

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 \$485,773,288 in direct financial benefits to the state's 5,853,184 members during the twelve months ending December 2022.

These benefits are equivalent to \$83 per member or \$174 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 \$22 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.

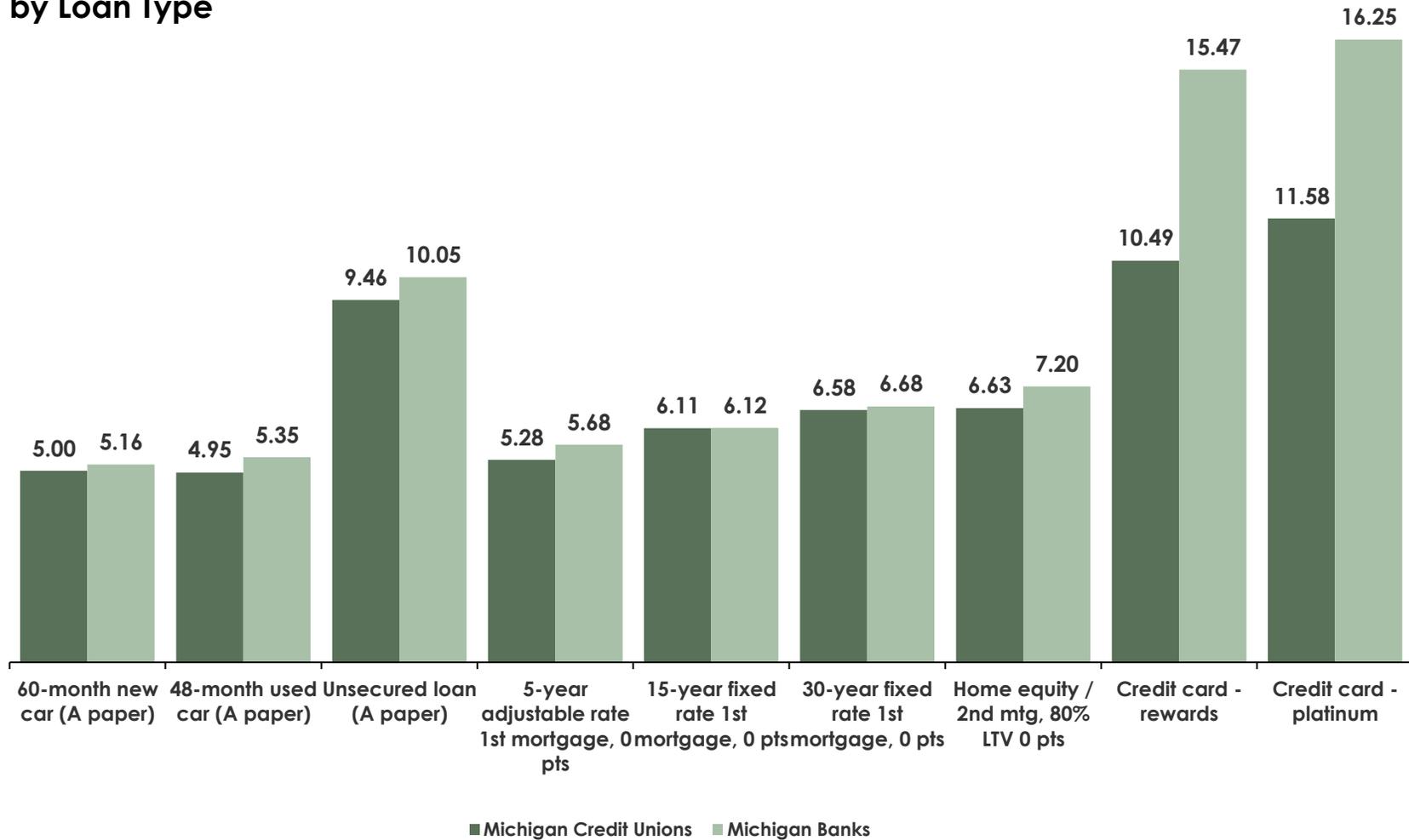
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



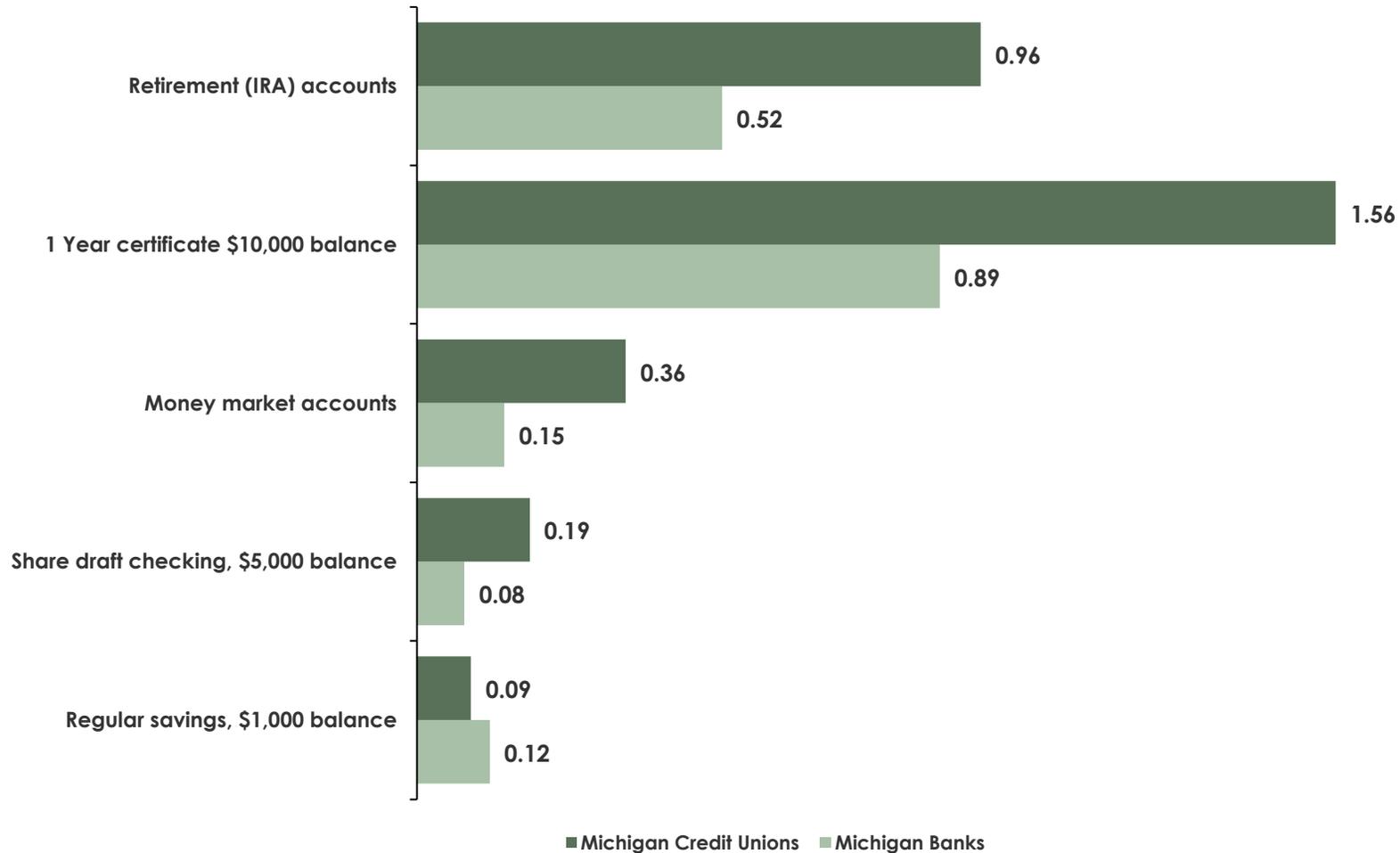
Loan Product Comparative Interest Rates (%)

by Loan Type



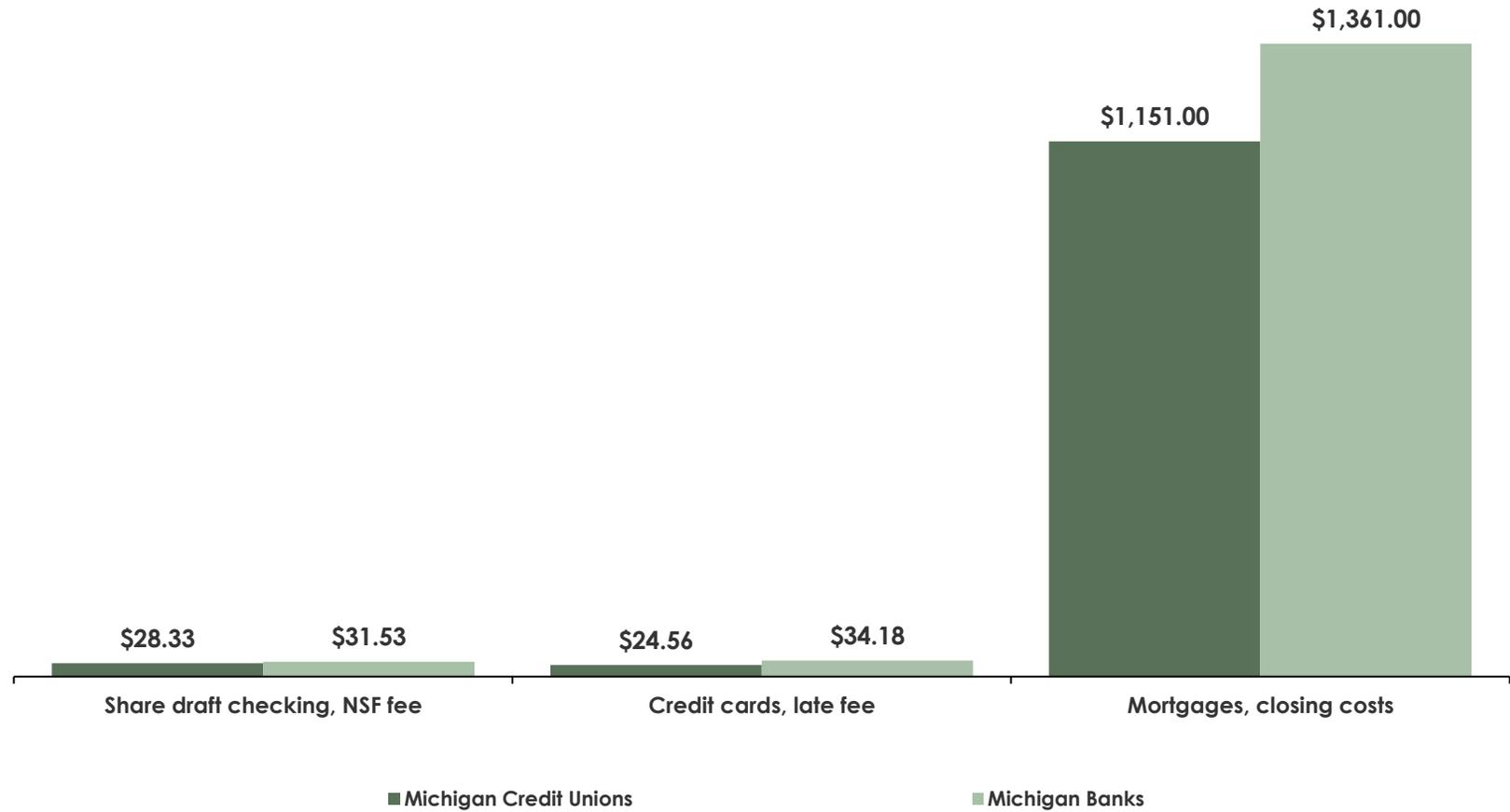
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



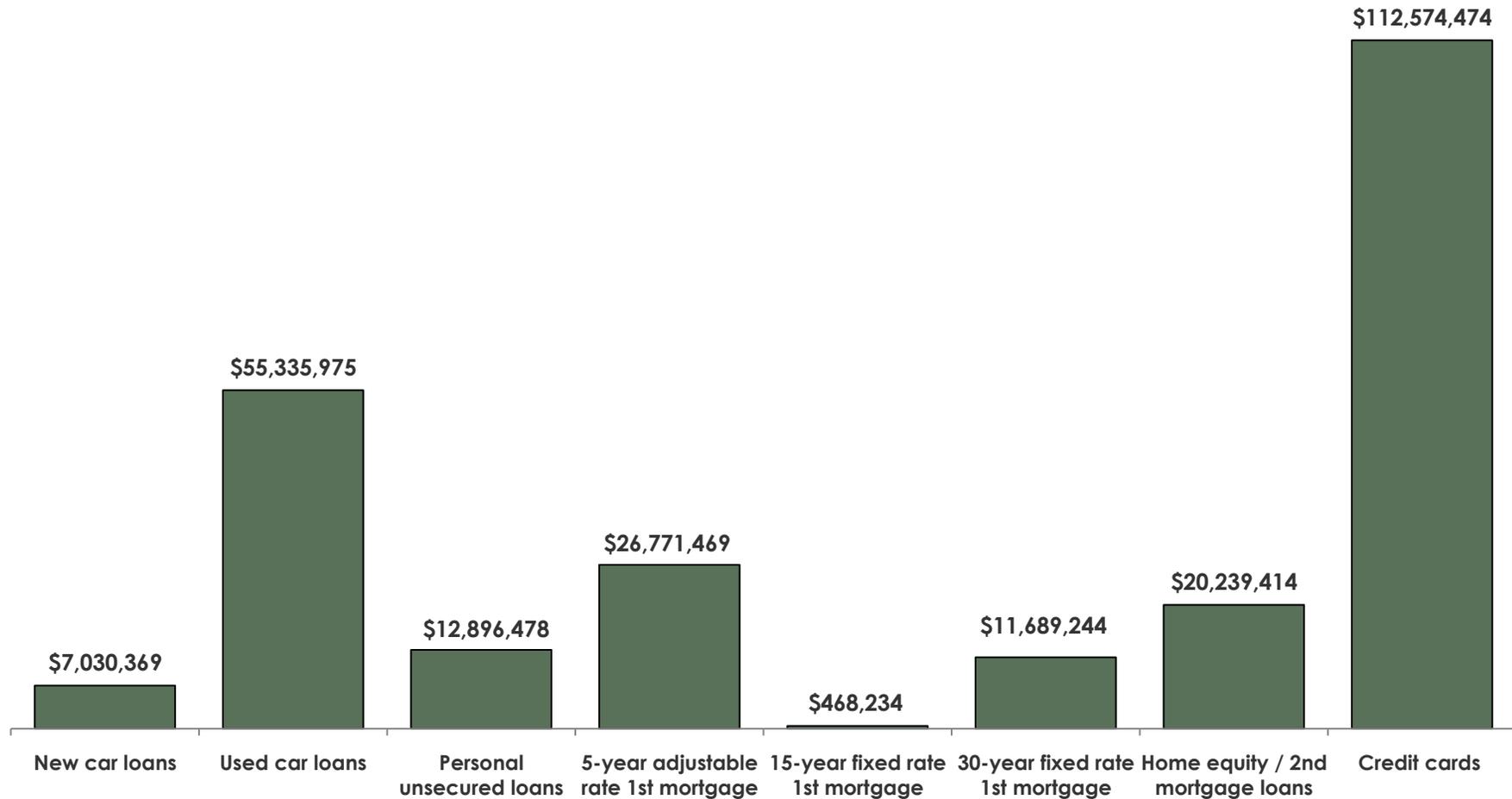
Michigan Credit Union and Banking Institution December 2022 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	5.00	5.16	-0.16
48-month used car (A paper)	4.95	5.35	-0.40
Unsecured loan (A paper)	9.46	10.05	-0.60
5-year adjustable rate 1st mortgage, 0 pts	5.28	5.68	-0.40
15-year fixed rate 1st mortgage, 0 pts	6.11	6.12	-0.01
30-year fixed rate 1st mortgage, 0 pts	6.58	6.68	-0.09
Home equity / 2nd mtg, 80% LTV 0 pts	6.63	7.20	-0.57
Credit card - rewards	10.49	15.47	-4.98
Credit card - platinum	11.58	16.25	-4.67
Savings Products			
Regular savings, \$1,000 balance	0.09	0.12	-0.03
Share draft checking, \$5,000 balance	0.19	0.08	0.11
Money market accounts	0.36	0.15	0.21
1 Year certificate \$10,000 balance	1.56	0.89	0.67
Retirement (IRA) accounts	0.96	0.52	0.44
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

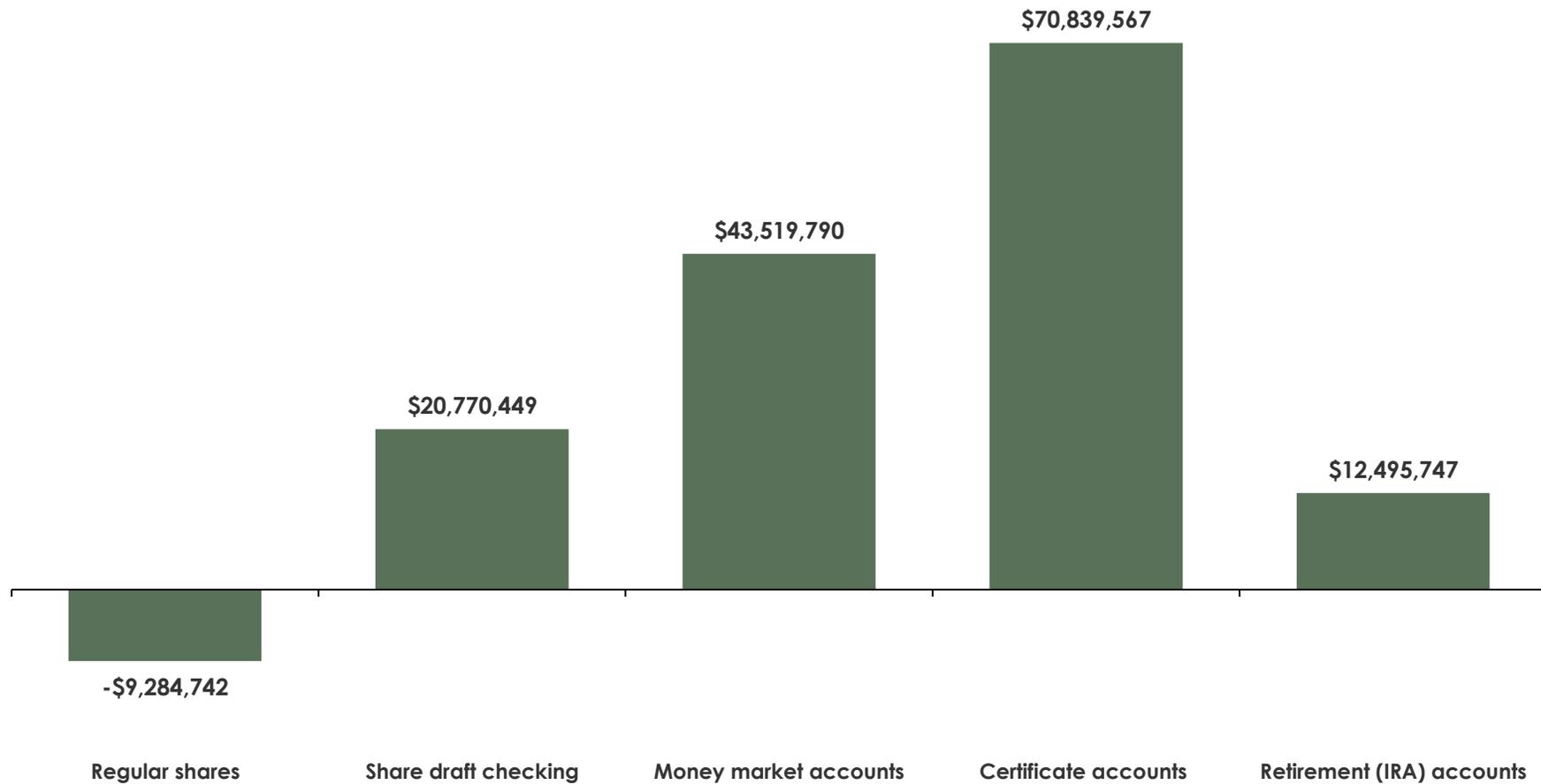
Estimated Credit Union Loan Benefits

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 December 2022

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,313,109,605	-0.16	\$7,030,369
Used car loans	13,833,993,660	-0.40	\$55,335,975
Personal unsecured loans	2,163,838,663	-0.60	\$12,896,478
5-year adjustable rate 1st mortgage	6,659,569,413	-0.40	\$26,771,469
15-year fixed rate 1st mortgage	6,689,058,769	-0.01	\$468,234
30-year fixed rate 1st mortgage	12,569,079,729	-0.09	\$11,689,244
Home equity / 2nd mortgage loans	3,569,561,616	-0.57	\$20,239,414
Credit cards	2,295,915,438	-4.98	\$112,574,474
Interest rebates			\$21,437,245
Total CU member benefits arising from lower interest rates on loan products:			\$268,442,902
Savings			
Regular shares	29,014,817,651	-0.03	-\$9,284,742
Share draft checking	18,712,115,816	0.11	\$20,770,449
Money market accounts	21,126,111,564	0.21	\$43,519,790
Certificate accounts	10,525,938,653	0.67	\$70,839,567
Retirement (IRA) accounts	2,843,173,459	0.44	\$12,495,747
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$138,340,811
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$78,989,575
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$485,773,288
Total CU member benefit / member:			\$83
Total CU member benefit / member household:			\$174

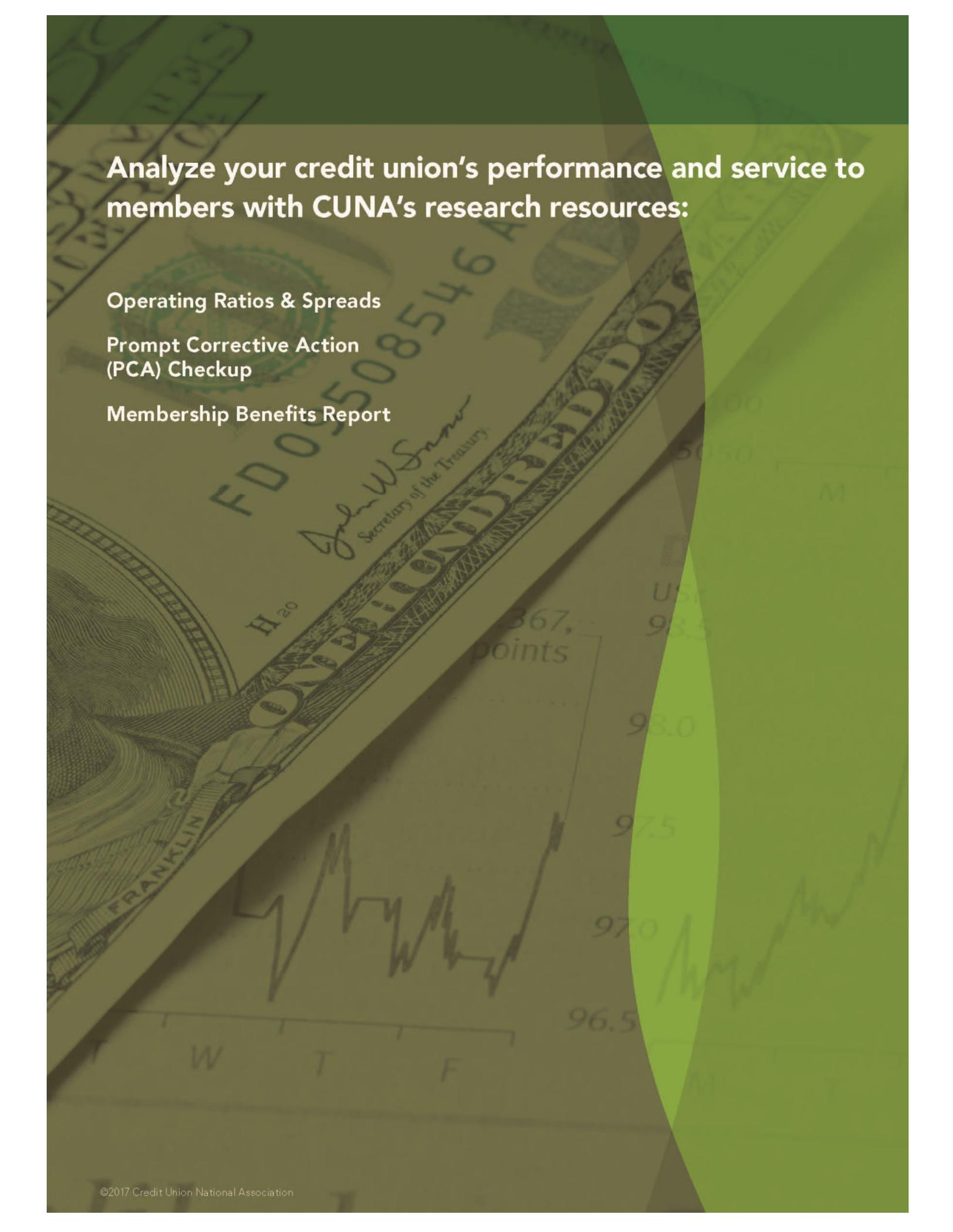
Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2022 and December 2021, according to the NCUA call report.; (2) Source for rates: Datatrac;

Michigan Credit Union Performance Profile

Demographic Information	Dec 22	Dec 21
Number of branches	1,197	1,150
Total assets (\$ mil)	98,057	94,918
Total loans (\$ mil)	66,576	55,977
Total surplus funds (\$ mil)	26,736	34,588
Total savings (\$ mil)	84,781	82,688
Total members (thousands)	5,946	5,818
Growth Rates (Trailing 12 months) *		
Total assets	4.1 %	14.1 %
Total loans	19.6 %	10.4 %
Total surplus funds	-22.0 %	20.8 %
Total savings	3.3 %	15.9 %
Total members	3.0 %	3.3 %
Earnings - Basis Pts. *		
Yield on total assets	322	296
Dividend / interest cost of assets	45	41
Fee & other income	130	157
Operating expense	298	296
Loss Provisions	14	5
Net Income (ROA) after stabilization exp	96	112
Capital Adequacy		
Net worth / assets	11.4	10.6
Asset Quality *		
Delinquencies / loans	0.5	0.4
Net chargeoffs / average loans	0.2	0.1
Asset/Liability Management		
Loans / savings	78.5	67.7
Loans / assets	67.9	59.0
Long-term assets / assets	46.8	43.1
Core deposits/shares & borrowings	55.1	57.4
Productivity		
Members / potential members	1.2	1.2
Borrowers / members	62.2	59.5
Members / FTE	332	344
Average shares / members (\$)	14,257	14,212
Average loan balances (\$)	18,001	16,177
Salary & Benefits / FTE	83,017	81,280

* 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