



America's  
Credit Unions

# Michigan Membership Benefits Report

MID-YEAR 2024



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# 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.

America's Credit Unions estimates that Michigan credit unions provided \$1,025,798,279 in direct financial benefits to the state's 5,971,033 members during the twelve months ending June 2024.

**These benefits are equivalent to \$172 per member or \$361 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 \$70 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-fixed rate, home equity loans, credit cards loans.

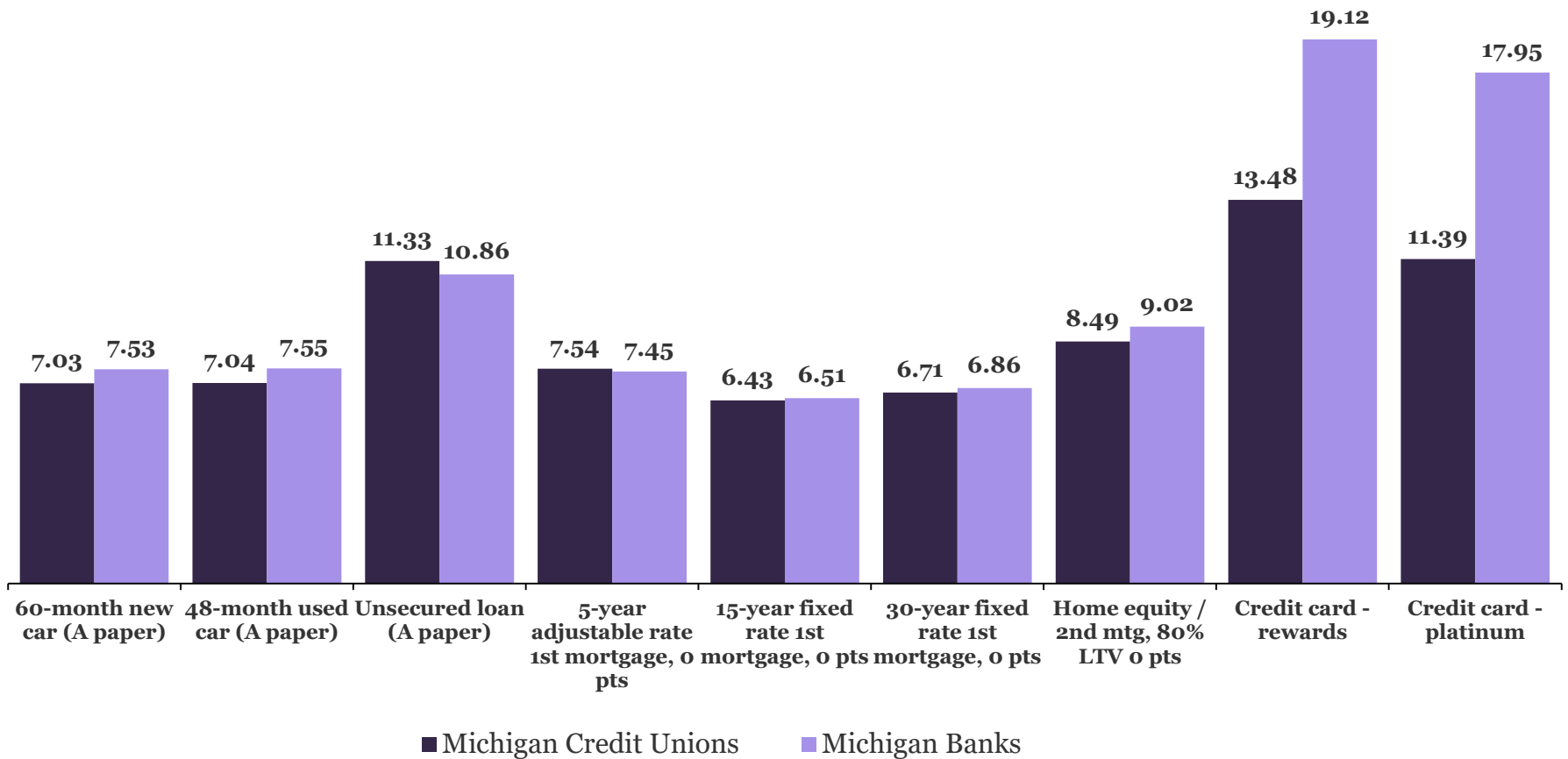
Michigan credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.

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Source: Datatrac, NCUA, and America's Credit Unions.  
(1) Assumes 2.1 credit union members per household.

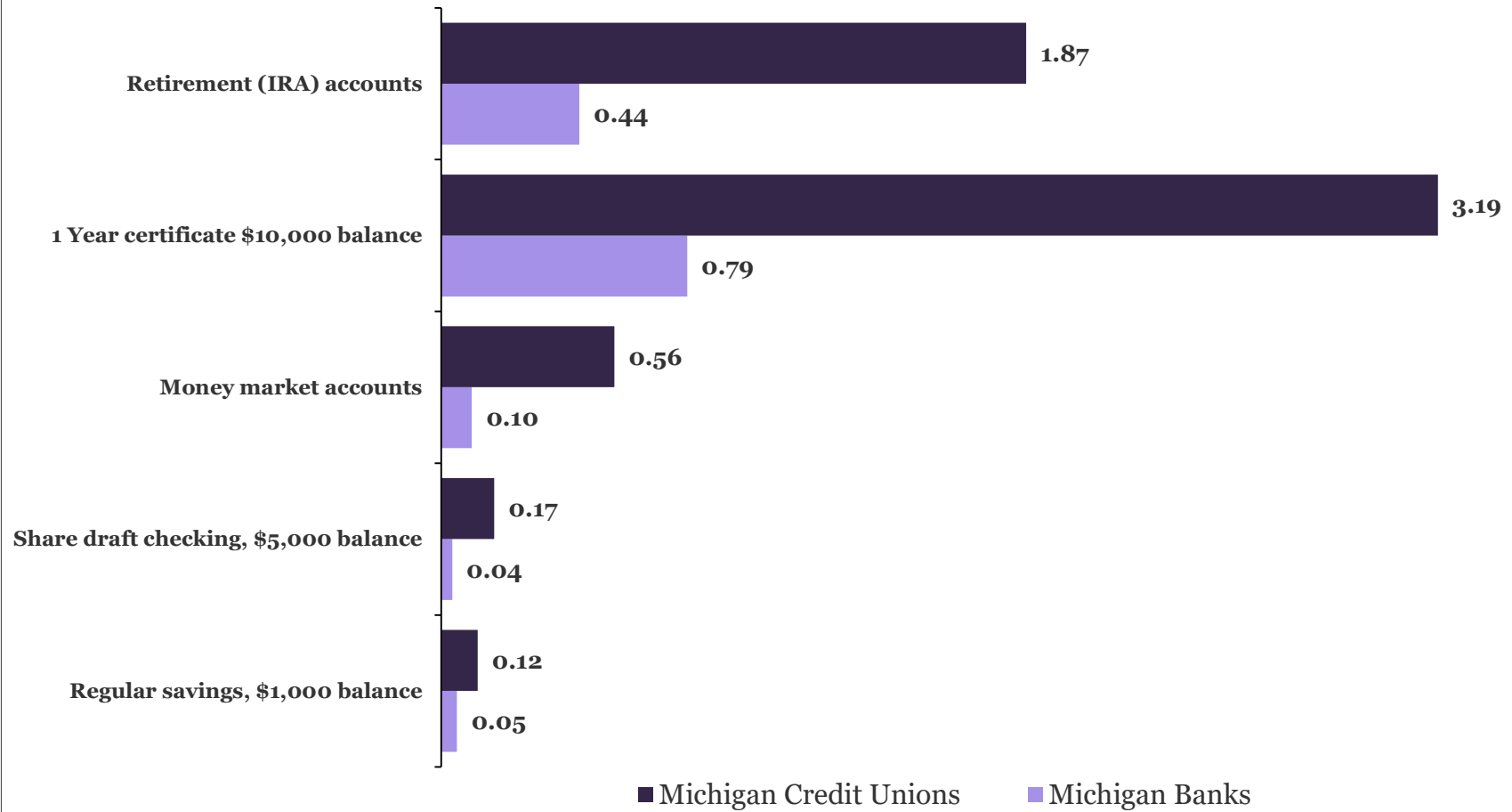
# Loan Product Comparative Interest Rates (%)

by Loan Type



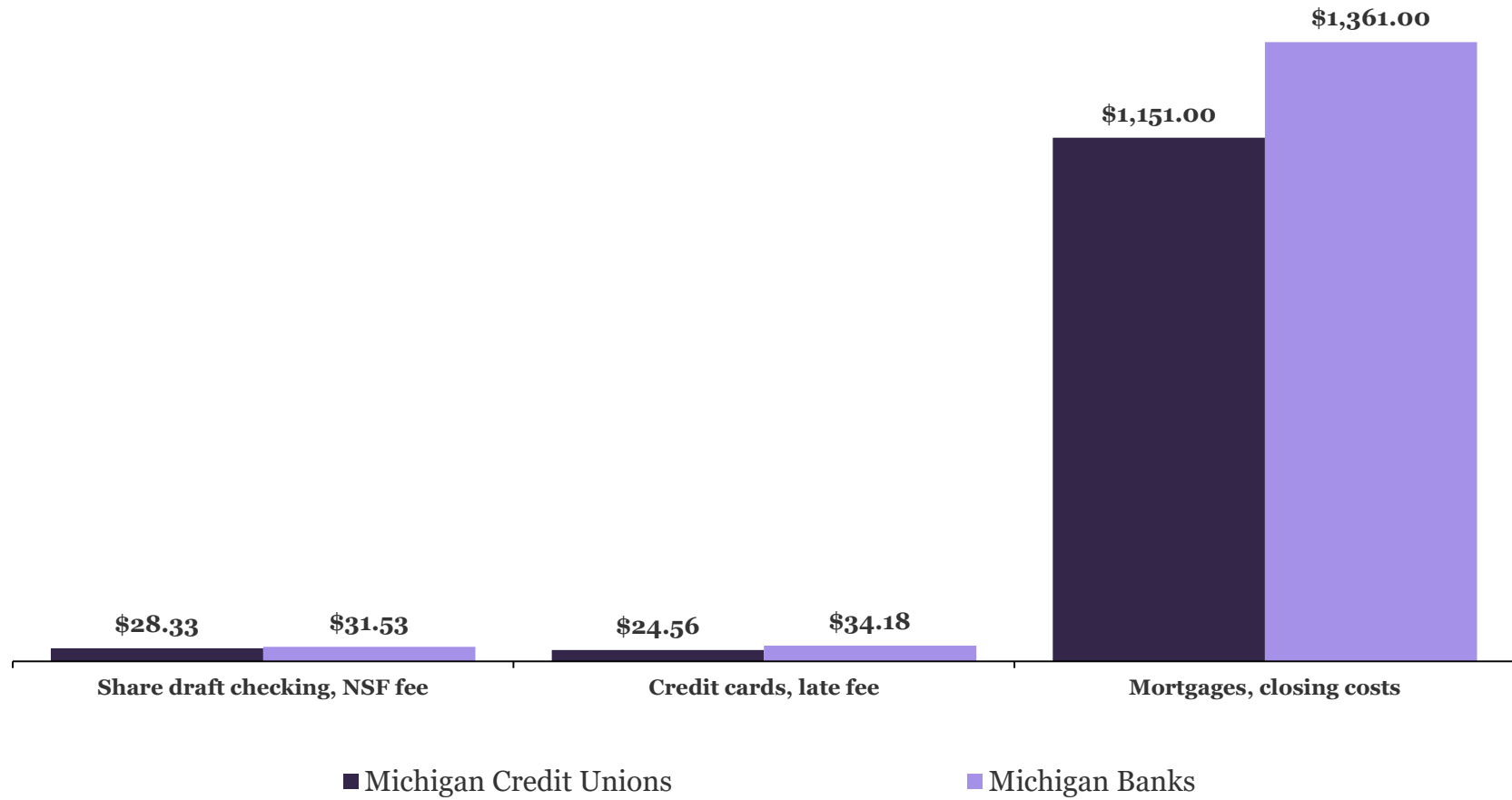
# Savings Product Comparative Interest Rates (%)

## by Savings Account Type



# Comparative Fees

by Type



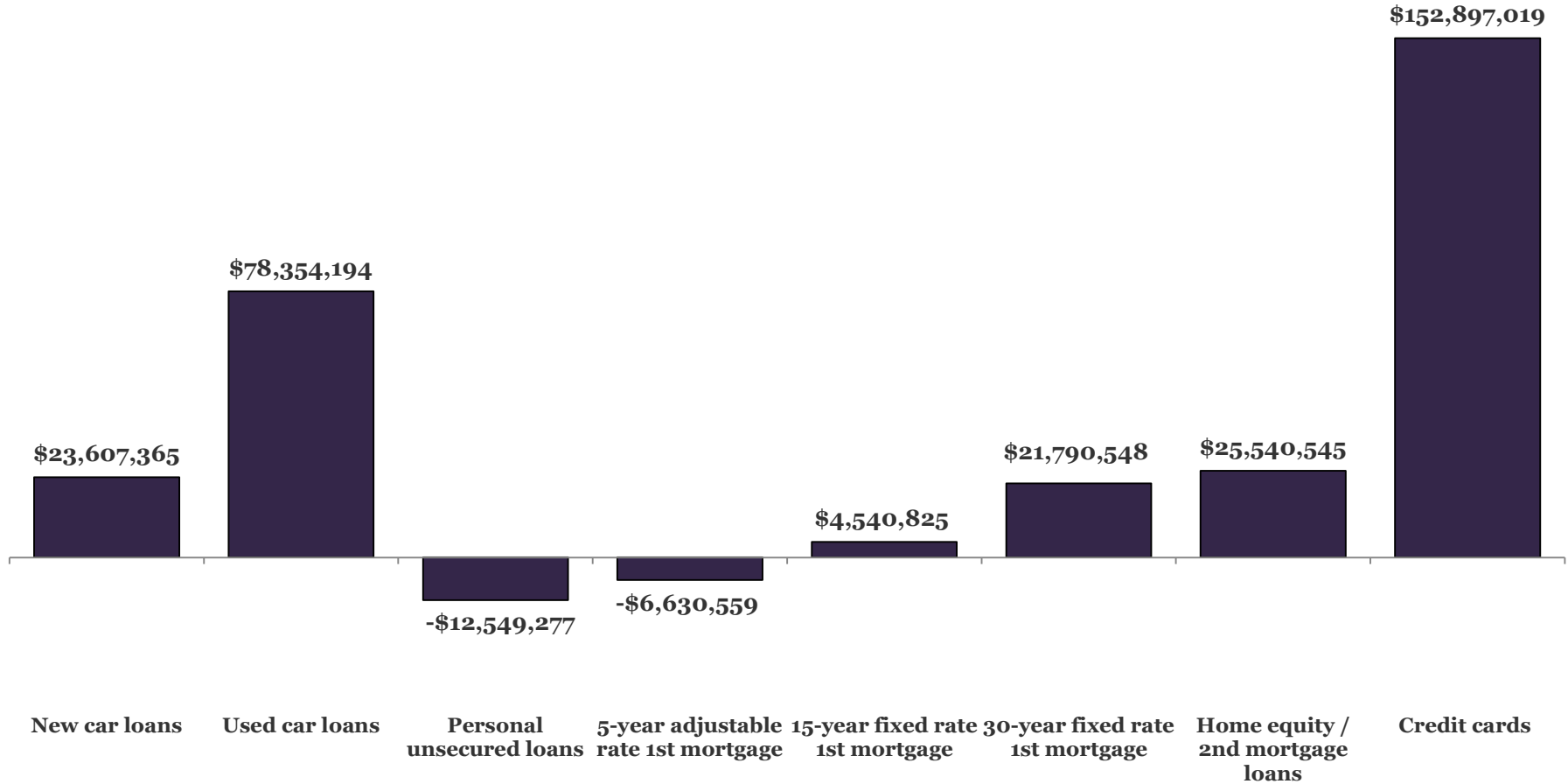
**Michigan**  
**Credit Union and Banking Institution**  
**June 2024 Average Interest Rates and Fees**

<b>Loan Products</b>	<b>Average Rate at Credit Unions (%)</b>	<b>Average Rate at Banks (%)</b>	<b>Rate Difference vs. Banks (%)</b>
60-month new car (A paper)	7.03	7.53	-0.49
48-month used car (A paper)	7.04	7.55	-0.51
Unsecured loan (A paper)	11.33	10.86	0.47
5-year adjustable rate 1st mortgage, 0 pts	7.54	7.45	0.10
15-year fixed rate 1st mortgage, 0 pts	6.43	6.51	-0.08
30-year fixed rate 1st mortgage, 0 pts	6.71	6.86	-0.15
Home equity / 2nd mtg, 80% LTV 0 pts	8.49	9.02	-0.53
Credit card - rewards	13.48	19.12	-5.64
Credit card - platinum	11.39	17.95	-6.56
<b>Savings Products</b>			
Regular savings, \$1,000 balance	0.12	0.05	0.07
Share draft checking, \$5,000 balance	0.17	0.04	0.13
Money market accounts	0.56	0.10	0.46
1 Year certificate \$10,000 balance	3.19	0.79	2.40
Retirement (IRA) accounts	1.87	0.44	1.43
<b>Fee Income</b>			
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

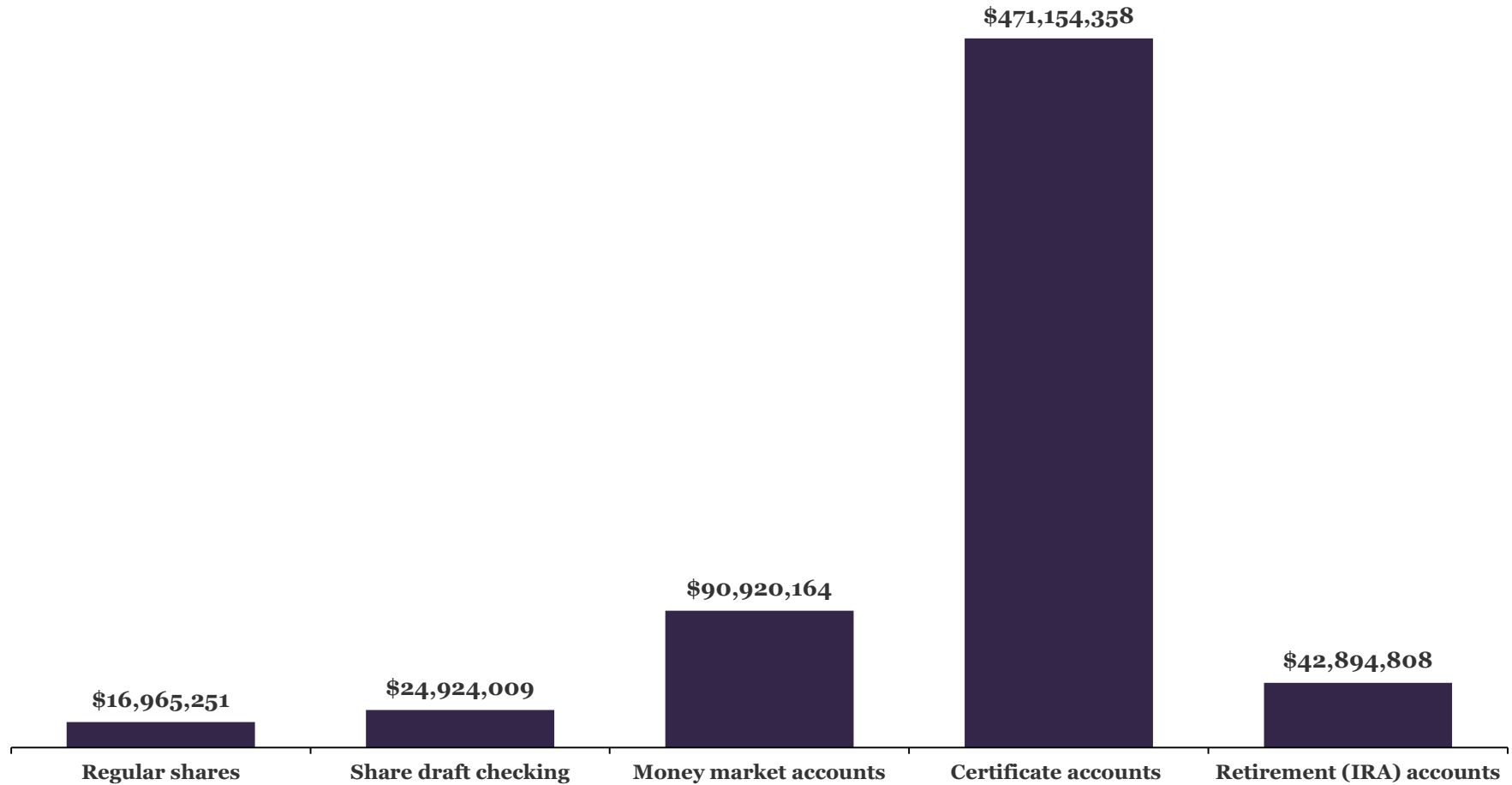
# Estimated Credit Union Loan Benefits

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 2024

<b>Loans</b>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,788,512,248	-0.49	\$23,607,365
Used car loans	15,303,553,455	-0.51	\$78,354,194
Personal unsecured loans	2,681,469,365	0.47	-\$12,549,277
5-year adjustable rate 1st mortgage	6,906,832,769	0.10	-\$6,630,559
15-year fixed rate 1st mortgage	5,605,956,421	-0.08	\$4,540,825
30-year fixed rate 1st mortgage	14,149,706,755	-0.15	\$21,790,548
Home equity / 2nd mortgage loans	4,855,616,956	-0.53	\$25,540,545
Credit cards	2,604,941,112	-5.64	\$152,897,019
Interest rebates			\$9,577,378
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$297,128,038</b>
<b>Savings</b>			
Regular shares	25,704,925,045	0.07	\$16,965,251
Share draft checking	18,600,006,433	0.13	\$24,924,009
Money market accounts	19,895,003,075	0.46	\$90,920,164
Certificate accounts	19,606,922,944	2.40	\$471,154,358
Retirement (IRA) accounts	2,999,636,903	1.43	\$42,894,808
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$646,858,589</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$81,811,652</b>
<b>Overall Totals</b>			
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$1,025,798,279</b>
<b>Total CU member benefit / member:</b>			<b>\$172</b>
<b>Total CU member benefit / member household:</b>			<b>\$361</b>

Source: Datatrac, NCUA, and America's Credit Unions

(1) Average balance as of June 2024 and June 2023, according to the NCUA call report.; (2) Source for rates: Datatrac

## Michigan Credit Union Performance Profile

Demographic Information	Jun 24	Jun 23
Number of branches	1,224	1,200
Total assets (\$ mil)	106,216	100,957
Total loans (\$ mil)	73,372	70,183
Total surplus funds (\$ mil)	27,551	26,043
Total savings (\$ mil)	90,646	86,789
Total members (thousands)	6,018	5,989
Growth Rates (Trailing 12 months) *		
Total assets	5.6 %	5 %
Total loans	4.9 %	16 %
Total surplus funds	6.3 %	-22.6 %
Total savings	4.8 %	2.6 %
Total members	1 %	2.9 %
Earnings - Basis Pts. *		
Yield on total assets	466	394
Dividend / interest cost of assets	169	101
Fee & other income	152	132
Operating expense	319	308
Loss Provisions	35	21
Net Income (ROA) after stabilization exp	96	96
Capital Adequacy		
Net worth / assets	11.7	11.4
Asset Quality *		
Delinquencies / loans	0.6	0.5
Net chargeoffs / average loans	0.4	0.3
Asset/Liability Management		
Loans / savings	80.9	80.9
Loans / assets	69.1	69.5
Long-term assets / assets	44.1	45.6
Core deposits/shares & borrowings	47.5	53.0
Productivity		
Members / potential members	1.1	1.2
Borrowers / members	63.1	62.8
Members / FTE	320	327
Average shares / members (\$)	15,062	14,492
Average loan balances (\$)	19,336	18,653
Salary & Benefits / FTE	91,710	87,325

\* 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.