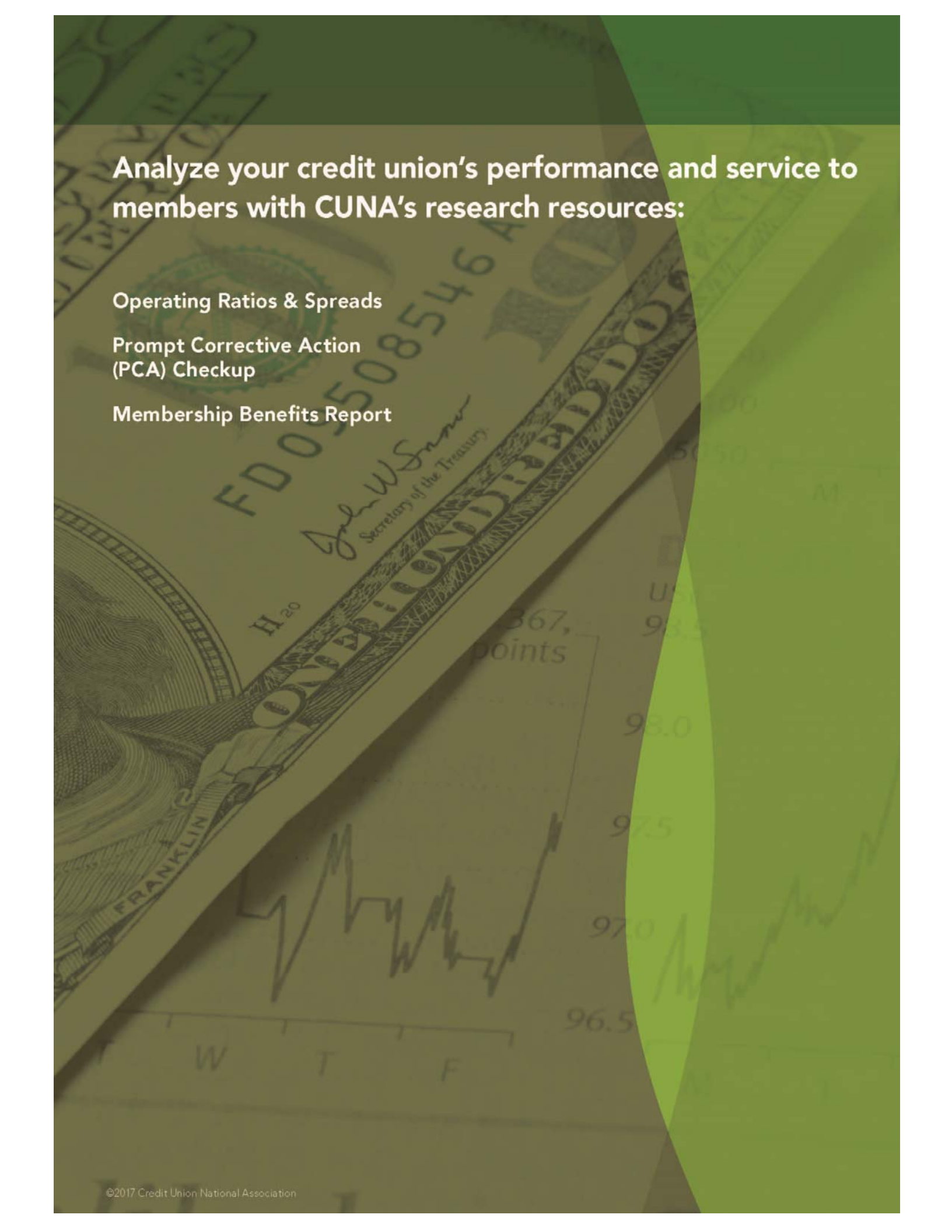
# Membership Benefits Report

CUNA Economics and Statistics

## Michigan Credit Union Performance Profile

Demographic Information	Mar 21	Mar 20
Number of branches	1,139	1,147
Total assets (\$ mil)	89,129	72,010
Total loans (\$ mil)	51,410	47,565
Total surplus funds (\$ mil)	33,931	21,052
Total savings (\$ mil)	77,412	60,731
Total members (thousands)	5,690	5,562
Growth Rates (Trailing 12 months) *		
Total assets	24.4 %	9.3 %
Total loans	8.6 %	8.3 %
Total surplus funds	62.2 %	11.2 %
Total savings	28.1 %	9.4 %
Total members	3.0 %	3.3 %
Earnings - Basis Pts. *		
Yield on total assets	298	378
Dividend / interest cost of assets	42	73
Fee & other income	165	152
Operating expense	294	345
Loss Provisions	9	37
Net Income (ROA) after stabilization exp	118	74
Capital Adequacy		
Net worth / assets	10.5	11.8
Asset Quality *		
Delinquencies / loans	0.3	0.6
Net chargeoffs / average loans	0.2	0.5
Total borrower-bankruptcies	9	16
Bankruptcies per 1000 members	0.3	0.6
Asset/Liability Management		
Loans / savings	66.4	78.3
Loans / assets	57.7	66.1
Long-term assets / assets	39.4	38.3
Core deposits/shares & borrowings	56.0	43.6
Productivity		
Members / potential members	1.2	1.3
Borrowers / members	59.2	61.0
Members / FTE	350	349
Average shares / members (\$)	13,605	10,918
Average loan balances (\$)	15,270	14,020
Salary & Benefits / FTE	82,461	79,575

\* 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