

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 \$765,089,359 in direct financial benefits to the state's 5,879,511 members during the twelve months ending March 2023.

These benefits are equivalent to \$130 per member or \$273 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 \$150 per year in interest expense compared to what they would pay at a banking institution in the state.

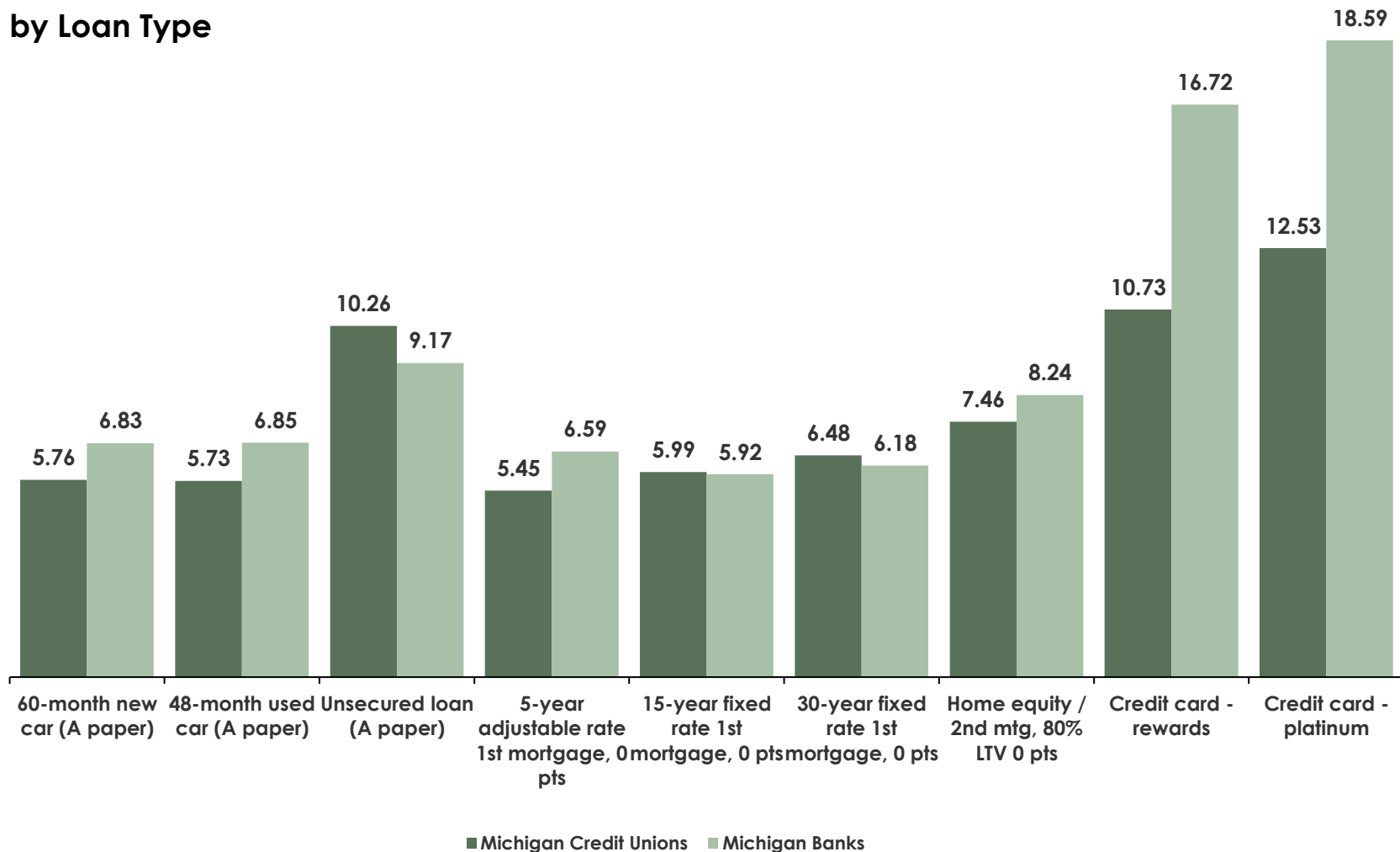
Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

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-adjustable rate, home

equity loans, credit cards loans.

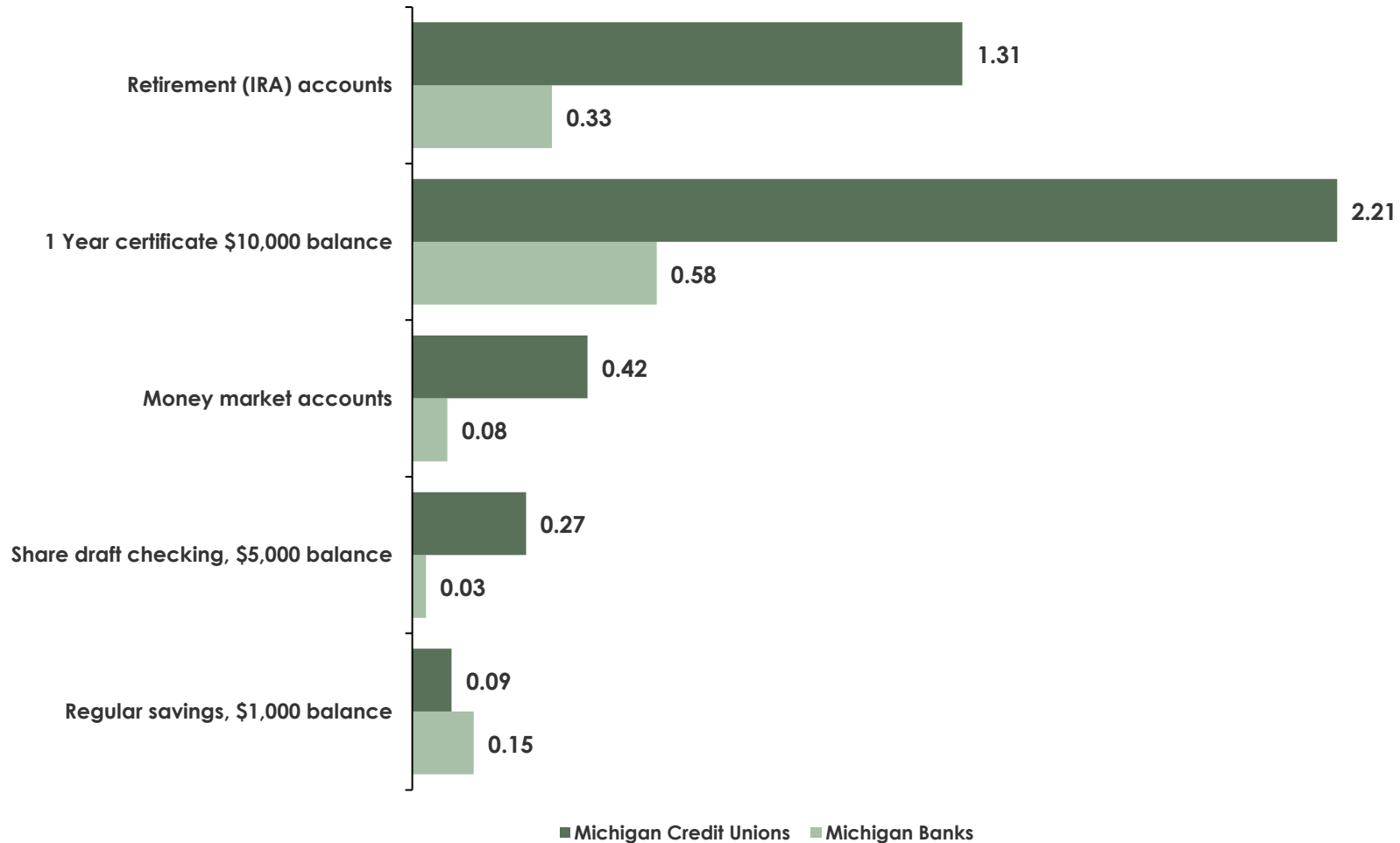
Loan Product Comparative Interest Rates (%)

by Loan Type



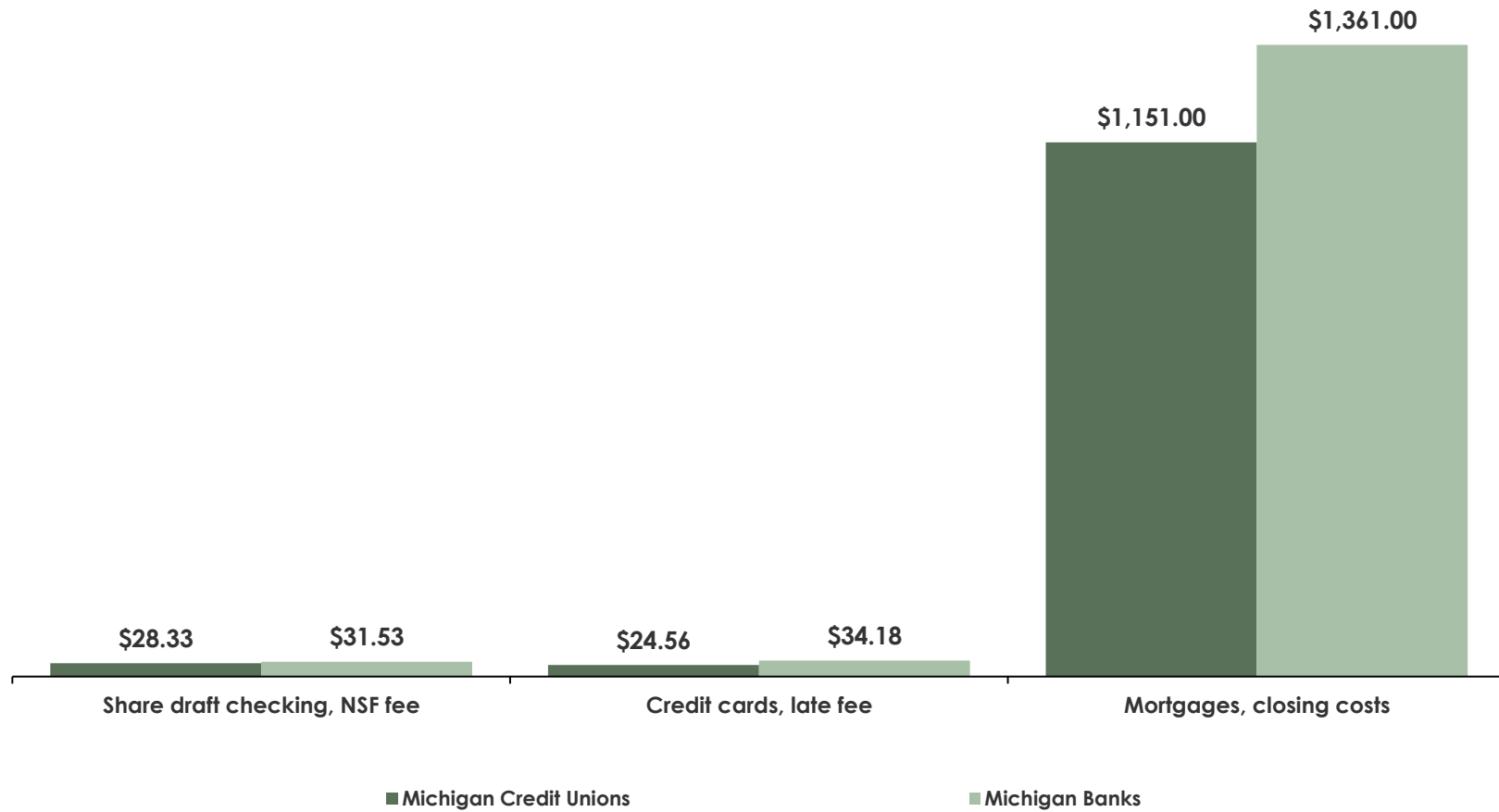
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



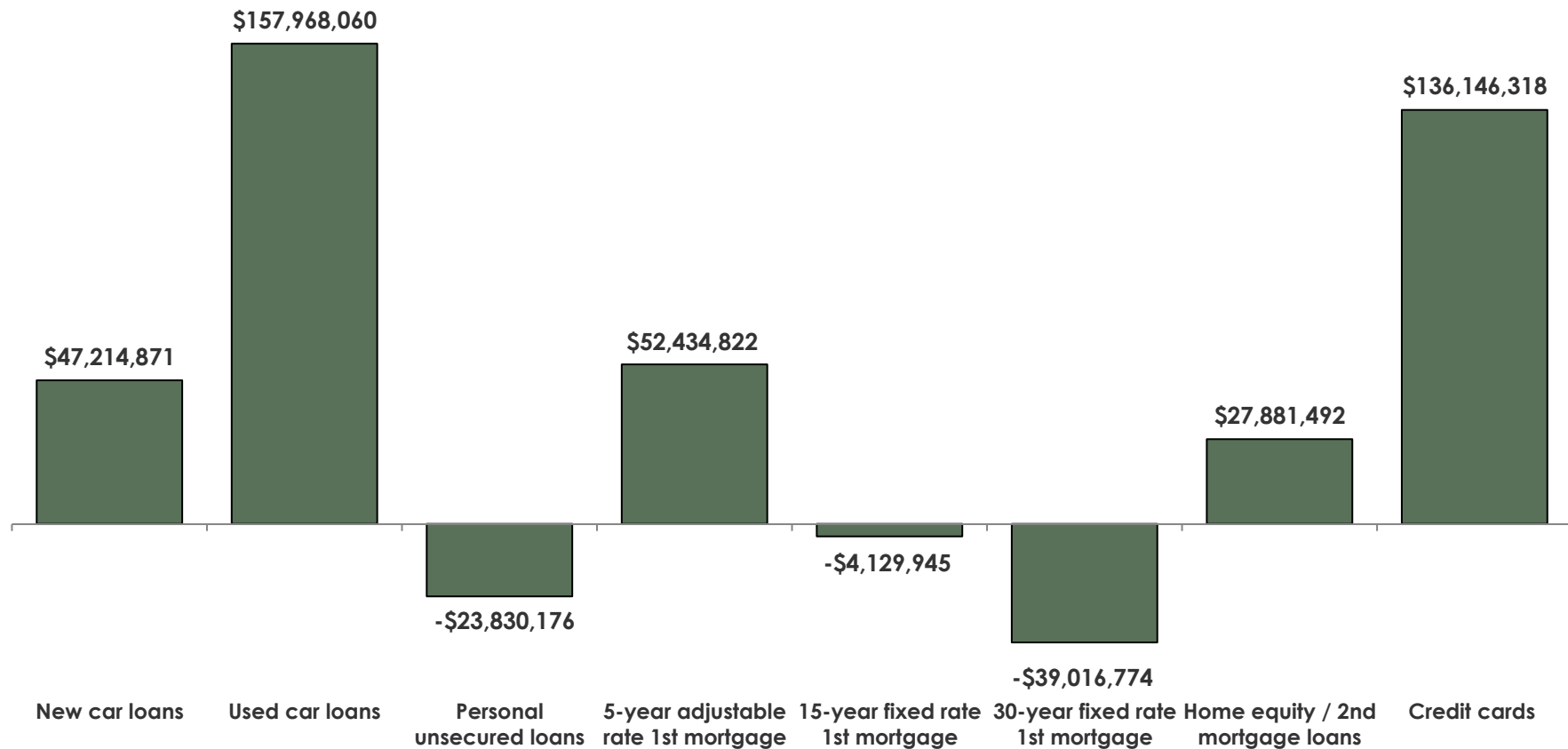
Michigan Credit Union and Banking Institution March 2023 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	5.76	6.83	-1.07
48-month used car (A paper)	5.73	6.85	-1.12
Unsecured loan (A paper)	10.26	9.17	1.09
5-year adjustable rate 1st mortgage, 0 pts	5.45	6.59	-1.14
15-year fixed rate 1st mortgage, 0 pts	5.99	5.92	0.07
30-year fixed rate 1st mortgage, 0 pts	6.48	6.18	0.30
Home equity / 2nd mtg, 80% LTV 0 pts	7.46	8.24	-0.78
Credit card - rewards	10.73	16.72	-5.99
Credit card - platinum	12.53	18.59	-6.07
Savings Products			
Regular savings, \$1,000 balance	0.09	0.15	-0.05
Share draft checking, \$5,000 balance	0.27	0.03	0.24
Money market accounts	0.42	0.08	0.34
1 Year certificate \$10,000 balance	2.21	0.58	1.63
Retirement (IRA) accounts	1.31	0.33	0.98
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

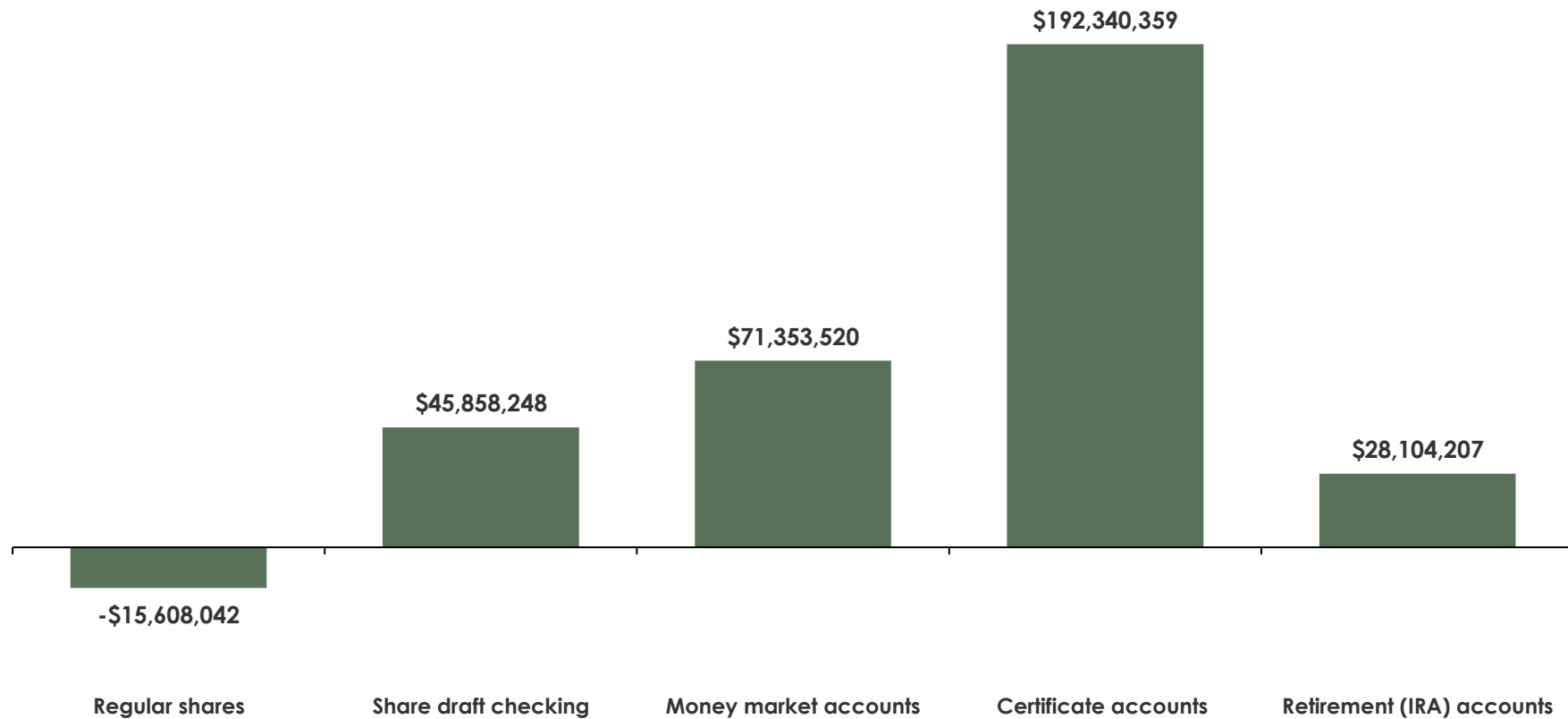
Estimated Credit Union Loan Benefits

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 2023

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,412,604,767	-1.07	\$47,214,871
Used car loans	14,142,171,874	-1.12	\$157,968,060
Personal unsecured loans	2,188,262,220	1.09	-\$23,830,176
5-year adjustable rate 1st mortgage	4,603,584,010	-1.14	\$52,434,822
15-year fixed rate 1st mortgage	6,257,492,204	0.07	-\$4,129,945
30-year fixed rate 1st mortgage	12,962,383,247	0.30	-\$39,016,774
Home equity / 2nd mortgage loans	3,583,739,283	-0.78	\$27,881,492
Credit cards	2,266,932,824	-5.99	\$136,146,318
Interest rebates			\$10,161,628
Total CU member benefits arising from lower interest rates on loan products:			\$364,830,296
Savings			
Regular shares	29,449,136,063	-0.05	-\$15,608,042
Share draft checking	19,187,551,562	0.24	\$45,858,248
Money market accounts	21,299,558,235	0.34	\$71,353,520
Certificate accounts	11,836,329,761	1.63	\$192,340,359
Retirement (IRA) accounts	2,867,776,271	0.98	\$28,104,207
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$322,048,292
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$78,210,771
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$765,089,359
Total CU member benefit / member:			\$130
Total CU member benefit / member household:			\$273

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of March 2023 and March 2022, according to the NCUA call report.; (2) Source for rates: Datatrac;

Michigan Credit Union Performance Profile

Demographic Information	Mar 23	Mar 22
Number of branches	1,192	1,167
Total assets (\$ mil)	100,679	96,872
Total loans (\$ mil)	68,170	57,383
Total surplus funds (\$ mil)	27,781	35,051
Total savings (\$ mil)	87,229	85,302
Total members (thousands)	5,972	5,852
Growth Rates (Trailing 12 months) *		
Total assets	5.0 %	8.9 %
Total loans	19.8 %	11.8 %
Total surplus funds	-19.6 %	3.6 %
Total savings	3.3 %	10.4 %
Total members	3.2 %	3.1 %
Earnings - Basis Pts. *		
Yield on total assets	381	284
Dividend / interest cost of assets	89	31
Fee & other income	127	135
Operating expense	305	284
Loss Provisions	20	6
Net Income (ROA) after stabilization exp	93	98
Capital Adequacy		
Net worth / assets	11.3	10.6
Asset Quality *		
Delinquencies / loans	0.5	0.3
Net chargeoffs / average loans	0.3	0.2
Asset/Liability Management		
Loans / savings	78.2	67.3
Loans / assets	67.7	59.2
Long-term assets / assets	45.9	45.3
Core deposits/shares & borrowings	54.7	58.2
Productivity		
Members / potential members	1.0	1.2
Borrowers / members	62.1	59.0
Members / FTE	329	341
Average shares / members (\$)	14,606	14,577
Average loan balances (\$)	18,378	16,610
Salary & Benefits / FTE	87,445	84,413

* 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