

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 \$425,508,230 in direct financial benefits to the state's 5,758,653 members during the twelve months ending March 2022.

These benefits are equivalent to \$74 per member or \$155 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 \$168 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.

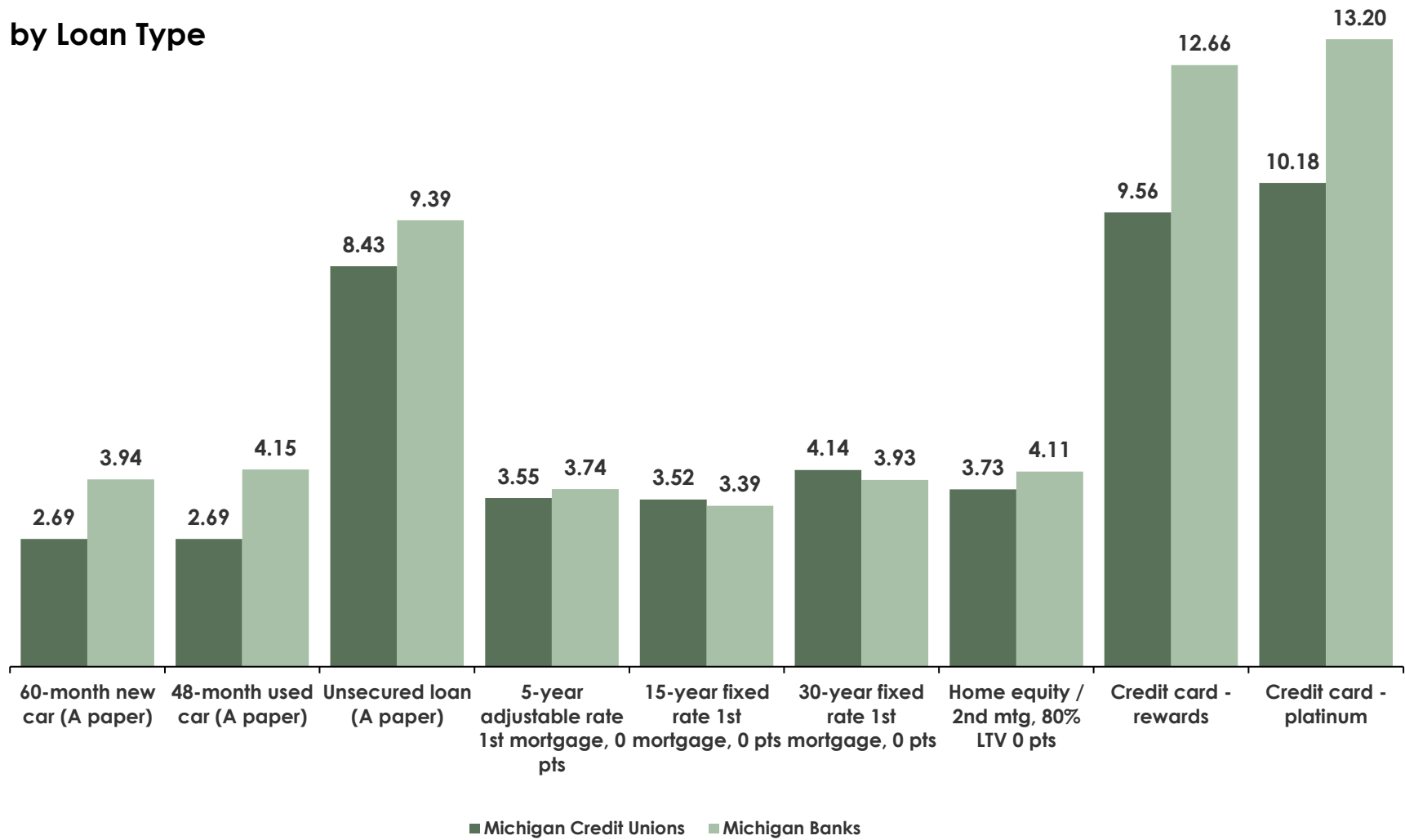
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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



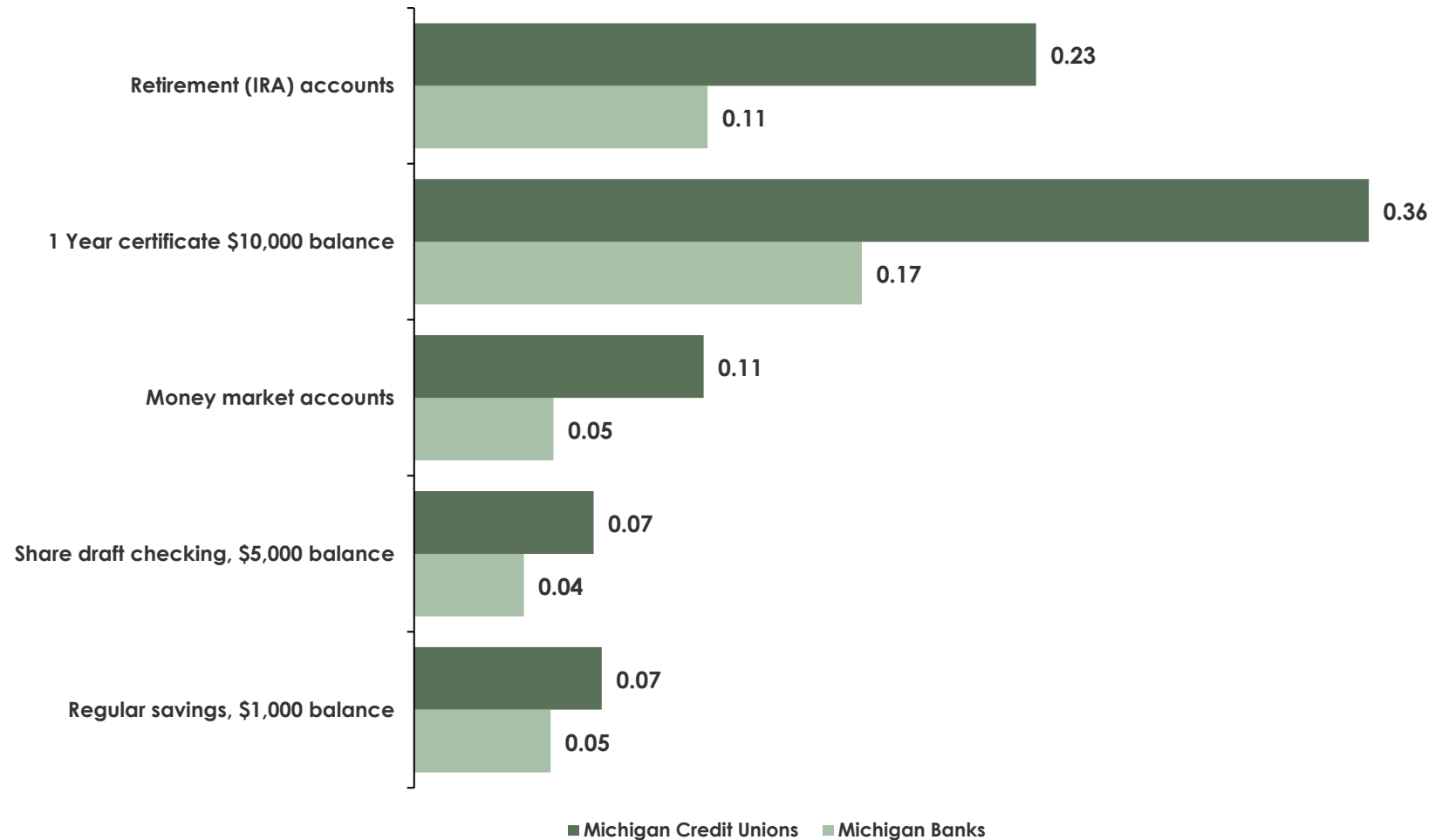
Loan Product Comparative Interest Rates (%)

by Loan Type



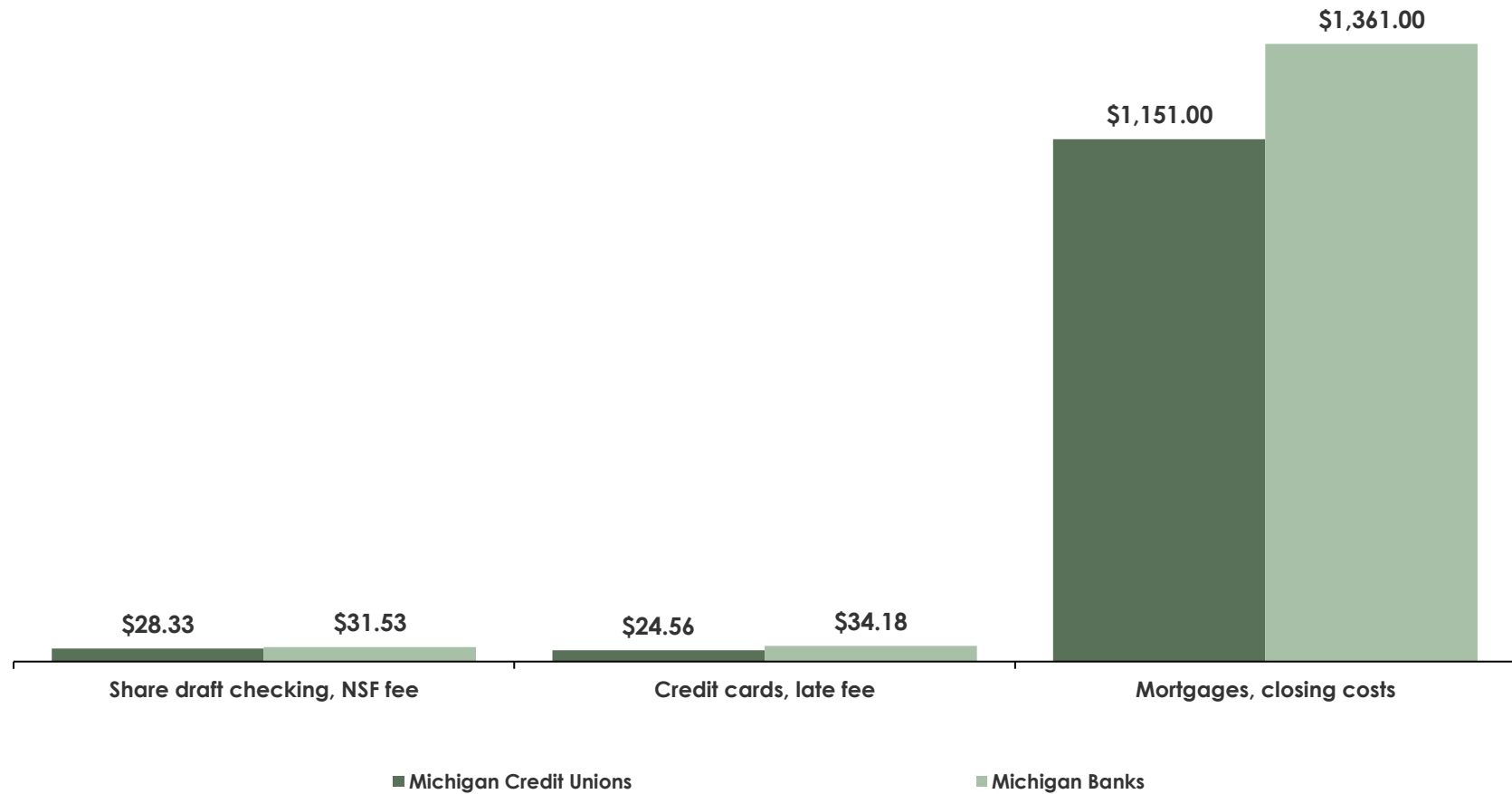
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



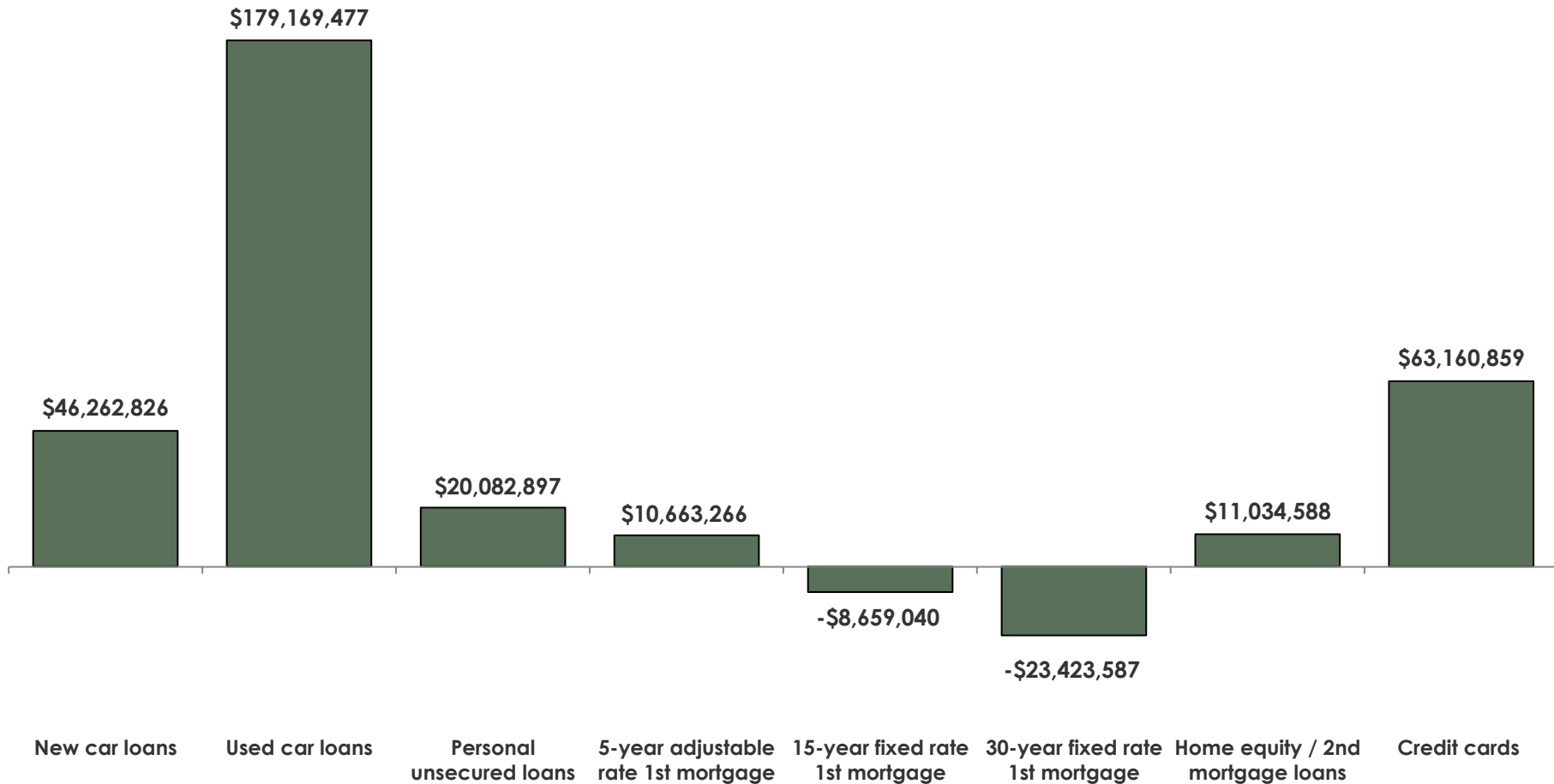
Michigan Credit Union and Banking Institution March 2022 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.69	3.94	-1.25
48-month used car (A paper)	2.69	4.15	-1.47
Unsecured loan (A paper)	8.43	9.39	-0.97
5-year adjustable rate 1st mortgage, 0 pts	3.55	3.74	-0.19
15-year fixed rate 1st mortgage, 0 pts	3.52	3.39	0.13
30-year fixed rate 1st mortgage, 0 pts	4.14	3.93	0.21
Home equity / 2nd mtg, 80% LTV 0 pts	3.73	4.11	-0.37
Credit card - rewards	9.56	12.66	-3.10
Credit card - platinum	10.18	13.20	-3.02
Savings Products			
Regular savings, \$1,000 balance	0.07	0.05	0.02
Share draft checking, \$5,000 balance	0.07	0.04	0.03
Money market accounts	0.11	0.05	0.06
1 Year certificate \$10,000 balance	0.36	0.17	0.19
Retirement (IRA) accounts	0.23	0.11	0.12
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

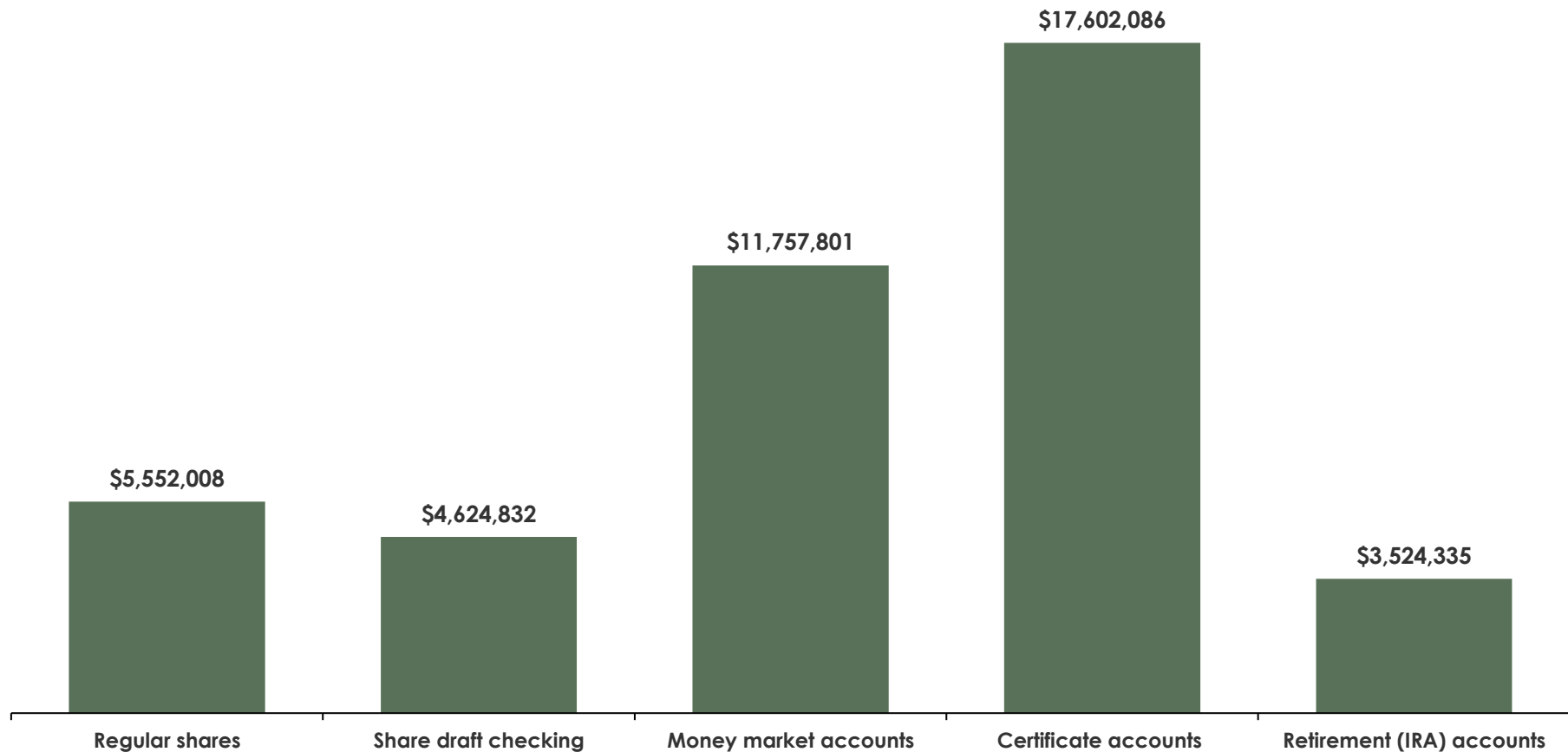
Estimated Credit Union Loan Benefits

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 2022

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	3,698,067,612	-1.25	\$46,262,826
Used car loans	12,229,998,419	-1.47	\$179,169,477
Personal unsecured loans	2,078,974,872	-0.97	\$20,082,897
5-year adjustable rate 1st mortgage	5,641,939,694	-0.19	\$10,663,266
15-year fixed rate 1st mortgage	6,609,953,984	0.13	-\$8,659,040
30-year fixed rate 1st mortgage	11,207,457,792	0.21	-\$23,423,587
Home equity / 2nd mortgage loans	2,958,334,531	-0.37	\$11,034,588
Credit cards	2,049,014,064	-3.10	\$63,160,859
Interest rebates			\$9,547,700
Total CU member benefits arising from lower interest rates on loan products:			\$307,838,986
Savings			
Regular shares	29,221,094,874	0.02	\$5,552,008
Share draft checking	17,787,817,137	0.03	\$4,624,832
Money market accounts	20,996,073,957	0.06	\$11,757,801
Certificate accounts	9,313,273,188	0.19	\$17,602,086
Retirement (IRA) accounts	2,877,008,099	0.12	\$3,524,335
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$43,061,063
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$74,608,181
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$425,508,230
Total CU member benefit / member:			\$74
Total CU member benefit / member household:			\$155

Source: Datatrac, NCUA, and CUNA

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

Michigan Credit Union Performance Profile

Demographic Information	Mar 22	Mar 21
Number of branches	1,167	1,139
Total assets (\$ mil)	96,872	89,129
Total loans (\$ mil)	57,383	51,410
Total surplus funds (\$ mil)	35,051	33,931
Total savings (\$ mil)	85,302	77,412
Total members (thousands)	5,852	5,690
Growth Rates (Trailing 12 months) *		
Total assets	8.9 %	24.4 %
Total loans	11.8 %	8.6 %
Total surplus funds	3.6 %	62.2 %
Total savings	10.4 %	28.1 %
Total members	3.1 %	3.0 %
Earnings - Basis Pts. *		
Yield on total assets	284	298
Dividend / interest cost of assets	31	42
Fee & other income	135	165
Operating expense	284	294
Loss Provisions	6	9
Net Income (ROA) after stabilization exp	98	118
Capital Adequacy		
Net worth / assets	10.6	10.5
Asset Quality *		
Delinquencies / loans	0.3	0.3
Net chargeoffs / average loans	0.2	0.2
Asset/Liability Management		
Loans / savings	67.3	66.4
Loans / assets	59.2	57.7
Long-term assets / assets	45.3	39.4
Core deposits/shares & borrowings	58.2	56.0
Productivity		
Members / potential members	1.2	1.2
Borrowers / members	59.0	59.2
Members / FTE	341	350
Average shares / members (\$)	14,577	13,605
Average loan balances (\$)	16,610	15,270
Salary & Benefits / FTE	84,413	82,461

* 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