

# ***The Benefits of Membership***

*Customized Analysis of Member Benefits For:*

**Idaho**

***December 2011***

*Prepared by:*

***Credit Union National Association  
Economics and Statistics Department***



# Idaho

## ***The Benefits of Membership***

Credit unions generally provide financial benefits to members through lower loan rates, high saving rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Idaho credit unions provided \$49,532,343 in direct financial benefits to the state's 548,194 members during the twelve months ending December 2011.

**These benefits are equivalent to \$90 per member or \$172 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 Idaho 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 Idaho credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Idaho credit union will save members an average \$201 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.

Idaho credit unions excel in providing member benefits on many loan and saving products. In particular, Idaho 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.

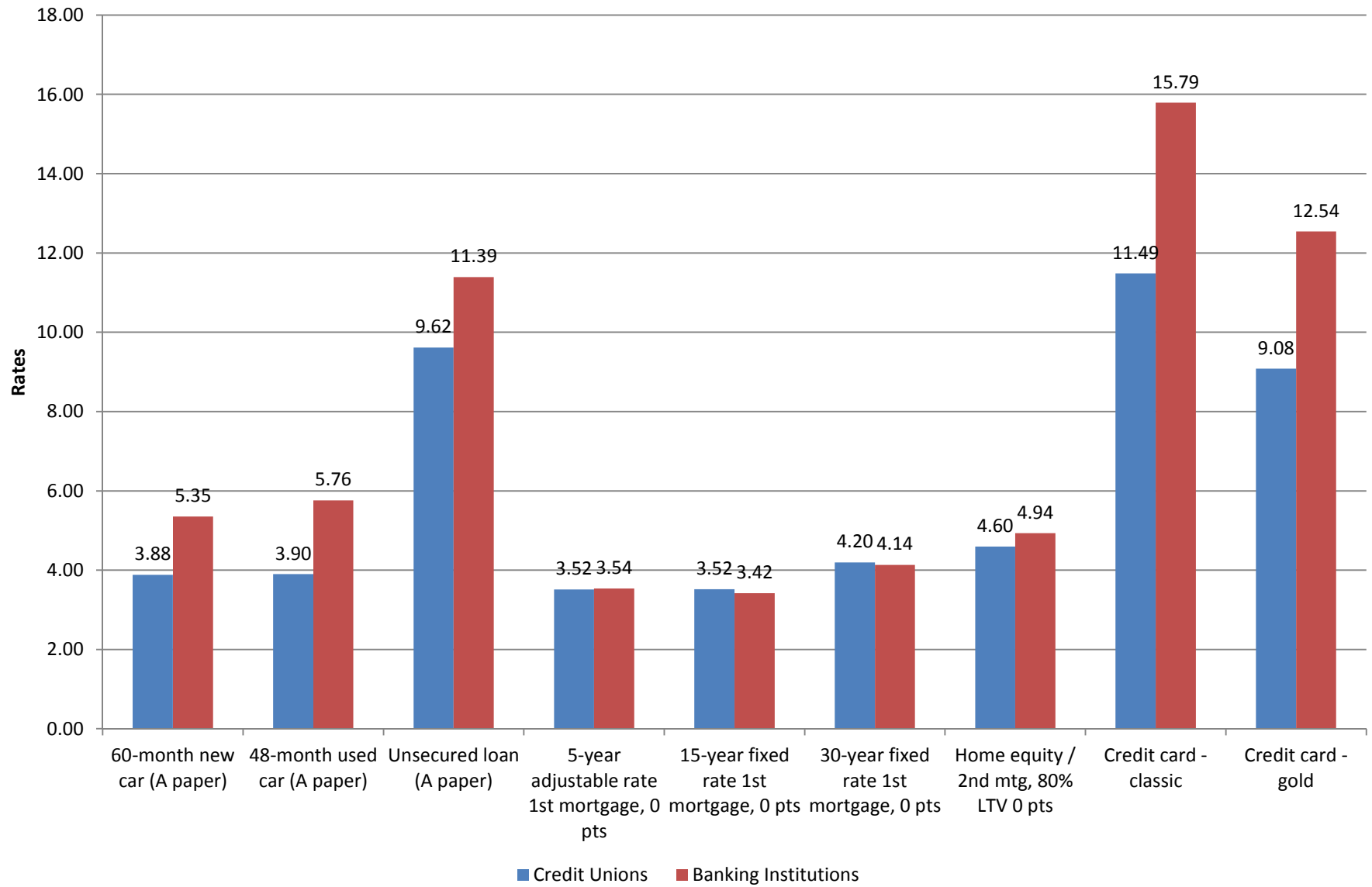
Idaho credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



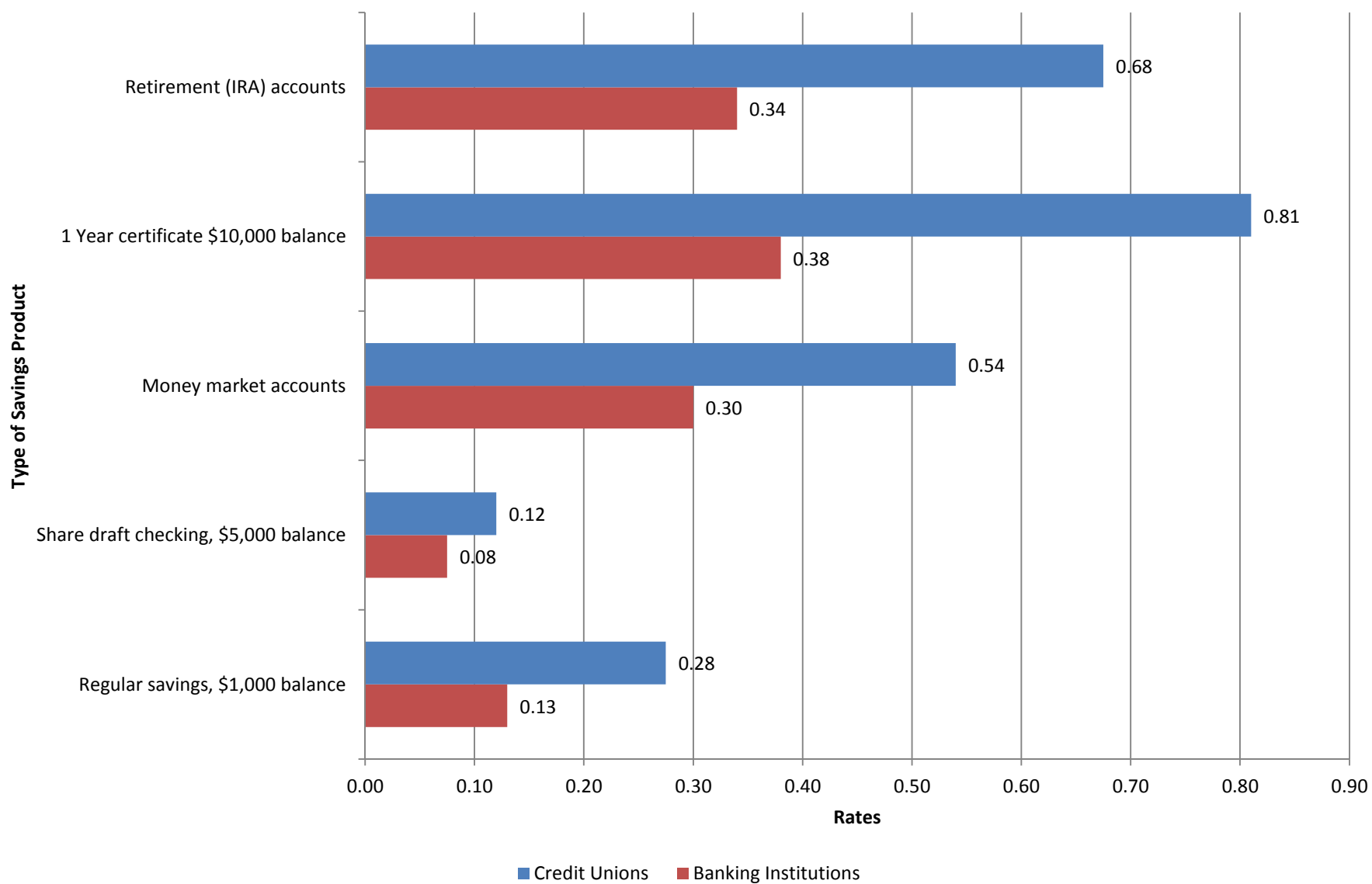
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Source: Datatrac, NCUA, and CUNA.  
(1) Assumes 1.9 credit union members per household.

## Recent Comparative Interest Rates for Loan Products Credit Unions vs. Banking Institutions



## Recent Comparative Interest Rates for Savings Products Credit Unions vs. Banking Institutions



# Selected December 2011 Fees Credit Unions vs Banking Institutions

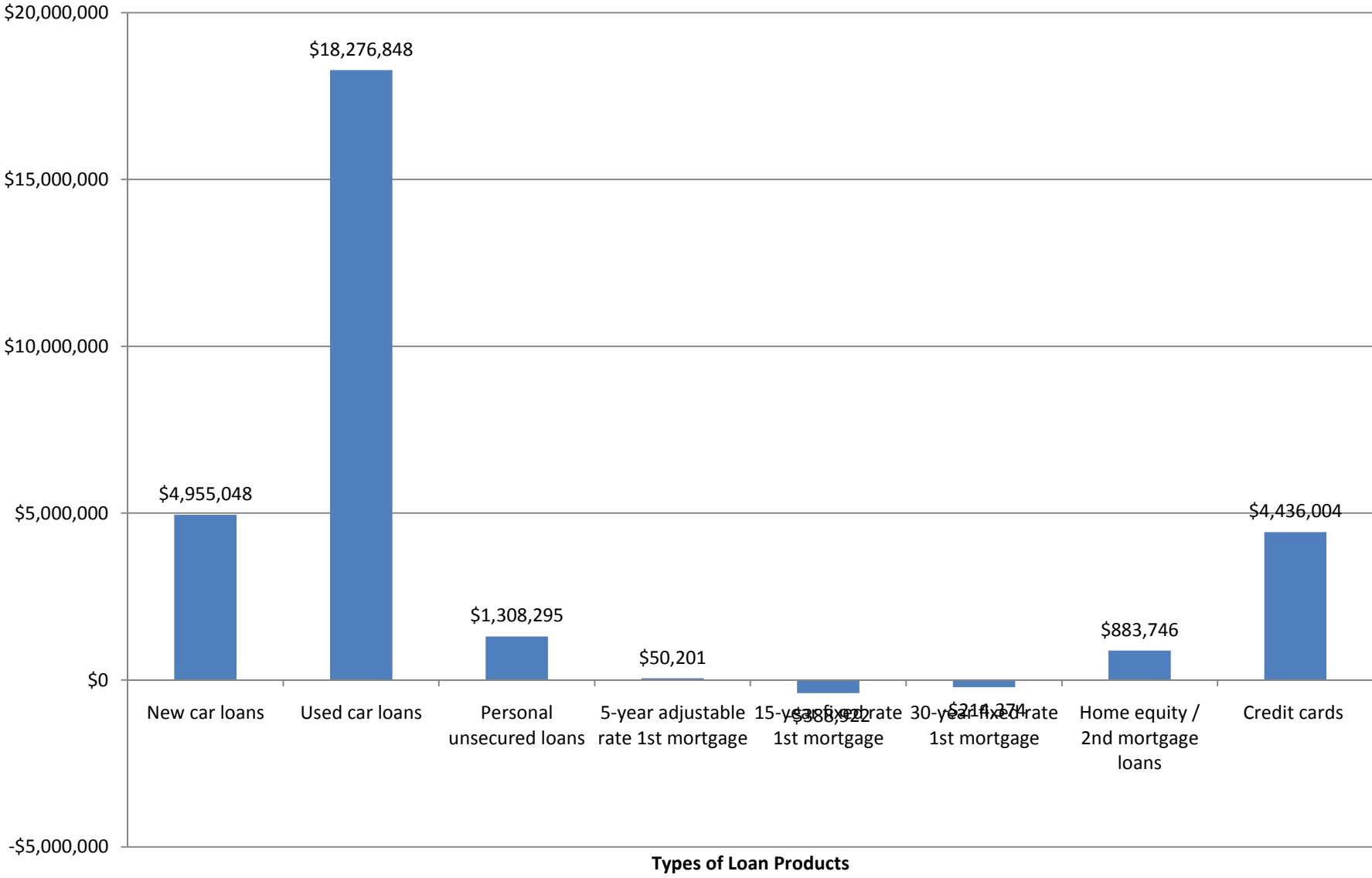


**Idaho**  
**Credit Union and Banking Instituion**  
**Year-end 2011 Average Interest Rates and Fees**

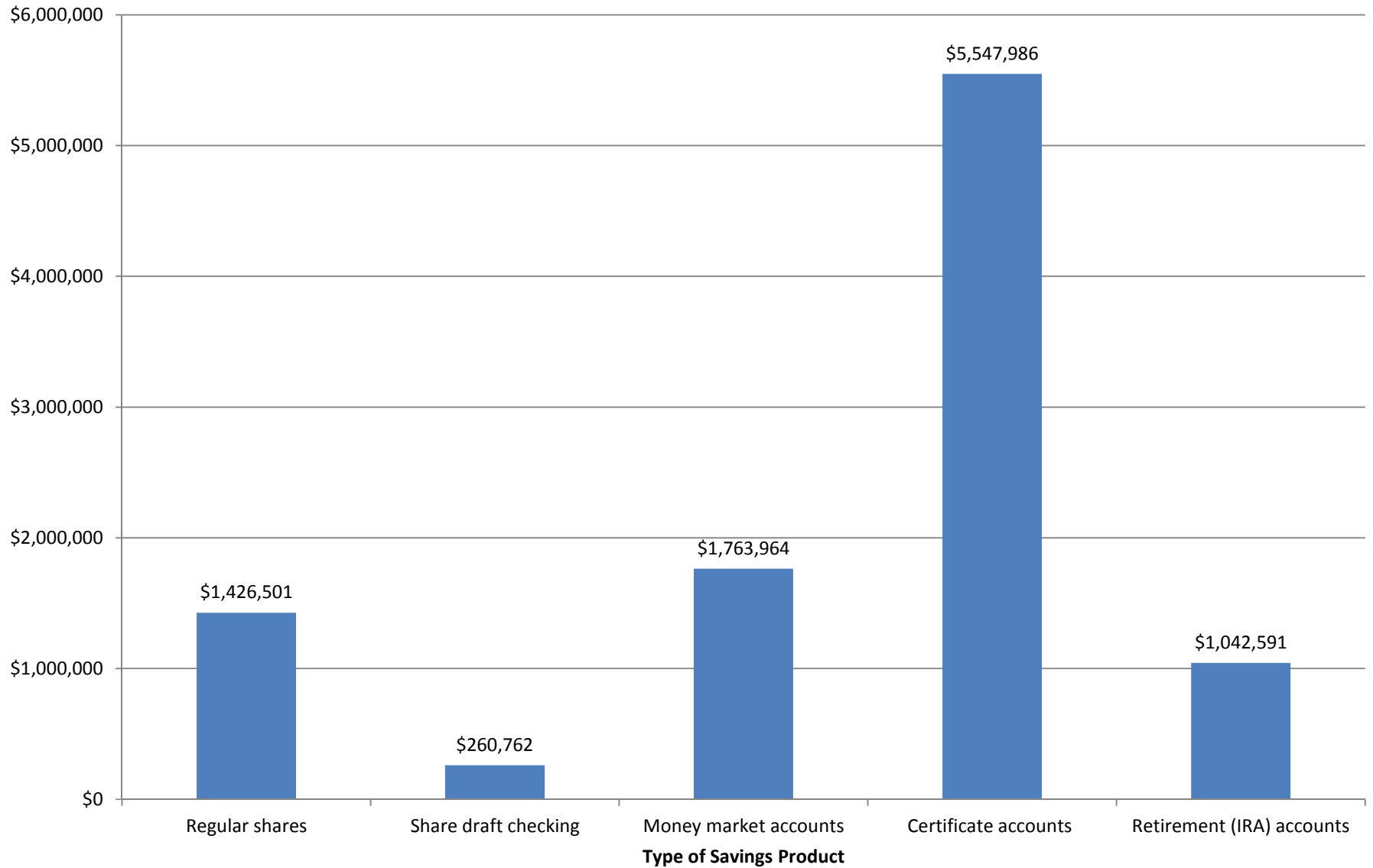
<b>Loan Products</b>	<b>Average Rate at Credit Unions (%)</b>	<b>Average Rate at Banks (%)</b>	<b>Rate Difference vs. Banks (%)</b>
60-month new car (A paper)	3.88	5.35	-1.47
48-month used car (A paper)	3.90	5.76	-1.86
Unsecured loan (A paper)	9.62	11.39	-1.78
5-year adjustable rate 1st mortgage, 0 pts	3.52	3.54	-0.02
15-year fixed rate 1st mortgage, 0 pts	3.52	3.42	0.10
30-year fixed rate 1st mortgage, 0 pts	4.20	4.14	0.06
Home equity / 2nd mtg, 80% LTV 0 pts	4.60	4.94	-0.34
Credit card - classic	11.49	15.79	-4.31
Credit card - gold	9.08	12.54	-3.46
<b>Savings Products</b>			
Regular savings, \$1,000 balance	0.28	0.13	0.15
Share draft checking, \$5,000 balance	0.12	0.08	0.05
Money market accounts	0.54	0.30	0.24
1 Year certificate \$10,000 balance	0.81	0.38	0.43
Retirement (IRA) accounts	0.68	0.34	0.34
<b>Fee Income</b>			
Share draft checking, NSF fee	\$25.00	\$30.00	-\$5.00
Credit cards, late fee	\$20.00	\$35.00	-\$15.00
Mortgages, closing costs	\$2,280.00	\$2,309.00	-\$29.00

Source: Datatrac

## Estimated Total Loan Rate Benefit Credit Unions vs Banking Institutions



## Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



## Estimated Idaho Credit Unions Financial Benefits Year-end 2011

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Idaho Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	337,078,116	-1.47	\$4,955,048
Used car loans	982,626,247	-1.86	\$18,276,848
Personal unsecured loans	73,706,780	-1.78	\$1,308,295
5-year adjustable rate 1st mortgage	200,804,924	-0.02	\$50,201
15-year fixed rate 1st mortgage	388,921,567	0.10	-\$388,922
30-year fixed rate 1st mortgage	357,290,253	0.06	-\$214,374
Home equity / 2nd mortgage loans	259,925,298	-0.34	\$883,746
Credit cards	108,360,403	-4.31	\$4,436,004
Interest rebates in period			\$265,251
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$29,572,098</b>
 <u>Savings</u>			
Regular shares	983,793,597	0.15	\$1,426,501
Share draft checking	579,471,170	0.05	\$260,762
Money market accounts	734,985,064	0.24	\$1,763,964
Certificate accounts	1,290,229,299	0.43	\$5,547,986
Retirement (IRA) accounts	311,221,139	0.34	\$1,042,591
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on saving products:</b>			<b>\$10,041,804</b>
 <u>Fee Income</u>			
<b>Total CU member benefit arising from fewer/lower fees:</b>			<b>\$9,918,441</b>
 <b>Total CU member benefit arising from interest rates on loan and savings products and lower fees:</b>			<b>\$49,532,343</b>
<b>Total CU member benefit / member:</b>			<b>\$90</b>
<b>Total CU member benefit / member household:</b>			<b>\$172</b>

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2011 and September 2010, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

**Idaho**  
**Performance Profile**

<b>Demographic Information</b>	<b>Dec 11</b>	<b>Dec 10</b>
Number of branches	180	180
Total assets (\$ mil)	4,546	4,280
Total loans (\$ mil)	3,112	2,924
Total surplus funds (\$ mil)	1,198	1,139
Total savings (\$ mil)	4,061	3,844
Total members (thousands)	559	538
<b>Growth Rates (Trailing 12 months) *</b>		
Total assets	6.2 %	1.6 %
Total loans	6.4 %	1.9 %
Total surplus funds	5.2 %	0.6 %
Total savings	5.6 %	4.1 %
Total members	3.9 %	1.2 %
<b>Earnings - Basis Pts. *</b>		
Yield on total assets	409	447
Dividend/interest cost of assets	87	117
Fee & other income	164	156
Operating expense	357	354
Loss Provisions	44	65
Net Income (ROA) after stabilization exp	86	67
<b>Capital adequacy</b>		
Net worth / assets	9.9	9.6
<b>Asset quality *</b>		
Delinquencies / loans	1.0	1.3
Net chargeoffs / average loans	0.6	0.7
Total borrower-bankruptcies	25	27
Bankruptcies per 1000 members	2.6	3.0
<b>Asset/Liability Management</b>		
Loans / savings	76.6	76.1
Loans / assets	68.5	68.3
Long-term assets / assets	29.6	28.8
Core deposits/shares & borrowings	40.8	38.3
<b>Productivity</b>		
Members/potential members	6.7	6.8
Borrowers/members	51.6	51.0
Members/FTE	343	342
Average shares/members (\$)	7,266	7,144
Average loan balances (\$)	10,793	10,653
Salary & Benefits/FTE	51,339	49,578

\* 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.