

The Benefits of Membership

Customized Analysis of Member Benefits For:

Florida

September 2014

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Florida

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 Florida credit unions provided \$393,145,960 in direct financial benefits to the state's 4,789,269 members during the twelve months ending September 2014.

These benefits are equivalent to \$82 per member or \$156 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 Florida 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 Florida credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Florida credit union will save members an average \$188 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.

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

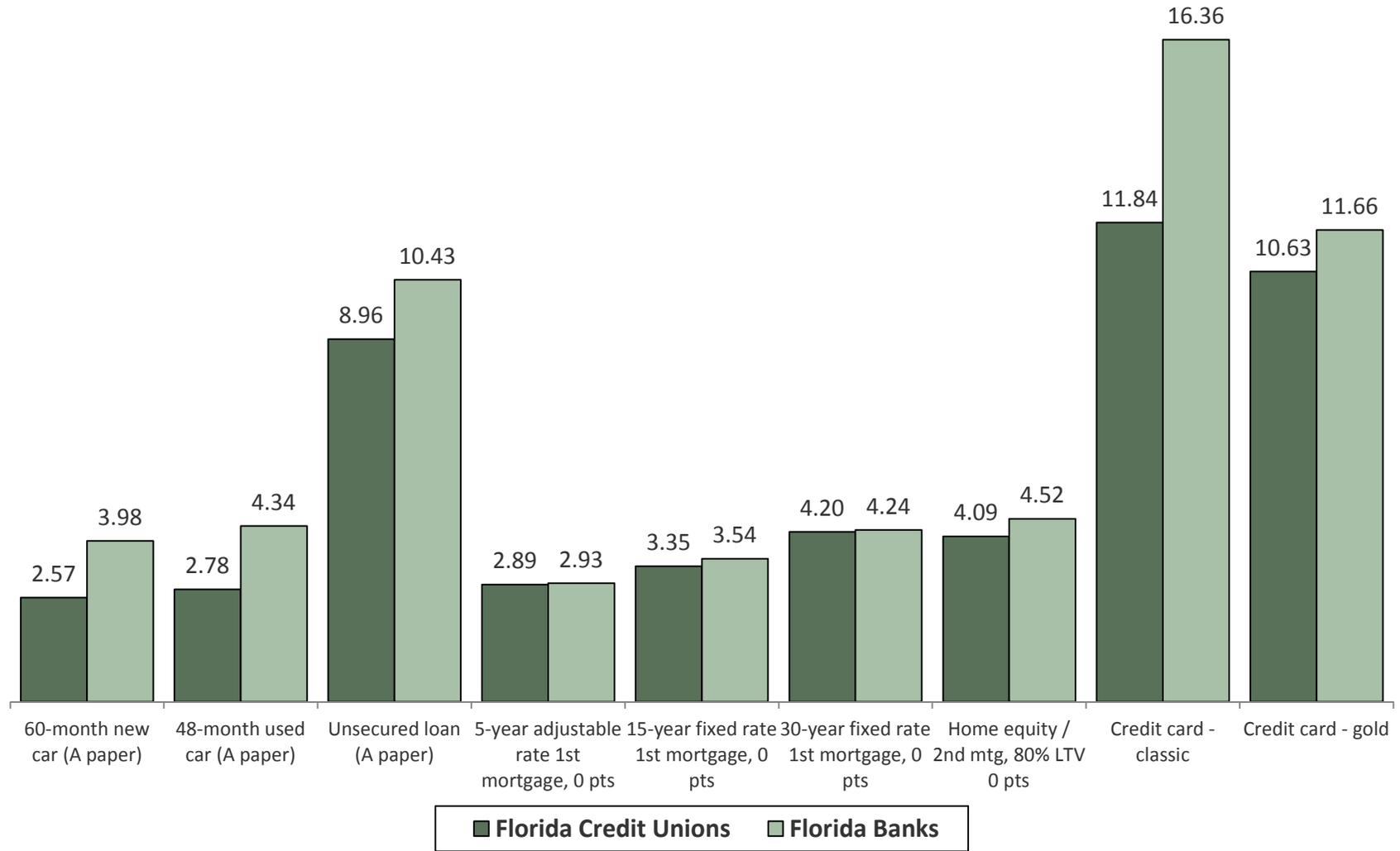
Florida credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



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

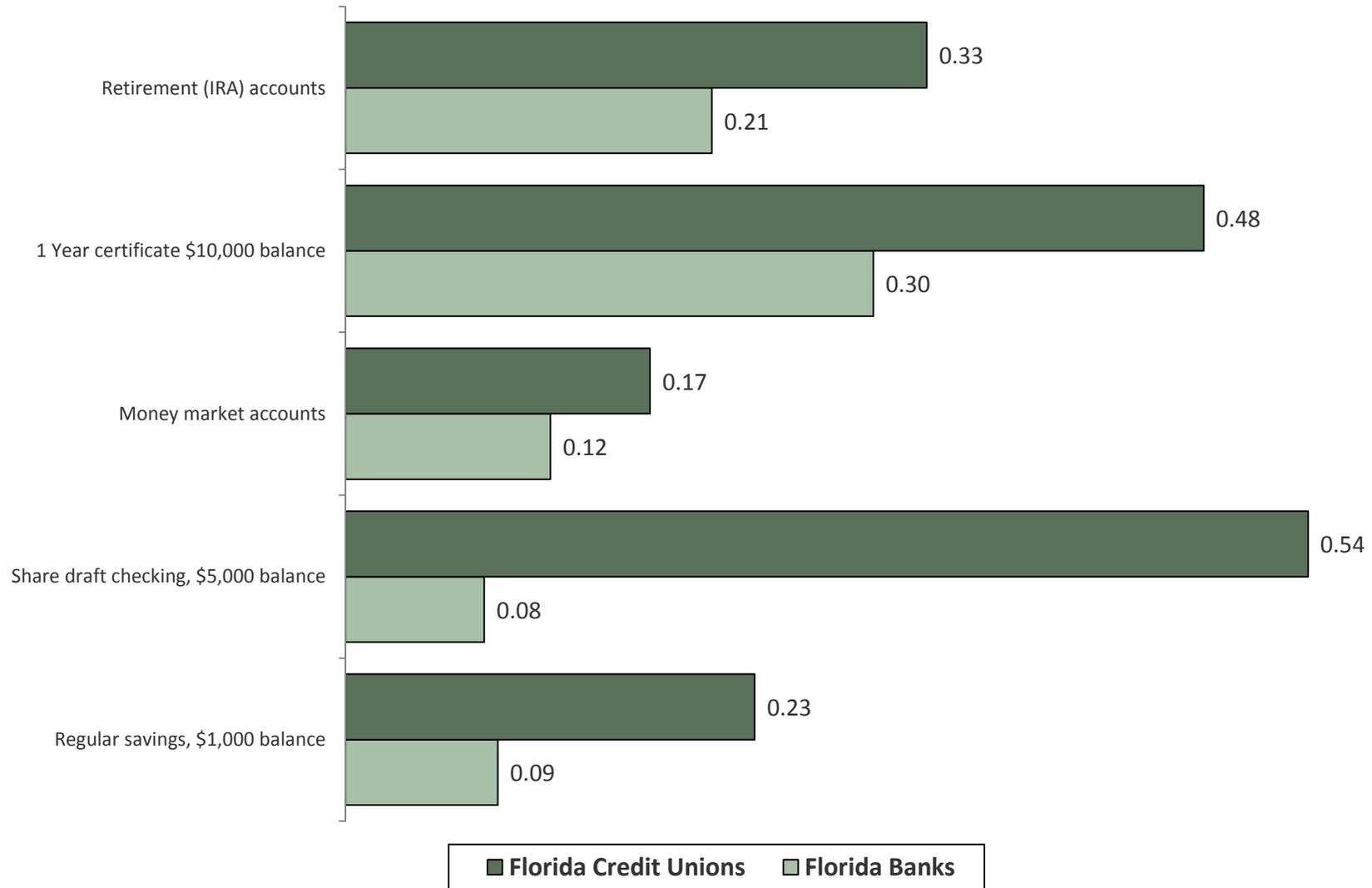
Loan Product Comparative Interest Rates (%)

By Loan Type

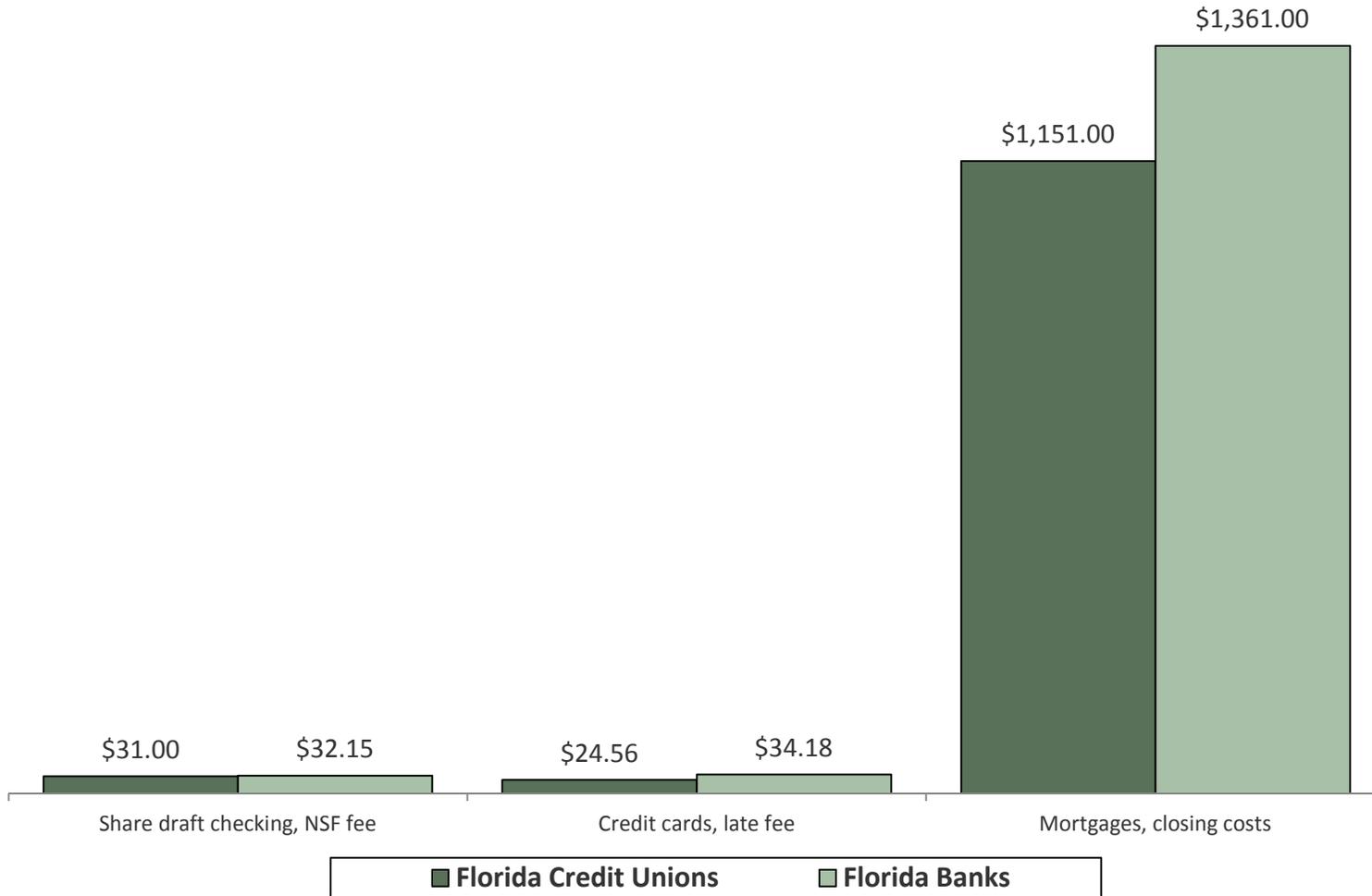


Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees By Type



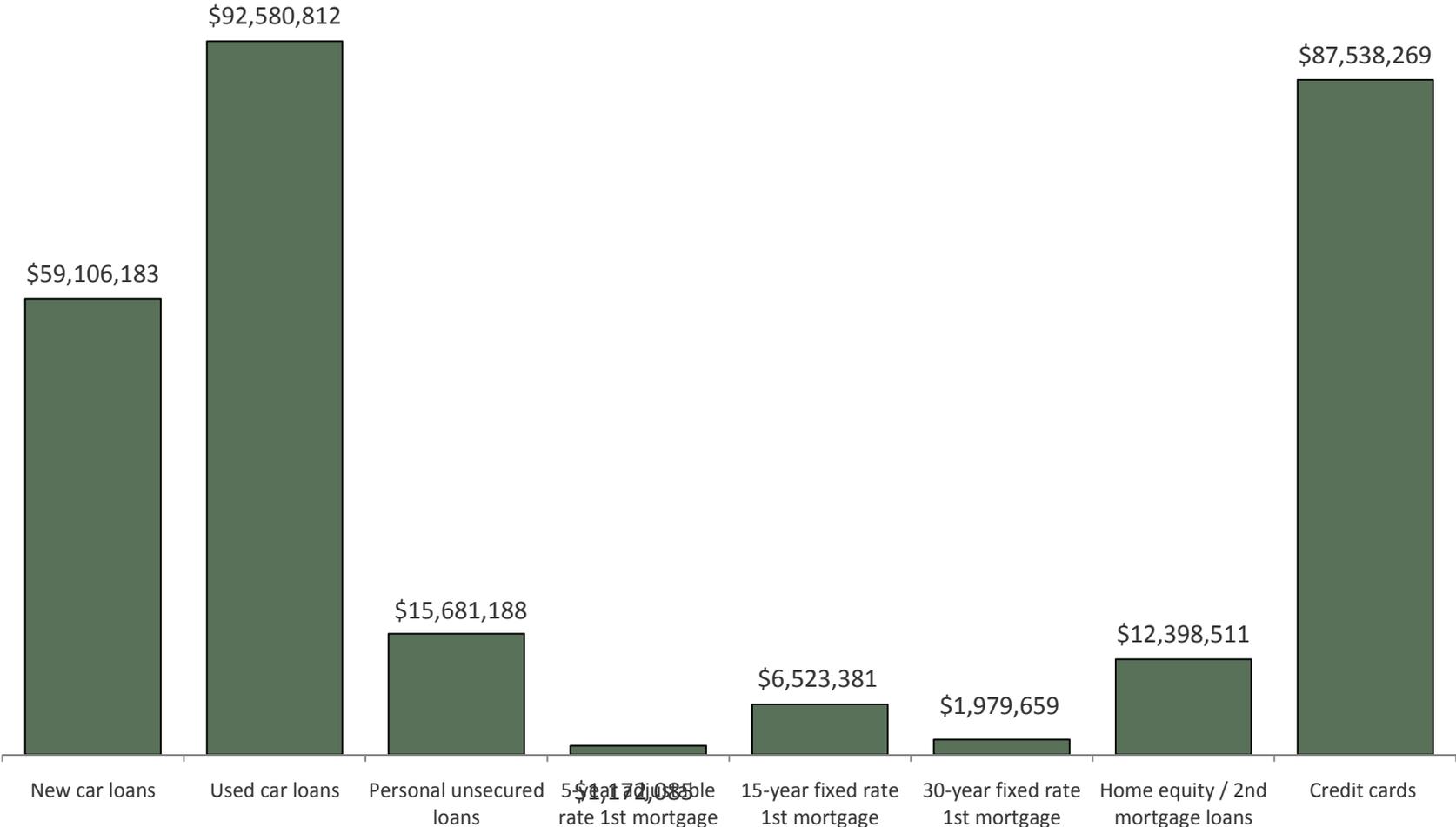
Florida
Credit Union and Banking Institution
September 2014 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.57	3.98	-1.41
48-month used car (A paper)	2.78	4.34	-1.56
Unsecured loan (A paper)	8.96	10.43	-1.47
5-year adjustable rate 1st mortgage, 0 pts	2.89	2.93	-0.04
15-year fixed rate 1st mortgage, 0 pts	3.35	3.54	-0.19
30-year fixed rate 1st mortgage, 0 pts	4.20	4.24	-0.04
Home equity / 2nd mtg, 80% LTV 0 pts	4.09	4.52	-0.44
Credit card - classic	11.84	16.36	-4.52
Credit card - gold	10.63	11.66	-1.03
Savings Products			
Regular savings, \$1,000 balance	0.23	0.09	0.14
Share draft checking, \$5,000 balance	0.54	0.08	0.46
Money market accounts	0.17	0.12	0.06
1 Year certificate \$10,000 balance	0.48	0.30	0.19
Retirement (IRA) accounts	0.33	0.21	0.12
Fee Income			
Share draft checking, NSF fee	\$31.00	\$32.15	-\$1.15
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

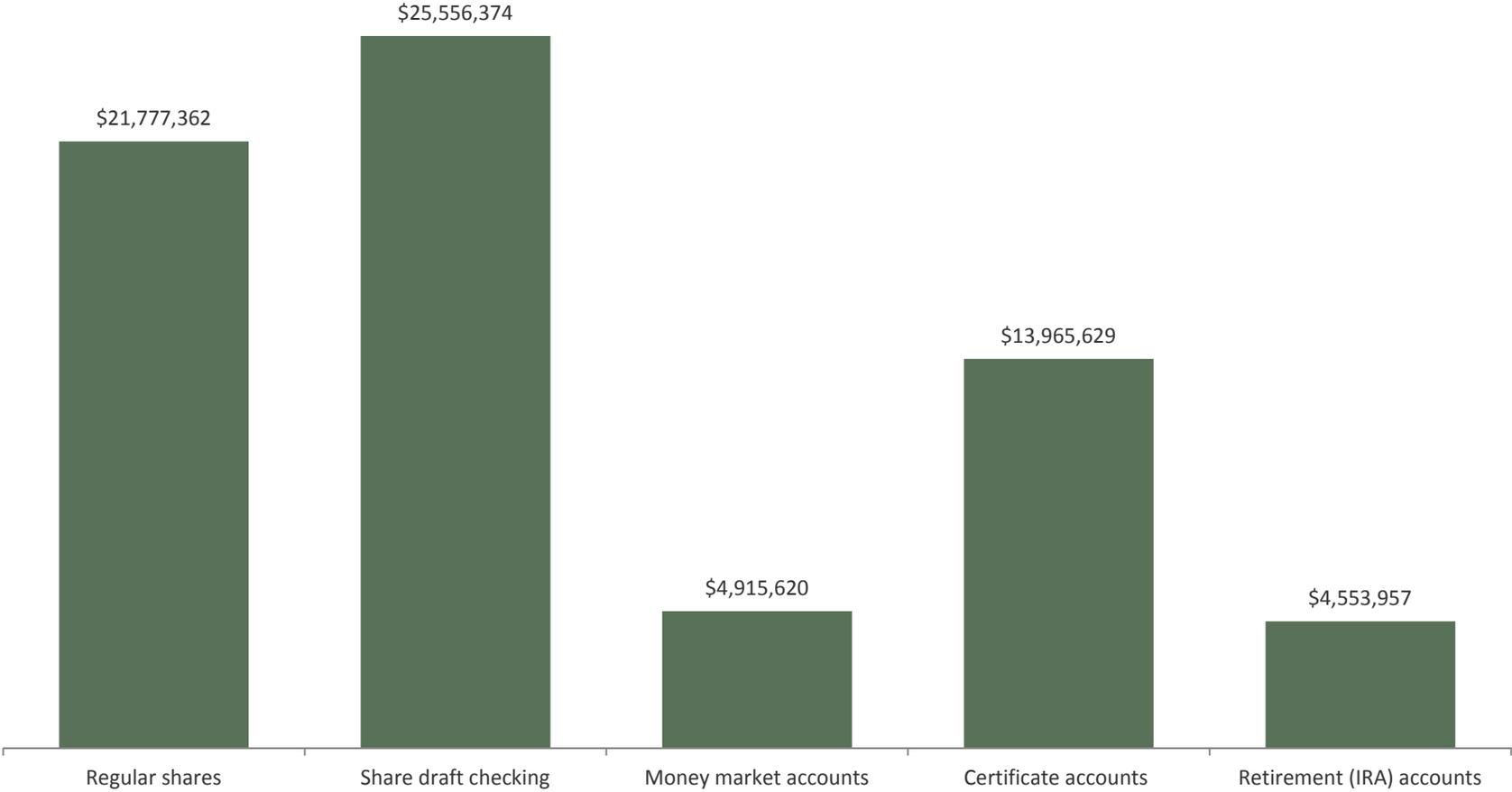
Source: Informa Research Services

State Credit Unions' Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Unions' Total Savings Dividend Benefits Compared to State Banking Institutions by Account Type



Estimated Financial Benefits for Florida Credit Unions

September 2014

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Florida Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,203,853,710	-1.41	\$59,106,183
Used car loans	5,938,474,138	-1.56	\$92,580,812
Personal unsecured loans	1,070,388,271	-1.47	\$15,681,188
5-year adjustable rate 1st mortgage	3,255,791,815	-0.04	\$1,172,085
15-year fixed rate 1st mortgage	3,451,524,227	-0.19	\$6,523,381
30-year fixed rate 1st mortgage	4,603,858,409	-0.04	\$1,979,659
Home equity / 2nd mortgage loans	2,830,710,350	-0.44	\$12,398,511
Credit cards	2,399,952,545	-4.52	\$87,538,269
Interest rebates in period			\$1,765
Total CU member benefits arising from lower interest rates on loan products:			\$276,981,853
<u>Savings</u>			
Regular shares	15,069,226,293	0.14	\$21,777,362
Share draft checking	5,514,028,587	0.46	\$25,556,374
Money market accounts	8,784,813,038	0.06	\$4,915,620
Certificate accounts	7,518,557,195	0.19	\$13,965,629
Retirement (IRA) accounts	3,768,199,769	0.12	\$4,553,957
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$70,768,942
<u>Fee Income</u>			
Total CU member benefit arising from fewer / lower fees:			\$45,395,165
<u>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</u>			\$393,145,960
<u>Total CU member benefit / member:</u>			\$82
<u>Total CU member benefit / member household:</u>			\$156

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of September 2014 and September 2013, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

**Florida
Performance Profile**

Demographic Information	Sep 14	Sep 13
Number of branches	943	936
Total assets (\$ mil)	49,090	47,101
Total loans (\$ mil)	30,316	27,757
Total surplus funds (\$ mil)	16,483	17,343
Total savings (\$ mil)	42,065	40,667
Total members (thousands)	4,911	4,691
Growth Rates (Trailing 12 months) *		
Total assets	4.9 %	3.7 %
Total loans	9.5 %	6.8 %
Total surplus funds	-3.7 %	-1.3 %
Total savings	4.1 %	3.9 %
Total members	5.2 %	-0.5 %
Earnings - Basis Pts. *		
Yield on total assets	336	340
Dividend / interest cost of assets	45	49
Fee & other income	183	189
Operating expense	355	357
Loss Provisions	30	37
Net Income (ROA) after stabilization exp	88	87
Capital adequacy		
Net worth / assets	10.9	10.5
Asset quality *		
Delinquencies / loans	1.2	1.9
Net chargeoffs / average loans	0.7	1.0
Total borrower-bankruptcies	47	52
Bankruptcies per 1000 members	1.5	1.8
Asset/Liability Management		
Loans / savings	72.1	68.3
Loans / assets	61.8	58.9
Long-term assets / assets	33.8	35.5
Core deposits/shares & borrowings	50.7	48.7
Productivity		
Members / potential members	2.9	2.9
Borrowers / members	52.1	49.3
Members / FTE	365	360
Average shares / members (\$)	8,565	8,669
Average loan balances (\$)	11,840	12,006
Salary & Benefits / FTE	61,595	60,796

* 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.