

CUNA New Jersey
**MEMBERSHIP BENEFITS
REPORT**



New Jersey

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 New Jersey credit unions provided \$80,854,073 in direct financial benefits to the state's 1,031,601 members during the twelve months ending December 2018.

These benefits are equivalent to \$78 per member or \$165 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 Jersey 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 Jersey credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a New Jersey credit union will save members an average \$241 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.

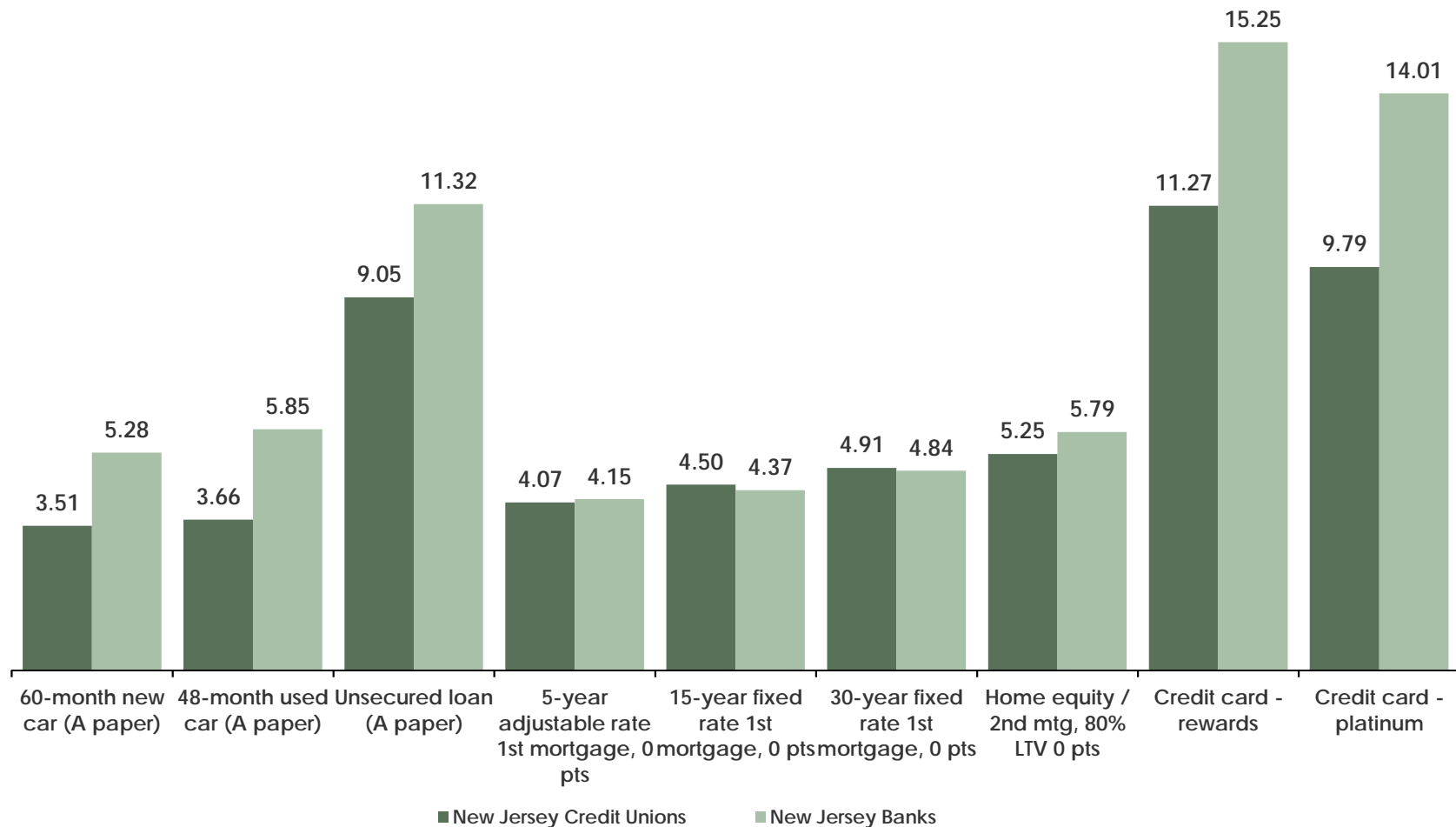
New Jersey credit unions excel in providing member benefits on many loan and savings products. In particular, New Jersey credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans,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

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



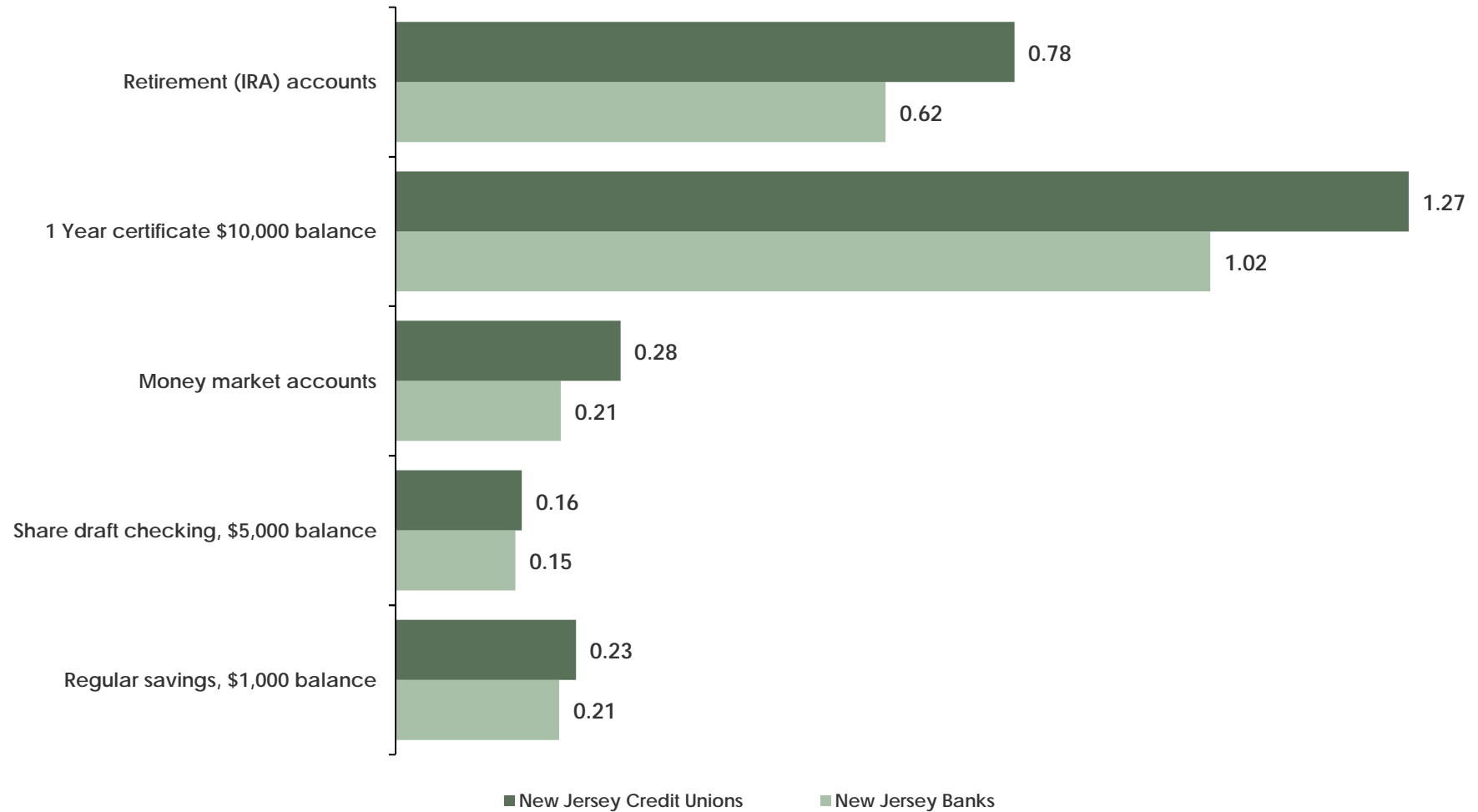
Loan Product Comparative Interest Rates (%)

by Loan Type



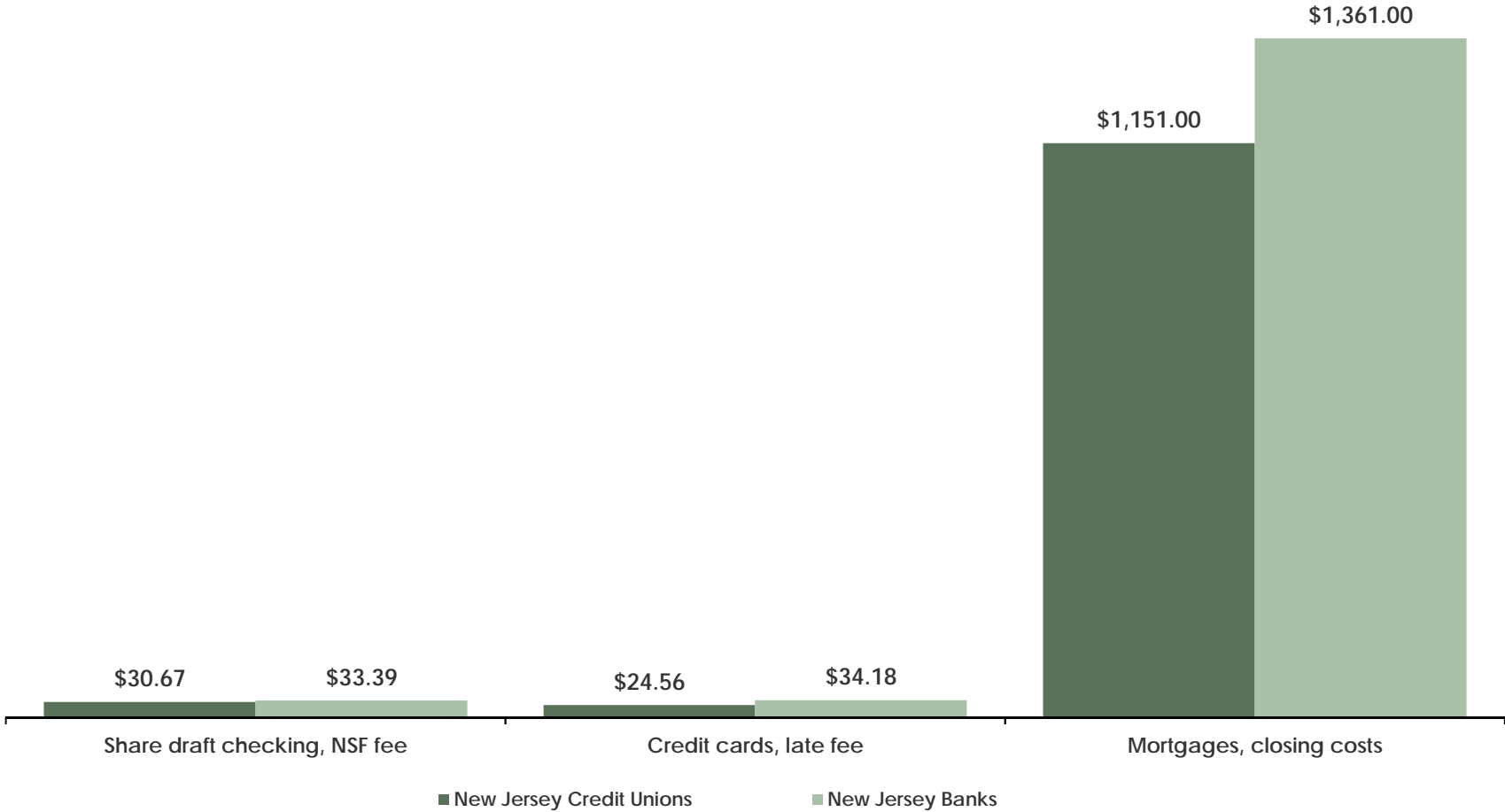
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



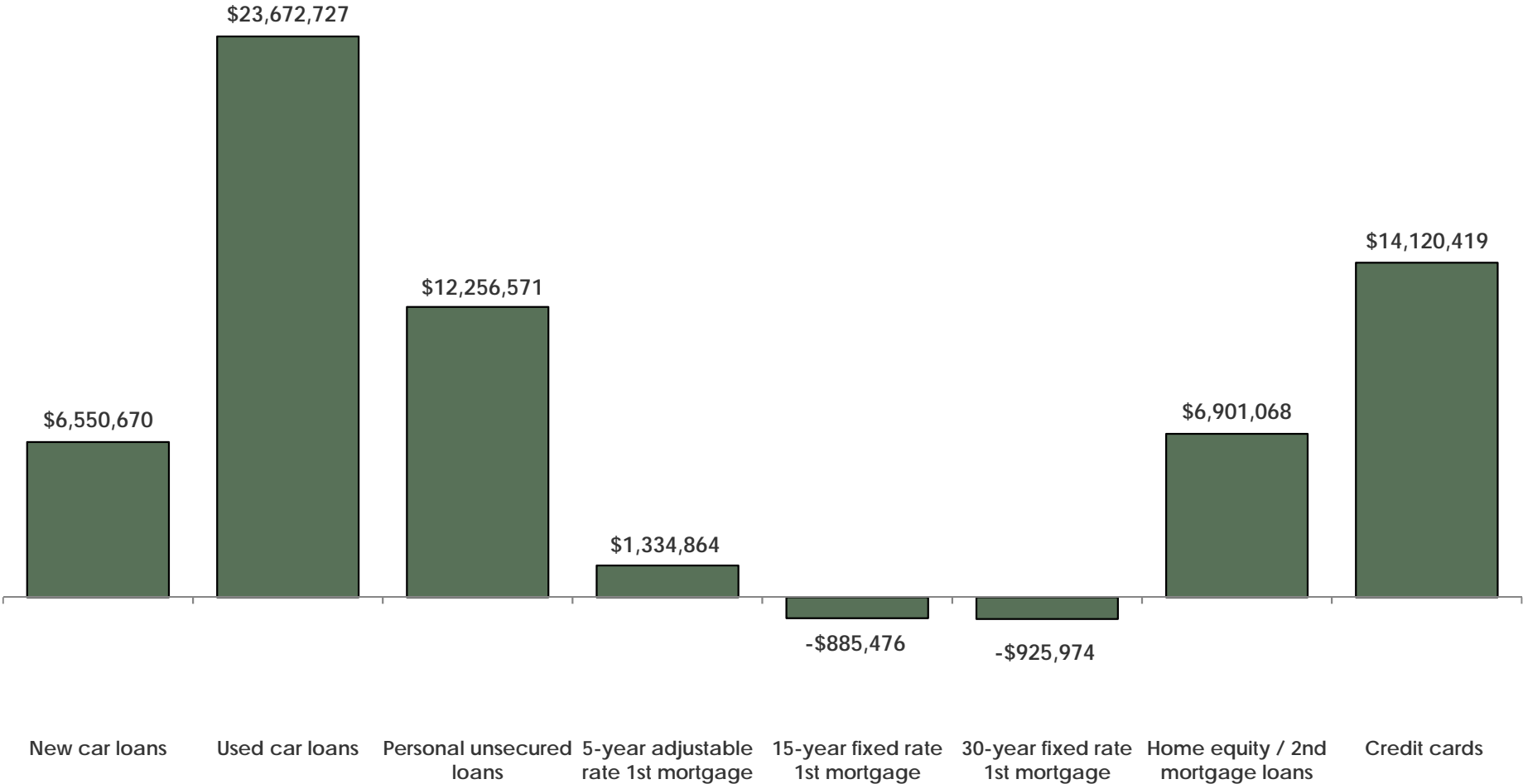
New Jersey Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.51	5.28	-1.77
48-month used car (A paper)	3.66	5.85	-2.19
Unsecured loan (A paper)	9.05	11.32	-2.26
5-year adjustable rate 1st mortgage, 0 pts	4.07	4.15	-0.08
15-year fixed rate 1st mortgage, 0 pts	4.50	4.37	0.14
30-year fixed rate 1st mortgage, 0 pts	4.91	4.84	0.07
Home equity / 2nd mtg, 80% LTV 0 pts	5.25	5.79	-0.53
Credit card - rewards	11.27	15.25	-3.98
Credit card - platinum	9.79	14.01	-4.22
Savings Products			
Regular savings, \$1,000 balance	0.23	0.21	0.02
Share draft checking, \$5,000 balance	0.16	0.15	0.01
Money market accounts	0.28	0.21	0.08
1 Year certificate \$10,000 balance	1.27	1.02	0.25
Retirement (IRA) accounts	0.78	0.62	0.16
Fee Income			
Share draft checking, NSF fee	\$30.67	\$33.39	-\$2.72
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

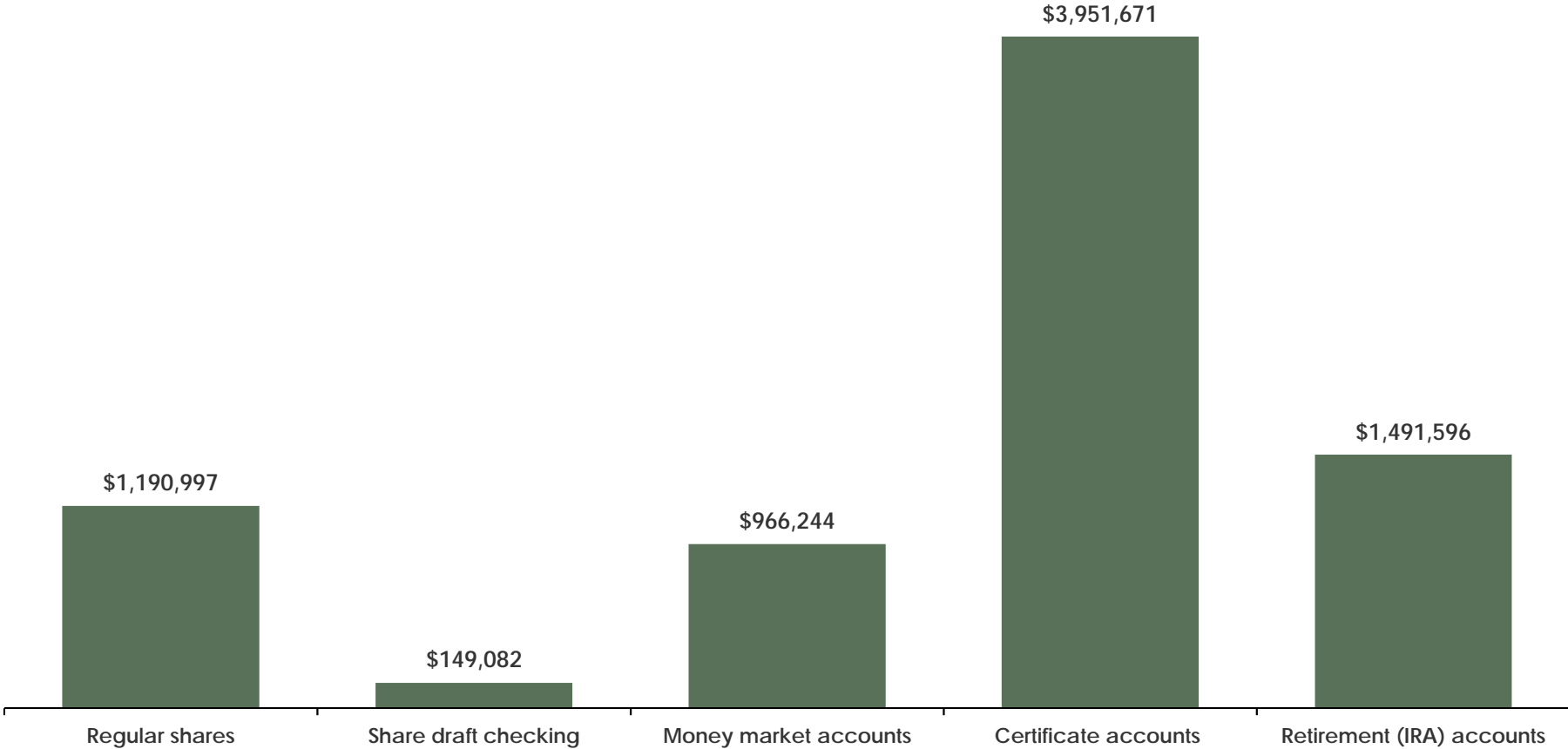
State Credit Union's Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Union's Total Savings Dividend Benefits

Compared to State Banking Institutions
by Account Type



Estimated Financial Benefits for New Jersey Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. New Jersey Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	369,468,136	-1.77	\$6,550,670
Used car loans	1,078,975,693	-2.19	\$23,672,727
Personal unsecured loans	542,086,291	-2.26	\$12,256,571
5-year adjustable rate 1st mortgage	1,647,980,775	-0.08	\$1,334,864
15-year fixed rate 1st mortgage	651,085,630	0.14	-\$885,476
30-year fixed rate 1st mortgage	1,382,050,933	0.07	-\$925,974
Home equity / 2nd mortgage loans	1,292,334,746	-0.53	\$6,901,068
Credit cards	349,710,079	-3.98	\$14,120,419
Interest rebates			\$40,962
Total CU member benefits arising from lower interest rates on loan products:			\$63,065,830
Savings			
Regular shares	5,671,413,702	0.02	\$1,190,997
Share draft checking	1,863,524,320	0.01	\$149,082
Money market accounts	1,288,325,003	0.08	\$966,244
Certificate accounts	1,587,016,487	0.25	\$3,951,671
Retirement (IRA) accounts	920,738,517	0.16	\$1,491,596
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$7,749,590
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$10,038,653
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$80,854,073
Total CU member benefit / member:			\$78
Total CU member benefit / member household:			\$165

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2018 and December 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

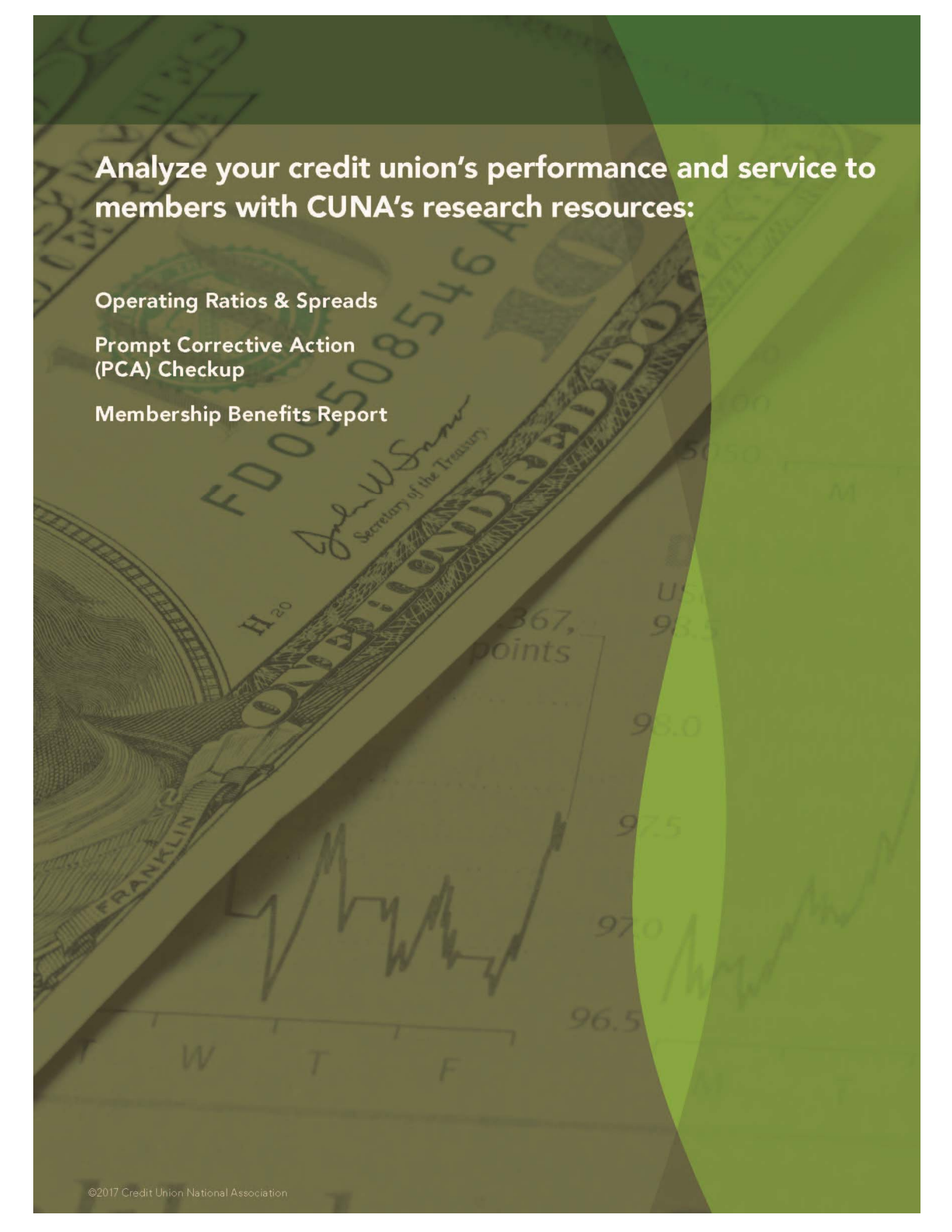
Membership Benefits Report

CUNA Economics and Statistics

New Jersey Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	304	312
Total assets (\$ mil)	13,778	13,541
Total loans (\$ mil)	8,330	7,927
Total surplus funds (\$ mil)	4,936	5,109
Total savings (\$ mil)	11,708	11,646
Total members (thousands)	1,039	1,034
Growth Rates (Trailing 12 months) *		
Total assets	2.5 %	1.5 %
Total loans	5.9 %	5.0 %
Total surplus funds	-2.8 %	-3.8 %
Total savings	1.3 %	1.3 %
Total members	1.5 %	2.4 %
Earnings - Basis Pts. *		
Yield on total assets	353	325
Dividend / interest cost of assets	63	48
Fee & other income	92	85
Operating expense	303	301
Loss Provisions	43	58
Net Income (ROA) after stabilization exp	36	3
Capital Adequacy		
Net worth / assets	10.0	9.9
Asset Quality *		
Delinquencies / loans	1.7	1.7
Net chargeoffs / average loans	0.8	0.7
Total borrower-bankruptcies	9	9
Bankruptcies per 1000 members	1.4	1.4
Asset/Liability Management		
Loans / savings	71.2	68.1
Loans / assets	60.5	58.5
Long-term assets / assets	34.7	36.3
Core deposits/shares & borrowings	61.4	62.2
Productivity		
Members / potential members	5.1	4.9
Borrowers / members	51.1	51.9
Members / FTE	418	417
Average shares / members (\$)	11,263	11,257
Average loan balances (\$)	15,681	14,779
Salary & Benefits / FTE	78,743	77,581

* 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