



America's
Credit Unions

Michigan Membership Benefits Report

FOURTH QUARTER 2023



> cuna.org/research

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 \$1,023,757,939 in direct financial benefits to the state's 5,955,692 members during the twelve months ending December 2023.

These benefits are equivalent to \$172 per member or \$361 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 \$87 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.

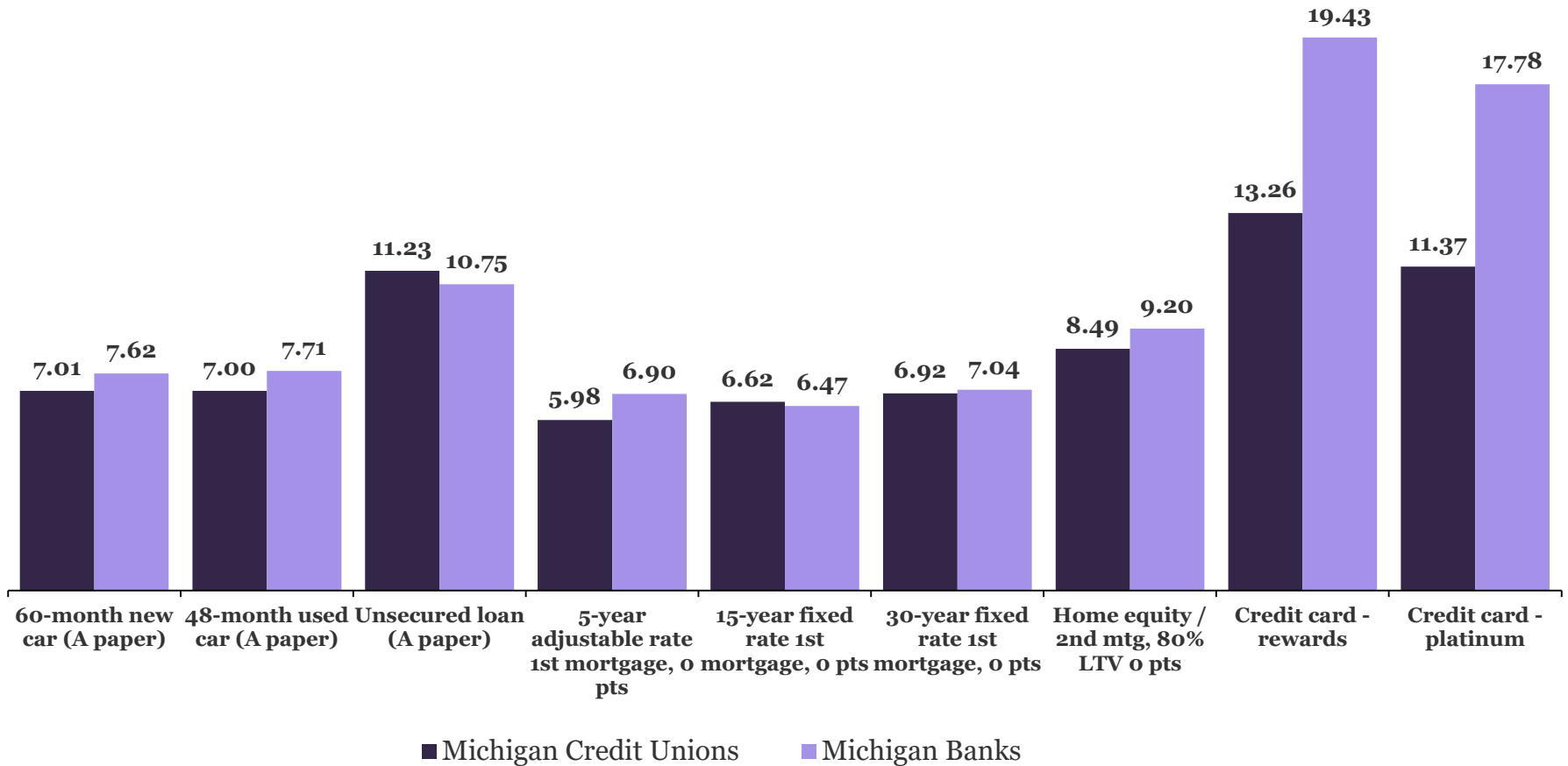
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, first mortgage-adjustable rate, home equity loans, credit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

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

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

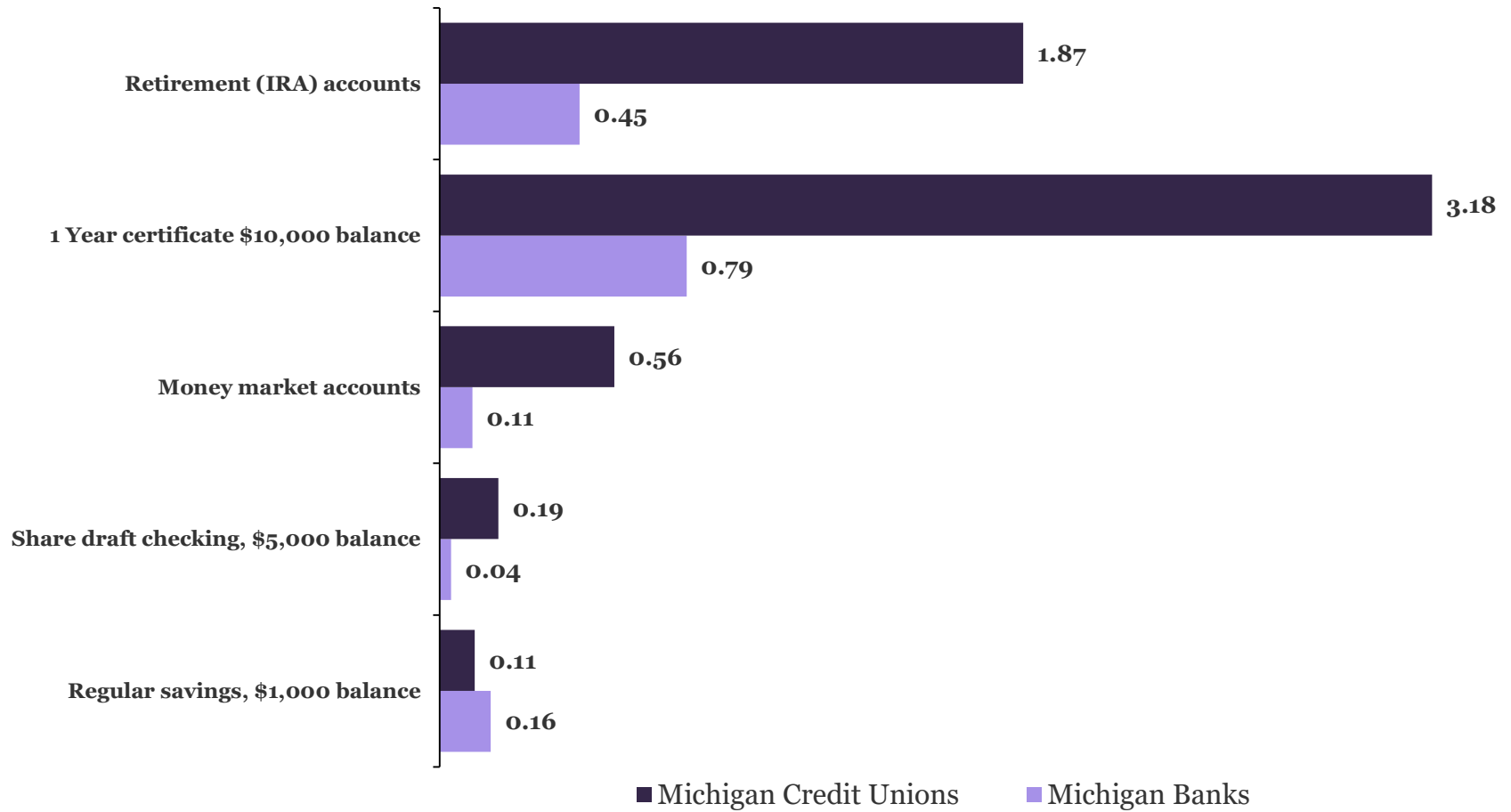
Loan Product Comparative Interest Rates (%)

by Loan Type



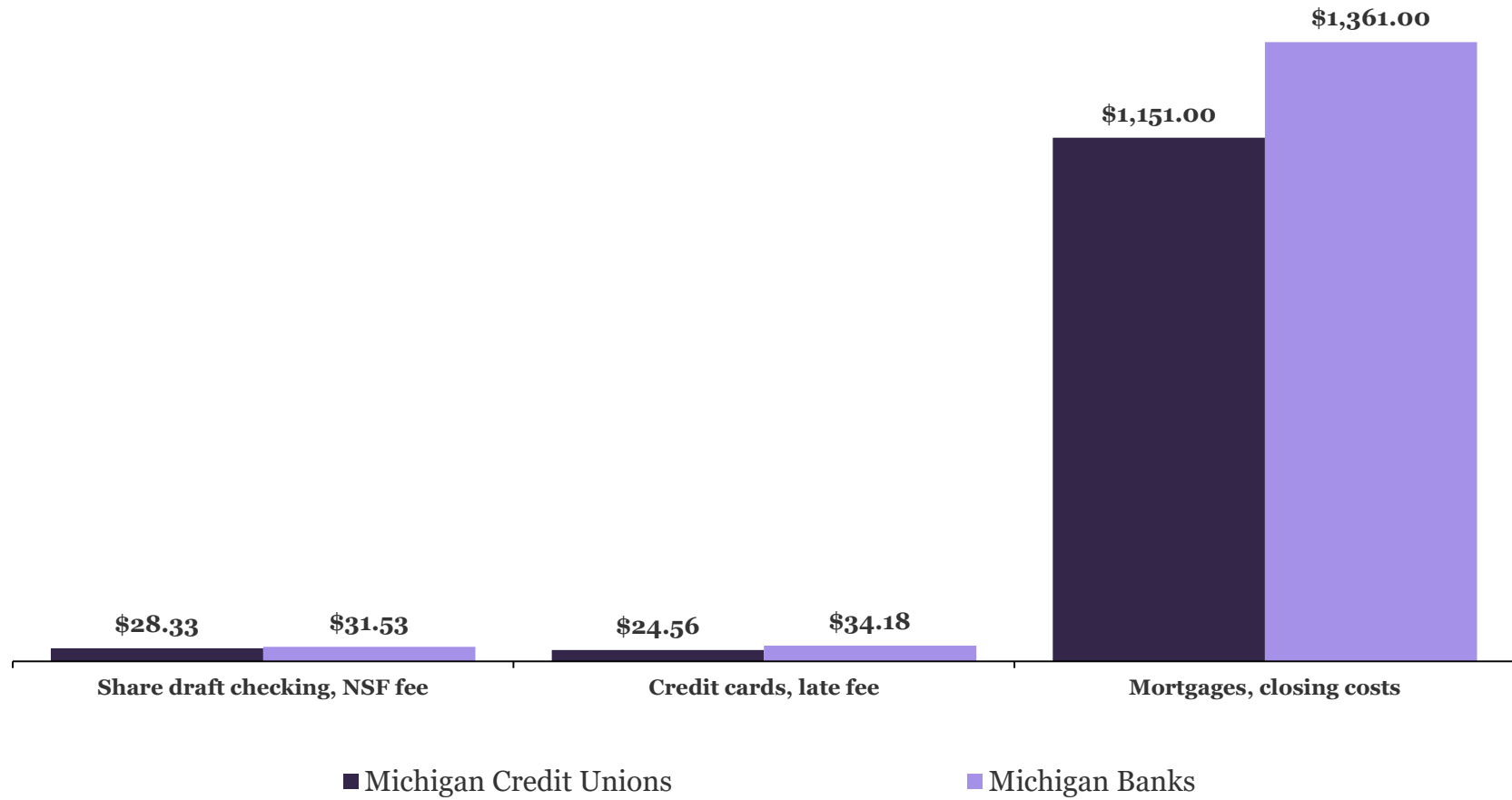
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



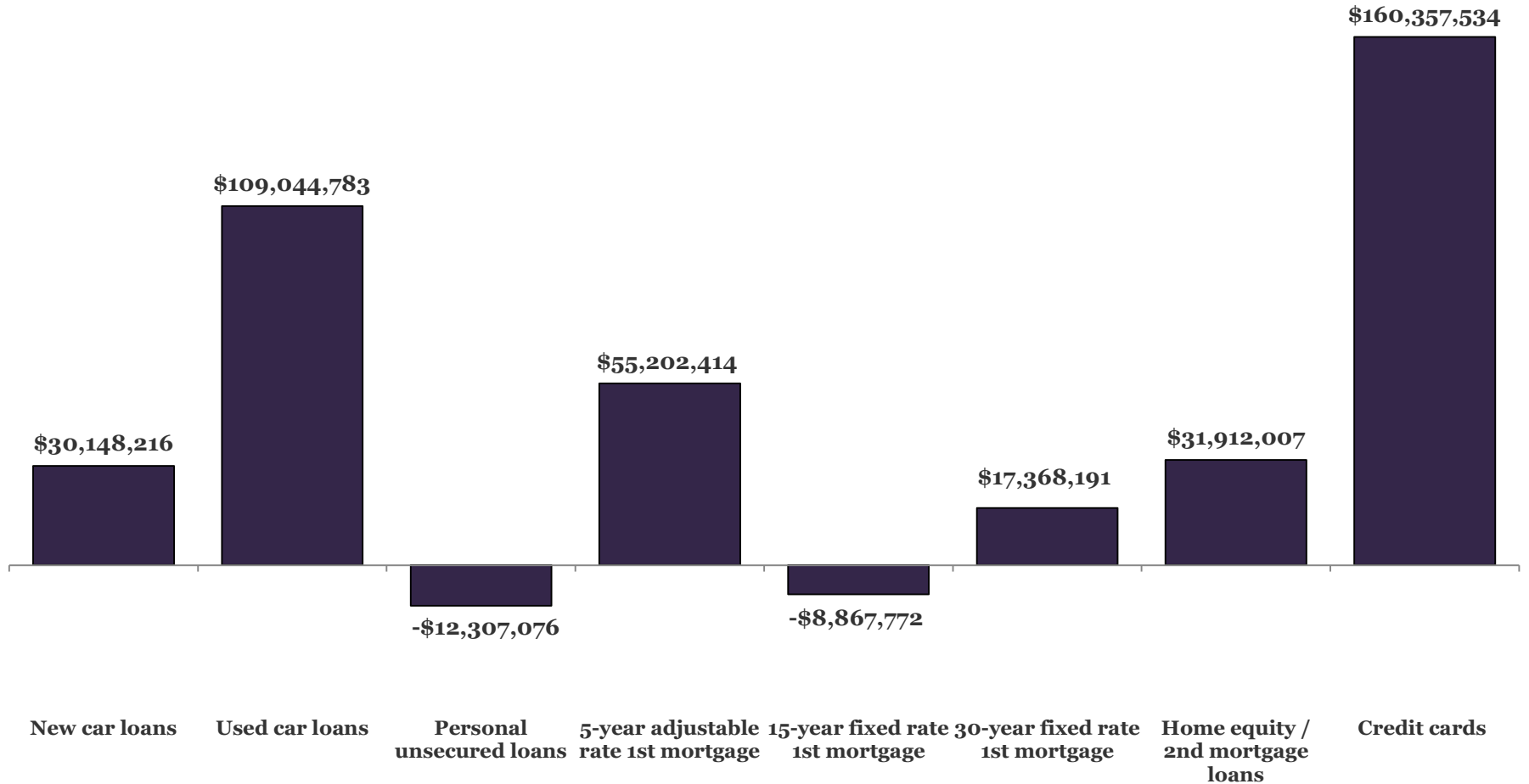
Michigan
Credit Union and Banking Institution
December 2023 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	7.01	7.62	-0.61
48-month used car (A paper)	7.00	7.71	-0.71
Unsecured loan (A paper)	11.23	10.75	0.48
5-year adjustable rate 1st mortgage, 0 pts	5.98	6.90	-0.91
15-year fixed rate 1st mortgage, 0 pts	6.62	6.47	0.15
30-year fixed rate 1st mortgage, 0 pts	6.92	7.04	-0.13
Home equity / 2nd mtg, 80% LTV 0 pts	8.49	9.20	-0.71
Credit card - rewards	13.26	19.43	-6.17
Credit card - platinum	11.37	17.78	-6.41
Savings Products			
Regular savings, \$1,000 balance	0.11	0.16	-0.05
Share draft checking, \$5,000 balance	0.19	0.04	0.15
Money market accounts	0.56	0.11	0.45
1 Year certificate \$10,000 balance	3.18	0.79	2.38
Retirement (IRA) accounts	1.87	0.45	1.42
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

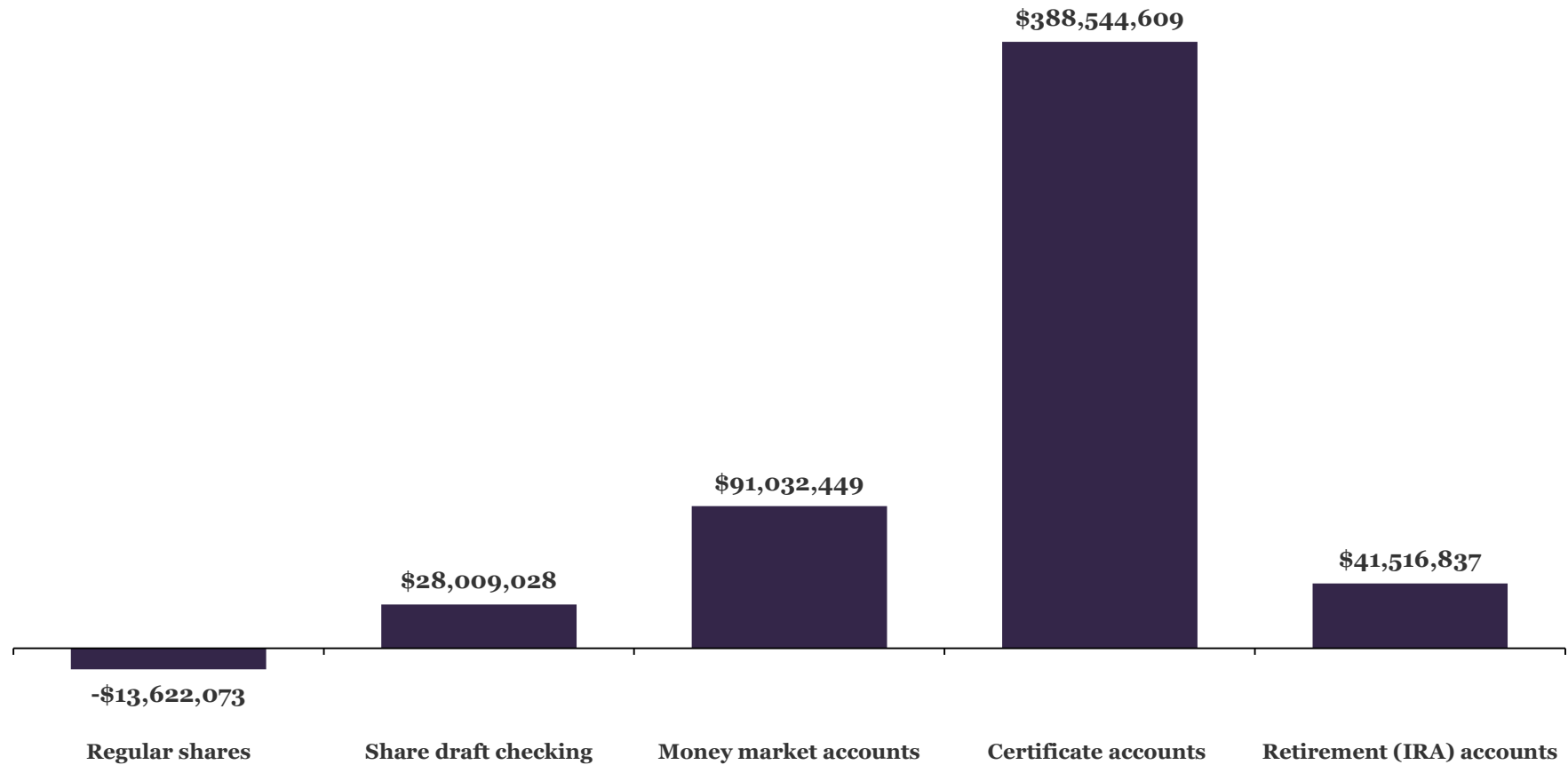
Estimated Credit Union Loan Benefits

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 2023

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,934,241,493	-0.61	\$30,148,216
Used car loans	15,380,082,165	-0.71	\$109,044,783
Personal unsecured loans	2,563,974,079	0.48	-\$12,307,076
5-year adjustable rate 1st mortgage	6,039,651,369	-0.91	\$55,202,414
15-year fixed rate 1st mortgage	5,911,847,844	0.15	-\$8,867,772
30-year fixed rate 1st mortgage	13,894,553,153	-0.13	\$17,368,191
Home equity / 2nd mortgage loans	4,500,988,310	-0.71	\$31,912,007
Credit cards	2,573,853,917	-6.17	\$160,357,534
Interest rebates			\$23,502,375
Total CU member benefits arising from lower interest rates on loan products:			\$406,360,671
Savings			
Regular shares	26,709,947,851	-0.05	-\$13,622,073
Share draft checking	18,549,025,110	0.15	\$28,009,028
Money market accounts	20,051,200,219	0.45	\$91,032,449
Certificate accounts	16,298,012,120	2.38	\$388,544,609
Retirement (IRA) accounts	2,925,781,315	1.42	\$41,516,837
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$535,480,849
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$81,916,419
Overall Totals			
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$1,023,757,939
Total CU member benefit / member:			\$172
Total CU member benefit / member household:			\$361

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

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

Michigan Credit Union Performance Profile

Demographic Information	Dec 23	Dec 22
Number of branches	1,217	1,201
Total assets (\$ mil)	102,950	98,507
Total loans (\$ mil)	72,607	66,811
Total surplus funds (\$ mil)	25,210	26,924
Total savings (\$ mil)	87,506	85,202
Total members (thousands)	5,997	5,975
Growth Rates (Trailing 12 months) *		
Total assets	5.5 %	4.4 %
Total loans	9.5 %	20 %
Total surplus funds	-5.1 %	-21.6 %
Total savings	3.7 %	3.6 %
Total members	1.4 %	3.3 %
Earnings - Basis Pts. *		
Yield on total assets	415	322
Dividend / interest cost of assets	126	45
Fee & other income	133	130
Operating expense	313	298
Loss Provisions	28	14
Net Income (ROA) after stabilization exp	81	96
Capital Adequacy		
Net worth / assets	11.6	11.4
Asset Quality *		
Delinquencies / loans	0.7	0.5
Net chargeoffs / average loans	0.4	0.2
Asset/Liability Management		
Loans / savings	83.0	78.4
Loans / assets	70.5	67.8
Long-term assets / assets	45.2	46.8
Core deposits/shares & borrowings	48.9	55.1
Productivity		
Members / potential members	1.1	1.2
Borrowers / members	63.6	62.2
Members / FTE	323	332
Average shares / members (\$)	14,593	14,260
Average loan balances (\$)	19,046	17,985
Salary & Benefits / FTE	87,029	82,886

* 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.