

CUNA U.S.  
**MEMBERSHIP BENEFITS  
REPORT**

## *The Benefits of Credit Union Membership*

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

The Credit Union National Association (CUNA) estimates that credit unions provided \$10,719,308,064 in direct financial benefits to the nation's 107,965,547 members during the twelve months ending June 2017.

**These benefits are equivalent to \$99 per member or \$189 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.

Credit union per-member and per-household benefits 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 credit unions.

Consider this:

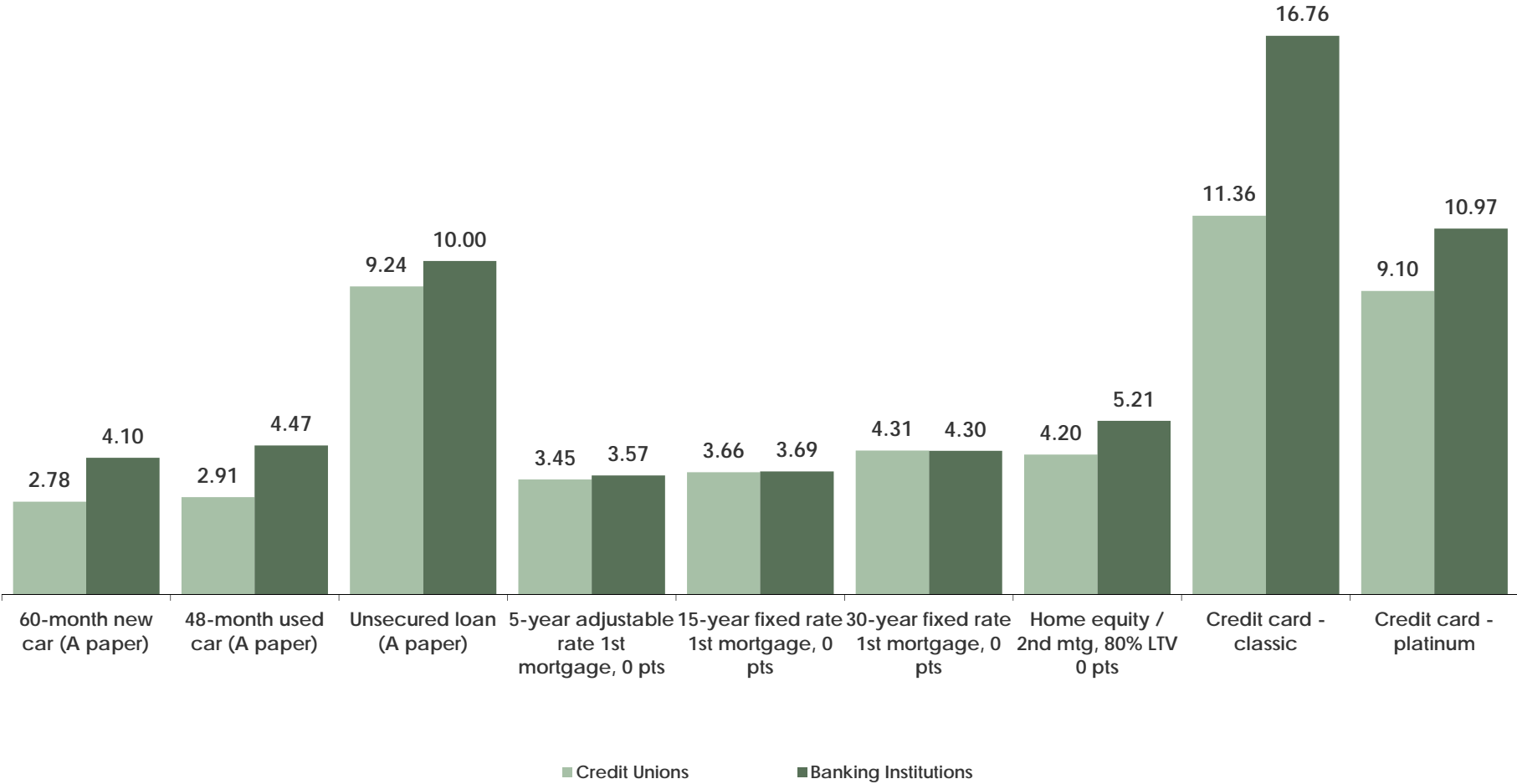
**Financing a \$25,000 new automobile for 60 months at credit unions will save members an average \$177 per year in interest expense compared to what they would pay at a banking institution. That's approximately \$1,000 in savings over five years.**

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

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

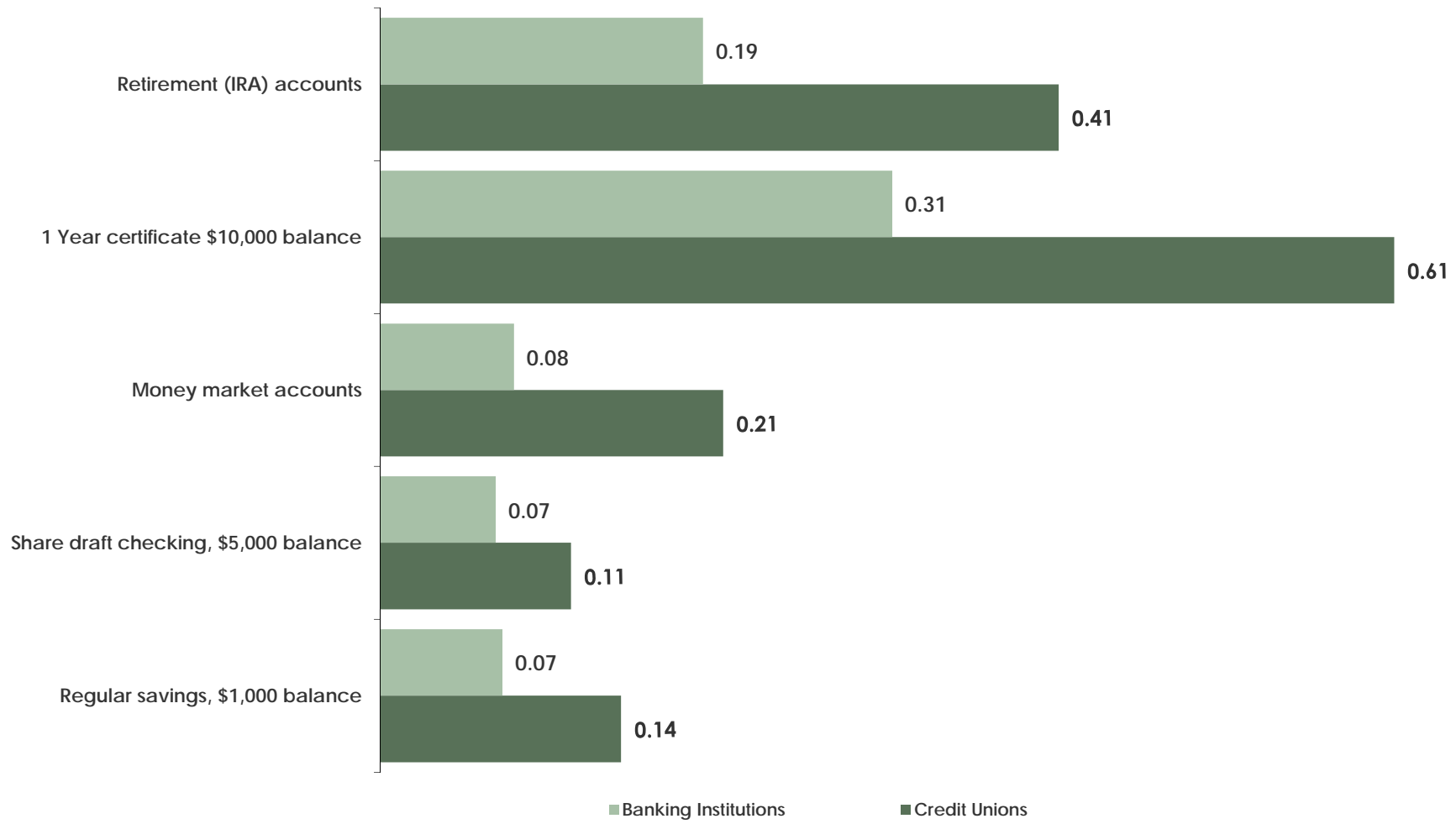
## Loan Product Comparative Interest Rates (%)

by Loan Type



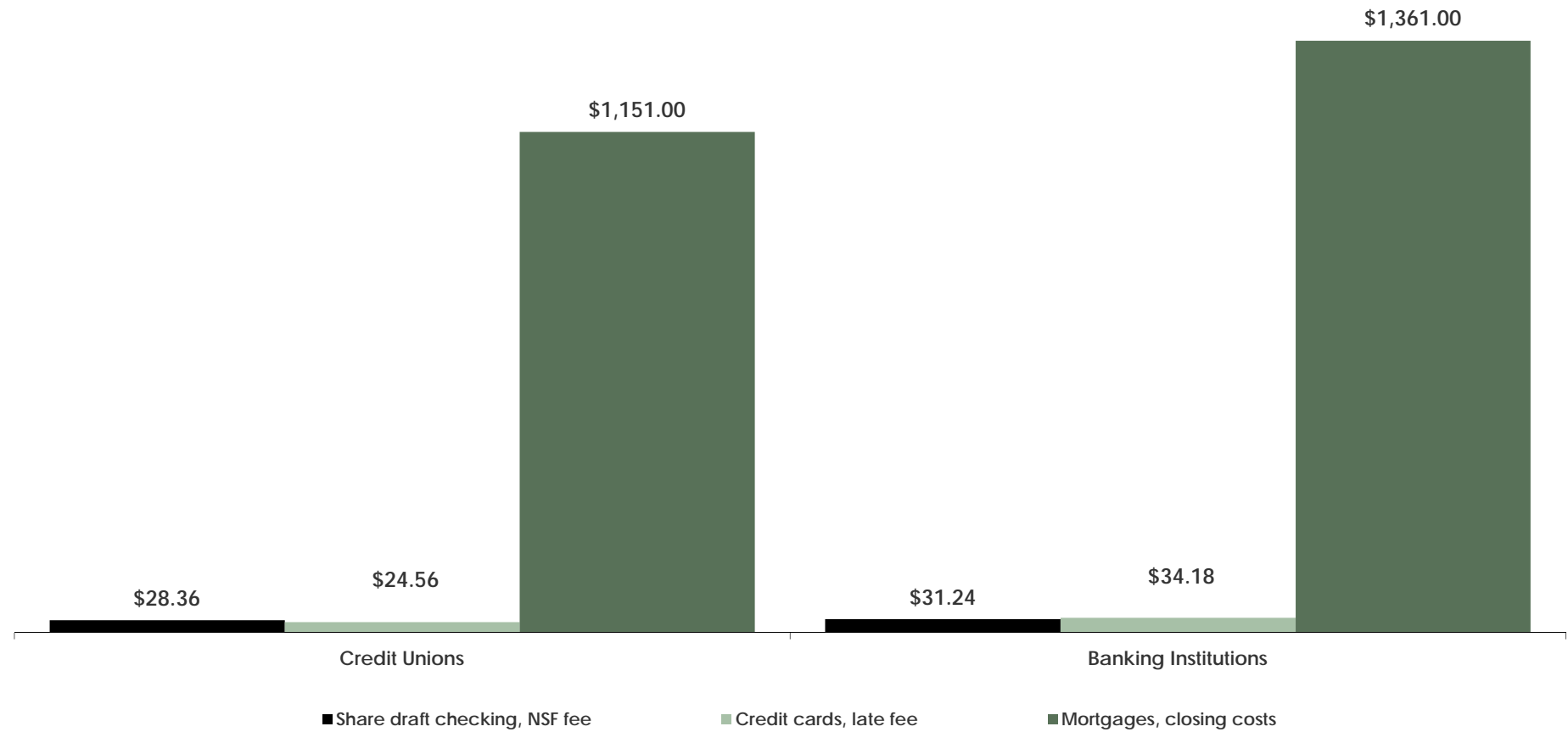
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



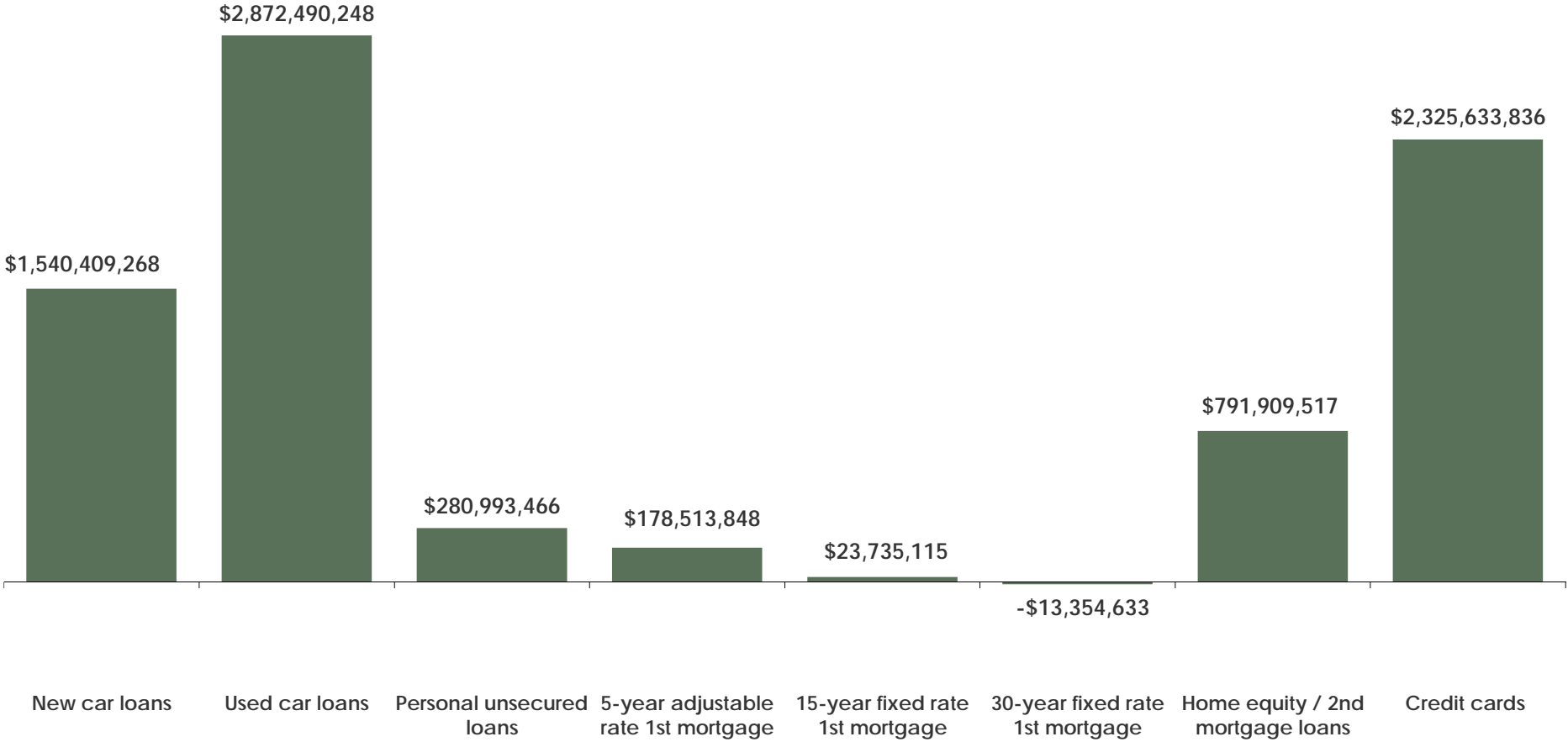
## Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.78	4.10	-1.32
48-month used car (A paper)	2.91	4.47	-1.56
Unsecured loan (A paper)	9.24	10.00	-0.76
5-year adjustable rate 1st mortgage, 0 pts	3.45	3.57	-0.12
15-year fixed rate 1st mortgage, 0 pts	3.66	3.69	-0.03
30-year fixed rate 1st mortgage, 0 pts	4.31	4.30	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.20	5.21	-1.01
Credit card - classic	11.36	16.76	-5.40
Credit card - platinum	9.10	10.97	-1.87
Savings Products			
Regular savings, \$1,000 balance	0.14	0.07	0.07
Share draft checking, \$5,000 balance	0.11	0.07	0.05
Money market accounts	0.21	0.08	0.13
1 Year certificate \$10,000 balance	0.61	0.31	0.30
Retirement (IRA) accounts	0.41	0.19	0.21
Fee Income			
Share draft checking, NSF fee	\$28.36	\$31.24	-\$2.88
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

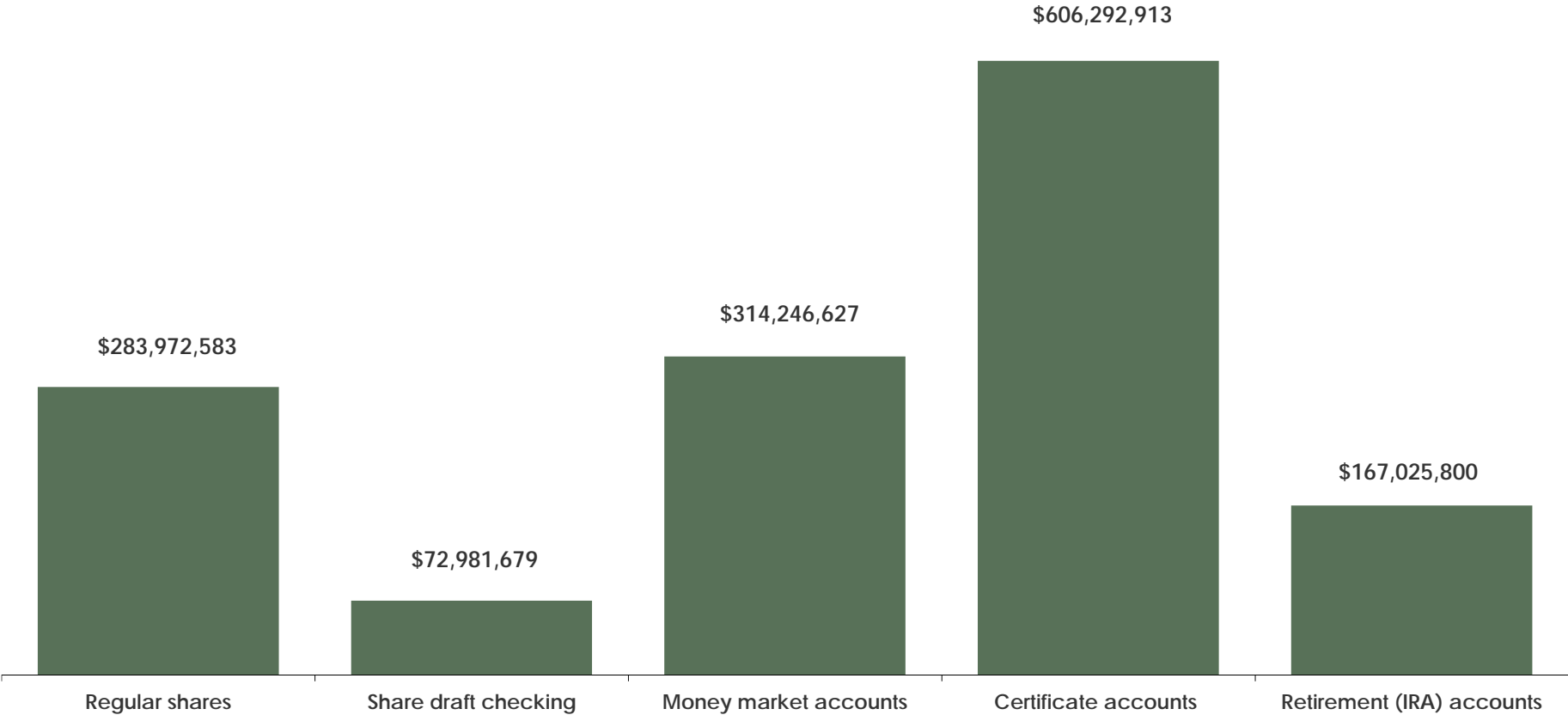
## Estimated Credit Union Loan Rate Benefits

Compared to Banking Institutions  
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to Banking Institutions  
by Account Type





## Estimated Credit Union Financial Benefits June 2017

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Banks (%) (2)	Total Financial Benefit to Members
<b>Loans</b>			
New car loans	116,609,331,430	-1.32	\$1,540,409,268
Used car loans	184,726,060,964	-1.56	\$2,872,490,248
Personal unsecured loans	36,972,824,508	-0.76	\$280,993,466
5-year adjustable rate 1st mortgage	151,282,922,081	-0.12	\$178,513,848
15-year fixed rate 1st mortgage	84,768,266,908	-0.03	\$23,735,115
30-year fixed rate 1st mortgage	121,405,753,263	0.01	-\$13,354,633
Home equity / 2nd mortgage loans	78,406,882,838	-1.01	\$791,909,517
Credit cards	51,480,549,784	-5.40	\$2,325,633,836
Interest rebates			\$25,049,048
<b>Total CU member benefit arising from lower interest rates on loan products:</b>			<b>\$8,025,379,713</b>
<b>Savings</b>			
Regular shares	399,961,383,992	0.07	\$283,972,583
Share draft checking	162,181,508,941	0.05	\$72,981,679
Money market accounts	251,397,301,826	0.13	\$314,246,627
Certificate accounts	202,097,637,747	0.30	\$606,292,913
Retirement (IRA) accounts	78,600,376,374	0.21	\$167,025,800
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on saving products:</b>			<b>\$1,444,519,602</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer/lower fees:</b>			<b>\$1,249,408,748</b>
<b>Total CU member benefit arising from interest rates on loan and savings products and lower fees:</b>			<b>\$10,719,308,064</b>
<b>Total CU member benefit / member:</b>			<b>\$99</b>
<b>Total CU member benefit / member household:</b>			<b>\$189</b>

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2017 and June 2016, according to the NCUA call report.; (2) source for rates and fees: Datatrac;

# Membership Benefits Report

CUNA Economics and Statistics

## National Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	20,678	20,606
Total assets (\$ mil)	1,366,885	1,270,323
Total loans (\$ mil)	928,090	837,854
Total surplus funds (\$ mil)	384,479	378,275
Total savings (\$ mil)	1,159,731	1,072,747
Total members (thousands)	110,634	106,150
Growth Rates*		
Total assets	8.0 %	8.0 %
Total loans	11.2 %	11.0 %
Total surplus funds	2.2 %	1.4 %
Total savings	8.6 %	7.9 %
Total members	4.8 %	4.5 %
Earnings - Basis Pts.		
Yield on total assets	346	339
Dividend/interest cost of assets	53	51
Fee & other income	133	135
Operating expense	306	309
Loss Provisions	43	36
Net Income (ROA) after Stabilization exp	77	77
Capital adequacy		
Net worth / assets	10.8	10.9
Asset quality		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.6	0.5
Total borrower-bankruptcies	17	15
Bankruptcies per 1000 members	0.9	0.8
Asset/Liability Management		
Loans / savings	80.0	78.1
Loans / assets	67.9	66.0
Long-term assets / assets	33.5	32.3
Core deposits/shares & borrowings	50.3	49.2
Productivity		
Members/potential members	4.0	4.3
Borrowers/members	57.1	56.3
Members/FTE	385	383
Average shares/members (\$)	10,483	10,106
Average loan balances (\$)	14,699	14,024
Salary & Benefits/FTE	73,309	70,939

\*Balance sheet growth rates are for the trailing 12 months.