

CUNA Minnesota
**MEMBERSHIP BENEFITS
REPORT**

Minnesota

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 Minnesota credit unions provided \$180,548,708 in direct financial benefits to the state's 1,973,448 members during the twelve months ending December 2021.

These benefits are equivalent to \$91 per member or \$192 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 Minnesota 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 Minnesota credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Minnesota credit union will save members an average \$208 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.

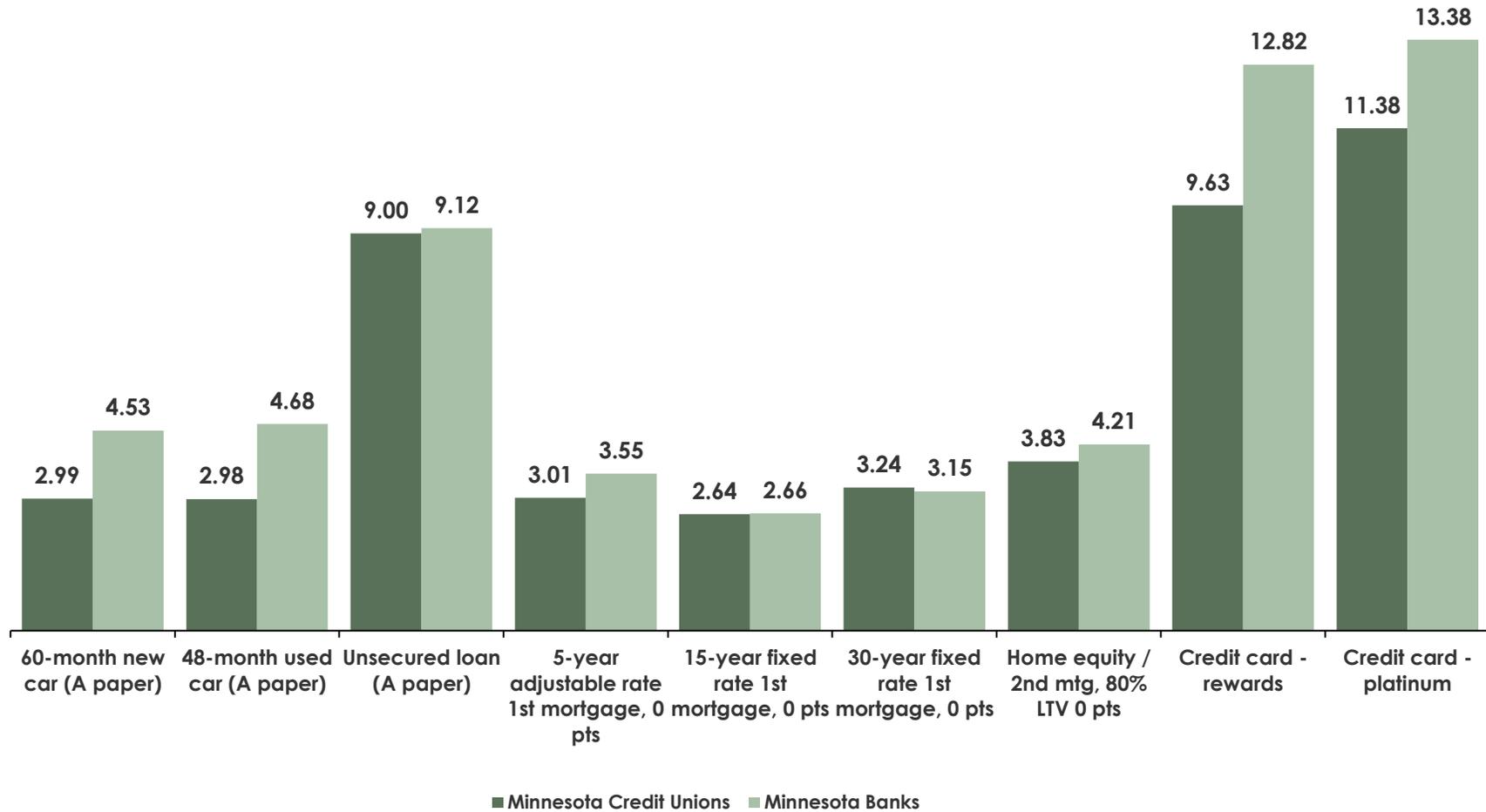
Minnesota credit unions excel in providing member benefits on many loan and savings products. In particular, Minnesota credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



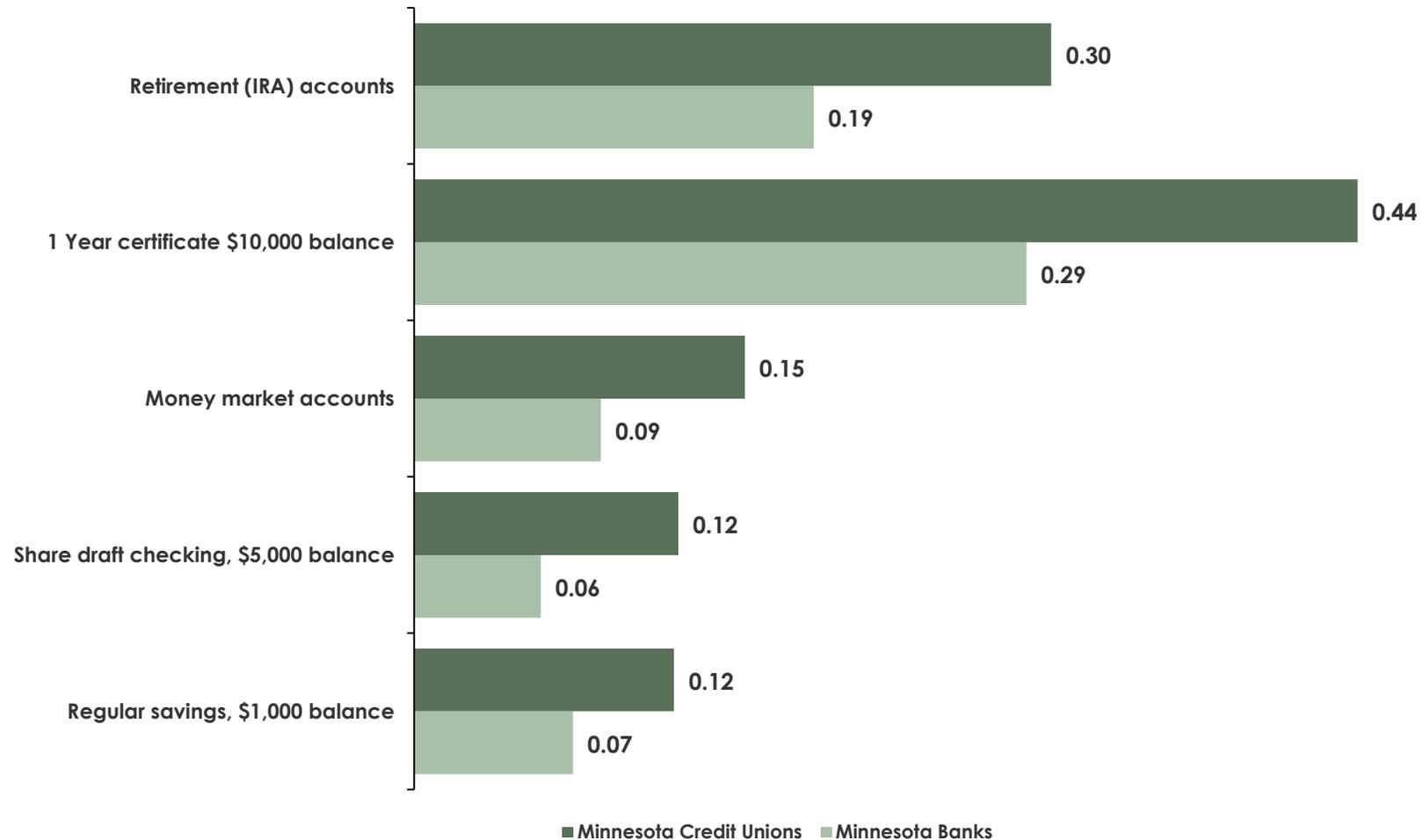
Loan Product Comparative Interest Rates (%)

by Loan Type



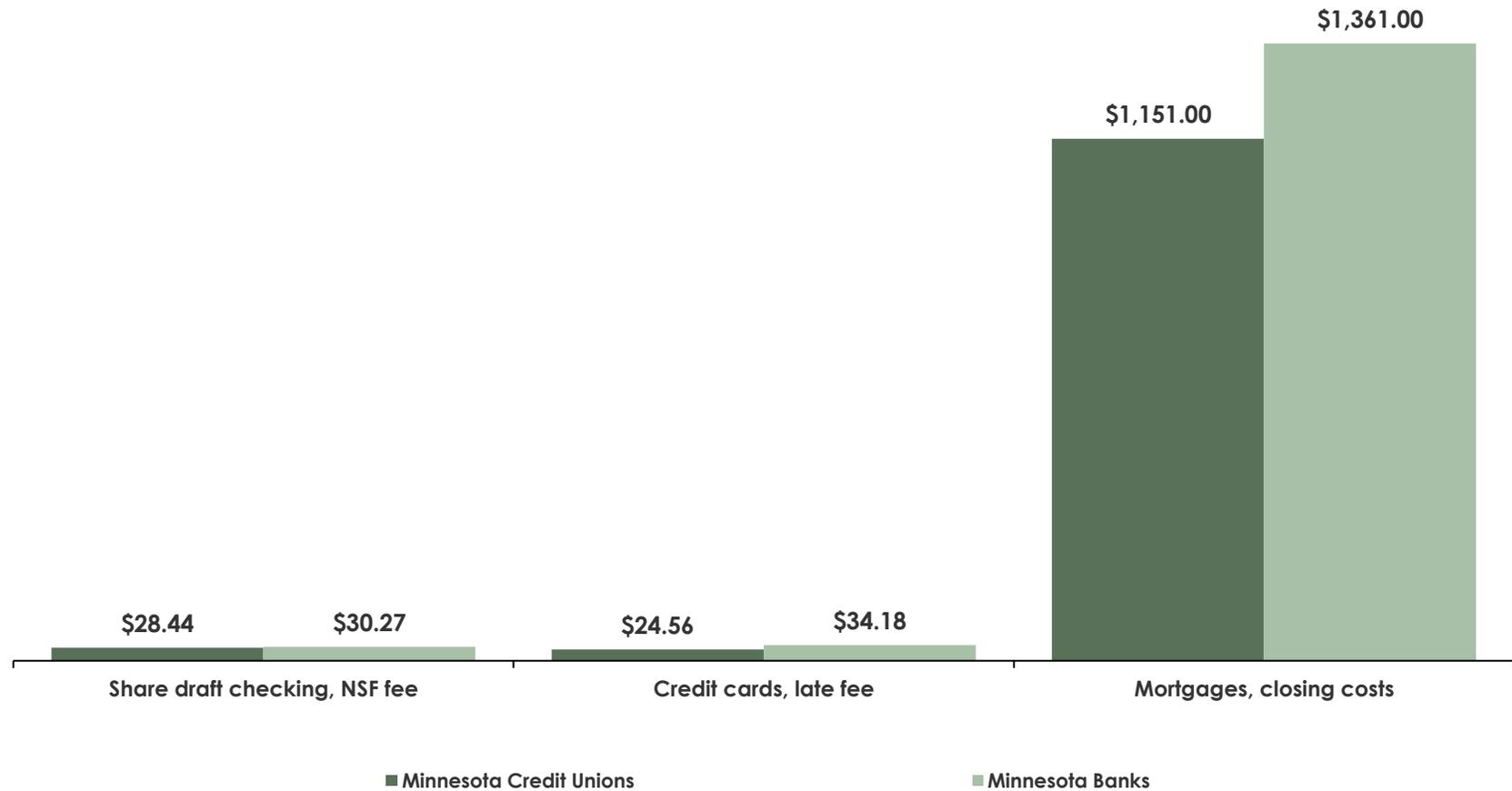
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



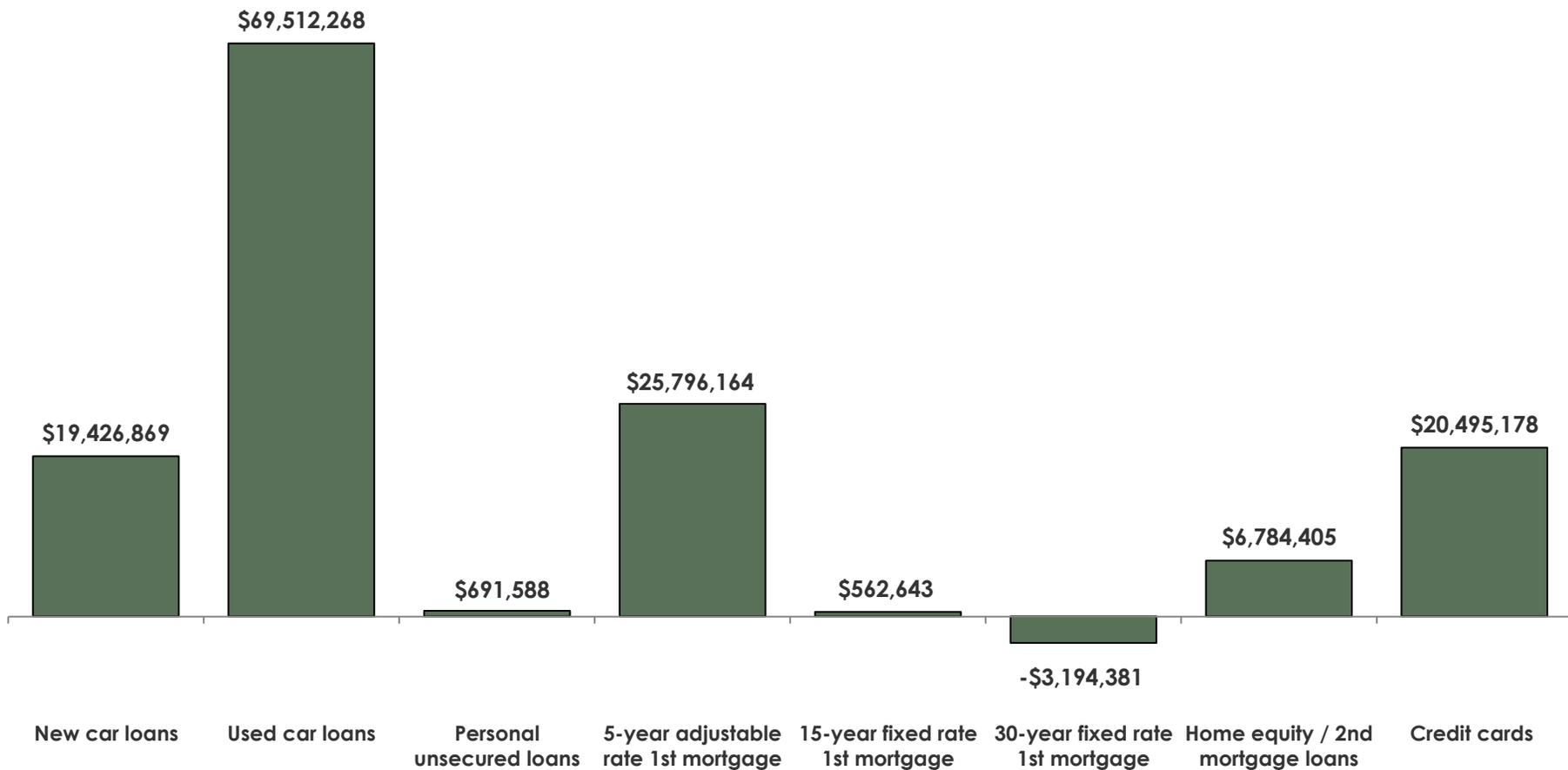
Minnesota Credit Union and Banking Institution December 2021 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.99	4.53	-1.54
48-month used car (A paper)	2.98	4.68	-1.70
Unsecured loan (A paper)	9.00	9.12	-0.12
5-year adjustable rate 1st mortgage, 0 pts	3.01	3.55	-0.55
15-year fixed rate 1st mortgage, 0 pts	2.64	2.66	-0.02
30-year fixed rate 1st mortgage, 0 pts	3.24	3.15	0.09
Home equity / 2nd mtg, 80% LTV 0 pts	3.83	4.21	-0.38
Credit card - rewards	9.63	12.82	-3.19
Credit card - platinum	11.38	13.38	-2.00
Savings Products			
Regular savings, \$1,000 balance	0.12	0.07	0.05
Share draft checking, \$5,000 balance	0.12	0.06	0.06
Money market accounts	0.15	0.09	0.07
1 Year certificate \$10,000 balance	0.44	0.29	0.15
Retirement (IRA) accounts	0.30	0.19	0.11
Fee Income			
Share draft checking, NSF fee	\$28.44	\$30.27	-\$1.83
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

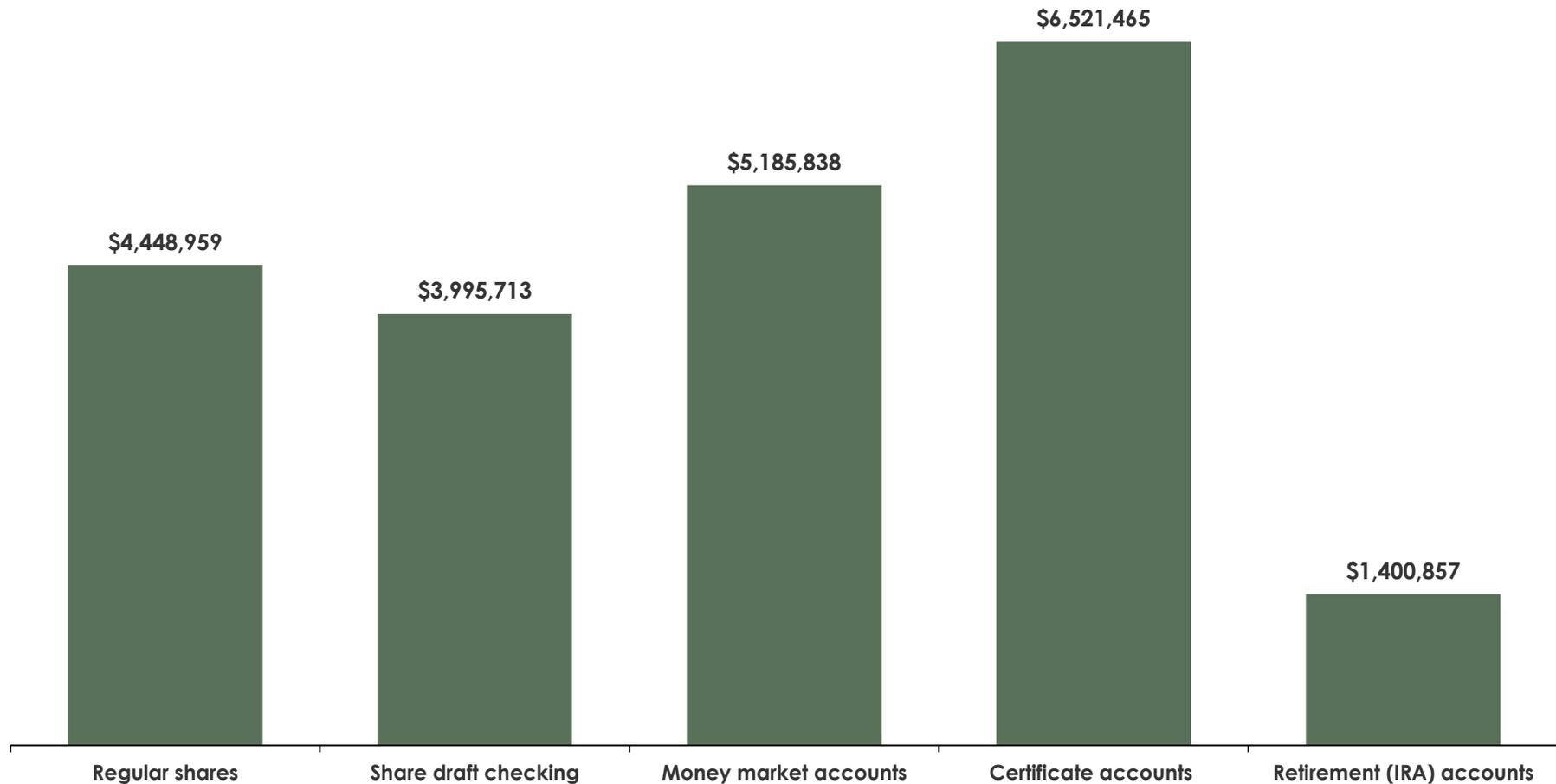
Estimated Credit Union Loan Benefits

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 Minnesota Credit Unions December 2021

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Minnesota Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,260,666,380	-1.54	\$19,426,869
Used car loans	4,079,358,436	-1.70	\$69,512,268
Personal unsecured loans	557,732,422	-0.12	\$691,588
5-year adjustable rate 1st mortgage	4,733,241,120	-0.55	\$25,796,164
15-year fixed rate 1st mortgage	2,679,250,836	-0.02	\$562,643
30-year fixed rate 1st mortgage	3,714,396,125	0.09	-\$3,194,381
Home equity / 2nd mortgage loans	1,766,772,129	-0.38	\$6,784,405
Credit cards	709,237,063	-3.19	\$20,495,178
Interest rebates			\$214,854
Total CU member benefits arising from lower interest rates on loan products:			\$140,289,588
Savings			
Regular shares	9,465,871,116	0.05	\$4,448,959
Share draft checking	6,243,301,067	0.06	\$3,995,713
Money market accounts	7,740,056,878	0.07	\$5,185,838
Certificate accounts	4,234,717,281	0.15	\$6,521,465
Retirement (IRA) accounts	1,267,744,066	0.11	\$1,400,857
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$21,552,832
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$18,706,288
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$180,548,708
Total CU member benefit / member:			\$91
Total CU member benefit / member household:			\$192

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2021 and December 2020, according to the NCUA call report.; (2) Source for rates: Datatrac;

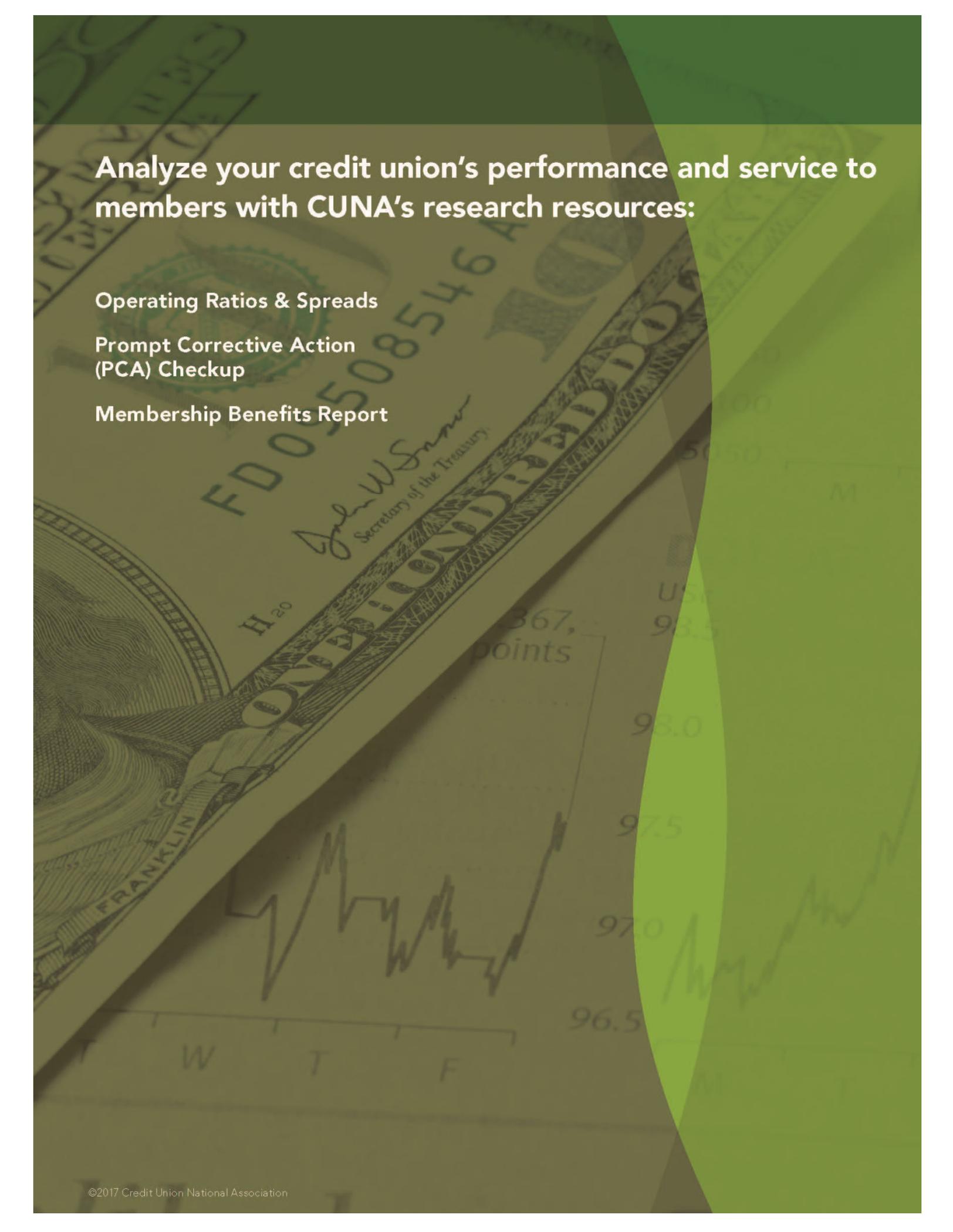
Membership Benefits Report

CUNA Economics and Statistics

Minnesota Credit Union Performance Profile

Demographic Information	Dec 21	Dec 20
Number of branches	397	391
Total assets (\$ mil)	35,859	31,355
Total loans (\$ mil)	22,873	20,827
Total surplus funds (\$ mil)	11,326	8,995
Total savings (\$ mil)	31,273	27,359
Total members (thousands)	2,013	1,943
Growth Rates (Trailing 12 months) *		
Total assets	14.7 %	27.8 %
Total loans	10.1 %	15.2 %
Total surplus funds	26.3 %	73.1 %
Total savings	14.6 %	31.0 %
Total members	4.1 %	7.9 %
Earnings - Basis Pts. *		
Yield on total assets	292	330
Dividend / interest cost of assets	38	57
Fee & other income	141	146
Operating expense	277	296
Loss Provisions	11	31
Net Income (ROA) after stabilization exp	107	93
Capital Adequacy		
Net worth / assets	10.2	10.5
Asset Quality *		
Delinquencies / loans	0.3	0.4
Net chargeoffs / average loans	0.1	0.2
Total borrower-bankruptcies	13	16
Bankruptcies per 1000 members	0.6	0.8
Asset/Liability Management		
Loans / savings	73.1	76.1
Loans / assets	63.8	66.4
Long-term assets / assets	45.9	41.0
Core deposits/shares & borrowings	54.1	53.1
Productivity		
Members / potential members	2.7	2.7
Borrowers / members	83.7	64.2
Members / FTE	382	376
Average shares / members (\$)	15,535	14,080
Average loan balances (\$)	13,573	16,685
Salary & Benefits / FTE	93,170	83,870

* 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

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