

The Benefits of Membership

Customized Analysis of Member Benefits For:

New York

June 2011

Prepared by:

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New York

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 New York credit unions provided \$358,478,760 in direct financial benefits to the state's 4,515,317 members during the twelve months ending June 2011.

These benefits are equivalent to \$79 per member or \$151 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 New York 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 New York credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a New York credit union will save members an average \$214 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.

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

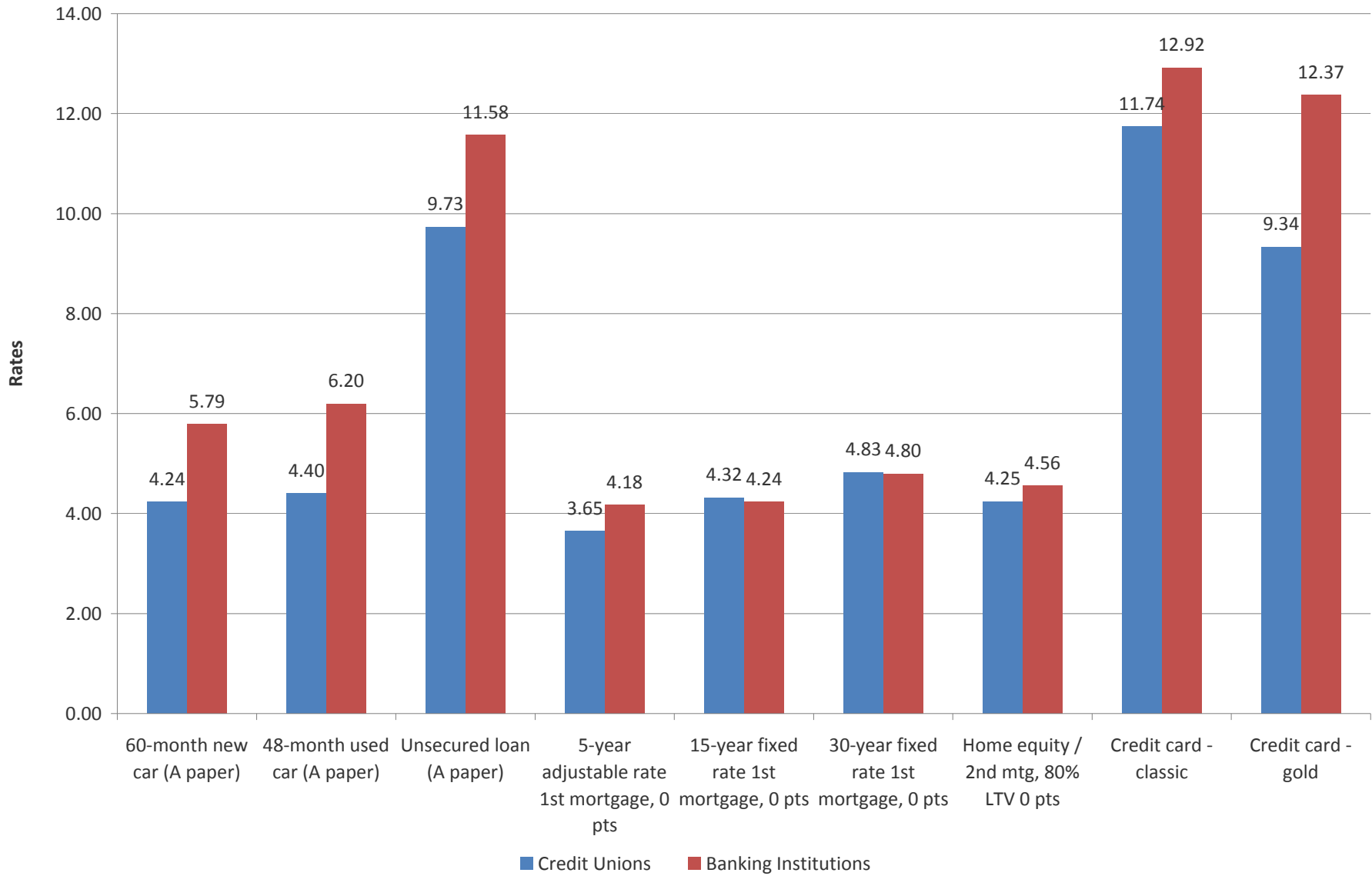
New York credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



Source: Datatrac, NCUA, and CUNA.

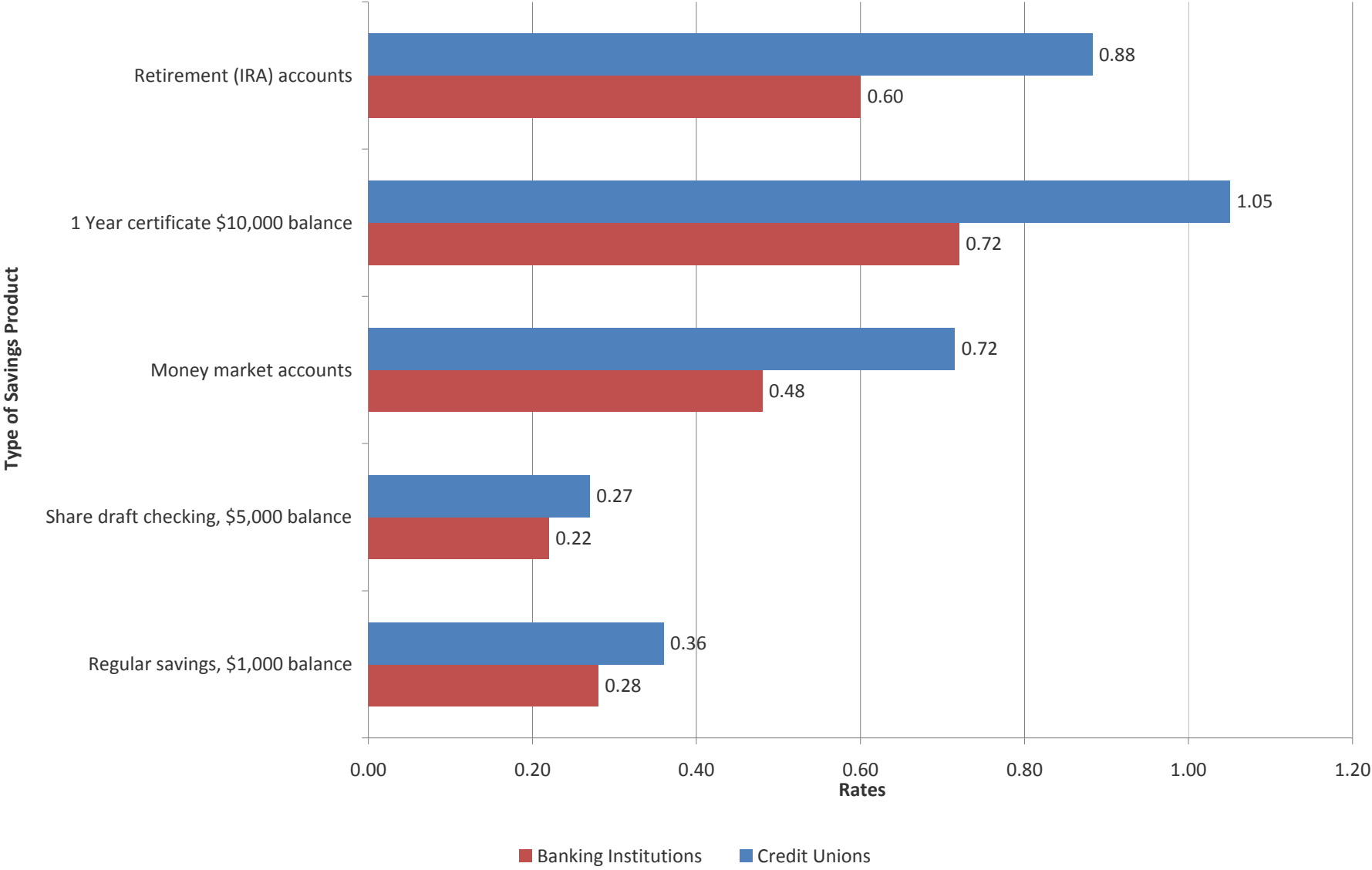
(1) Assumes 1.9 credit union members per household.

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

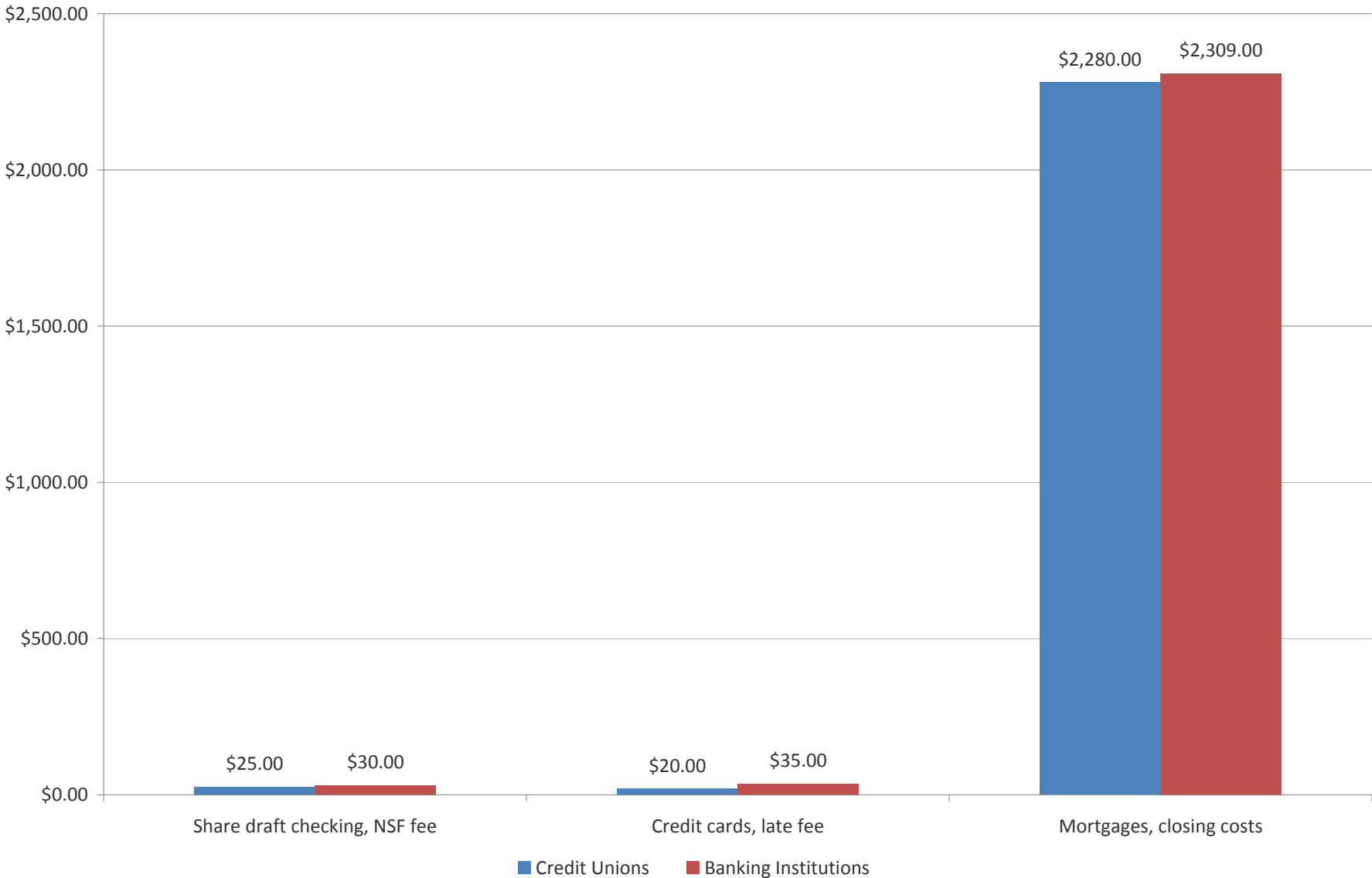


Recent Comparative Interest Rates for Savings Products

Credit Unions vs. Banking Institutions



Selected June 2011 Fees Credit Unions vs Banking Institutions

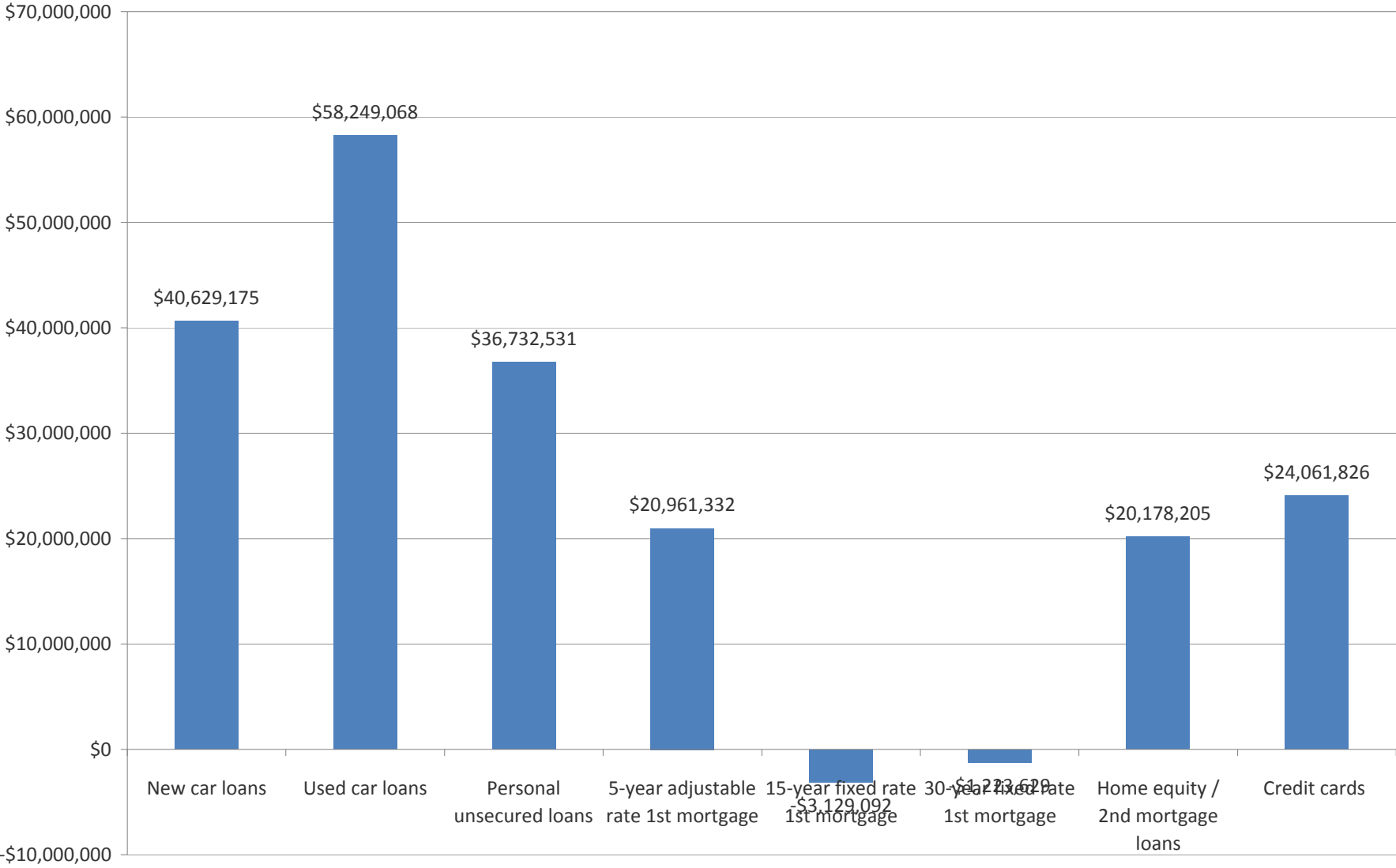


New York
Credit Union and Banking Instituion
Mid-Year 2011 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.24	5.79	-1.56
48-month used car (A paper)	4.40	6.20	-1.80
Unsecured loan (A paper)	9.73	11.58	-1.85
5-year adjustable rate 1st mortgage, 0 pts	3.65	4.18	-0.53
15-year fixed rate 1st mortgage, 0 pts	4.32	4.24	0.08
30-year fixed rate 1st mortgage, 0 pts	4.83	4.80	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	4.25	4.56	-0.32
Credit card - classic	11.74	12.92	-1.18
Credit card - gold	9.34	12.37	-3.04
Savings Products			
Regular savings, \$1,000 balance	0.36	0.28	0.08
Share draft checking, \$5,000 balance	0.27	0.22	0.05
Money market accounts	0.72	0.48	0.24
1 Year certificate \$10,000 balance	1.05	0.72	0.33
Retirement (IRA) accounts	0.88	0.60	0.28
Fee Income			
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

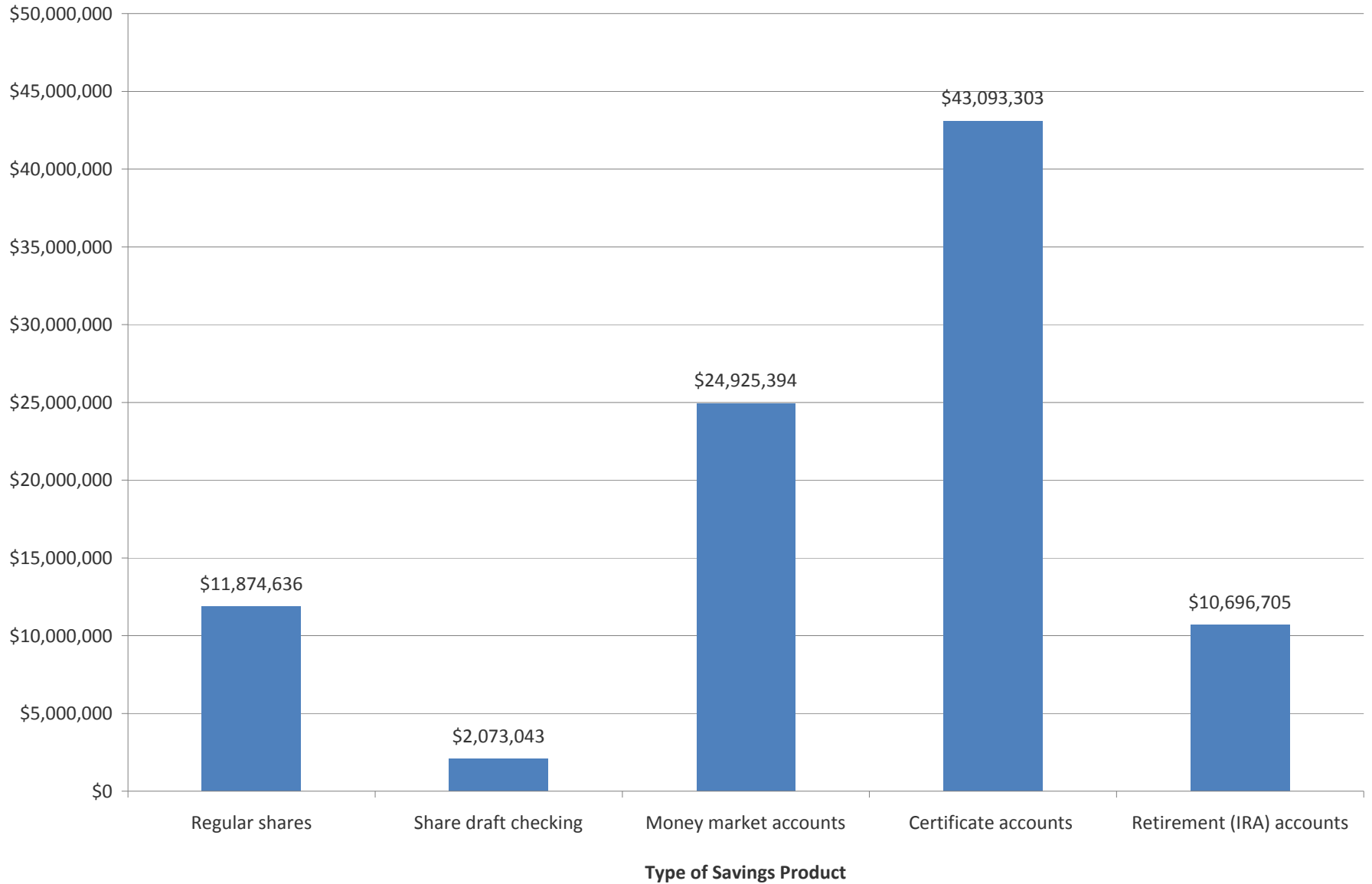
Source: Datatrac

Estimated Total Loan Rate Benefit Credit Unions vs Banking Institutions



Types of Loan Products

Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



Estimated New York Credit Unions Financial Benefits Mid-Year 2011

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. New York Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,612,808,699	-1.56	\$40,629,175
Used car loans	3,236,059,330	-1.80	\$58,249,068
Personal unsecured loans	1,990,923,092	-1.85	\$36,732,531
5-year adjustable rate 1st mortgage	3,992,634,736	-0.53	\$20,961,332
15-year fixed rate 1st mortgage	3,911,365,615	0.08	-\$3,129,092
30-year fixed rate 1st mortgage	4,078,762,836	0.03	-\$1,223,629
Home equity / 2nd mortgage loans	6,405,779,246	-0.32	\$20,178,205
Credit cards	1,463,837,348	-1.18	\$24,061,826
Interest rebates in period			\$1,325
Total CU member benefits arising from lower interest rates on loan products:			\$196,460,741
 <u>Savings</u>			
Regular shares	14,843,295,417	0.08	\$11,874,636
Share draft checking	4,146,085,656	0.05	\$2,073,043
Money market accounts	10,606,550,660	0.24	\$24,925,394
Certificate accounts	13,058,576,575	0.33	\$43,093,303
Retirement (IRA) accounts	3,786,444,337	0.28	\$10,696,705
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$92,663,081
 <u>Fee Income</u>			
Total CU member benefit arising from fewer/lower fees:			\$69,354,937
 Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$358,478,760
 Total CU member benefit / member:			\$79
Total CU member benefit / member household:			\$151

Source: Datatrac, NCUA, and CUNA

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

New York
Performance Profile

Demographic Information	June 11	June 10
Number of branches	1069	1045
Total assets (\$ mil)	56,260	52,756
Total loans (\$ mil)	31,432	30,346
Total surplus funds (\$ mil)	22,975	20,683
Total savings (\$ mil)	48,658	45,513
Total members (thousands)	4,569	4,462
Growth Rates (Trailing 12 months) *		
Total assets	6.6 %	8.9 %
Total loans	3.6 %	4.2 %
Total surplus funds	11.1 %	16.2 %
Total savings	6.9 %	10.6 %
Total members	2.4 %	2.3 %
Earnings - Basis Pts. *		
Yield on total assets	407	444
Dividend/interest cost of assets	95	125
Fee & other income	95	87
Operating expense	289	279
Loss Provisions	26	44
Net Income (ROA) after stabilization exp	91	60
Capital adequacy		
Net worth / assets	10.7	10.5
Asset quality *		
Delinquencies / loans	1.2	1.2
Net chargeoffs / average loans	0.5	0.6
Total borrower-bankruptcies	9,050	10,312
Bankruptcies per 1000 members	2.0	2.3
Asset/Liability Management		
Loans / savings	64.6	66.7
Loans / assets	55.9	57.5
Long-term assets / assets	41.7	38.9
Core deposits/shares & borrowings	40.4	38.7
Productivity		
Members/potential members	9.3	9.4
Borrowers/members	49.2	49.8
Members/FTE	395	379
Average shares/members (\$)	10,649	10,200
Average loan balances (\$)	13,995	13,658
Salary & Benefits/FTE	67,063	61,564

* 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.