

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 \$86,413,900 in direct financial benefits to the state's 1,014,022 members during the twelve months ending September 2019.

**These benefits are equivalent to \$85 per member or \$179 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.

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 \$233 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.

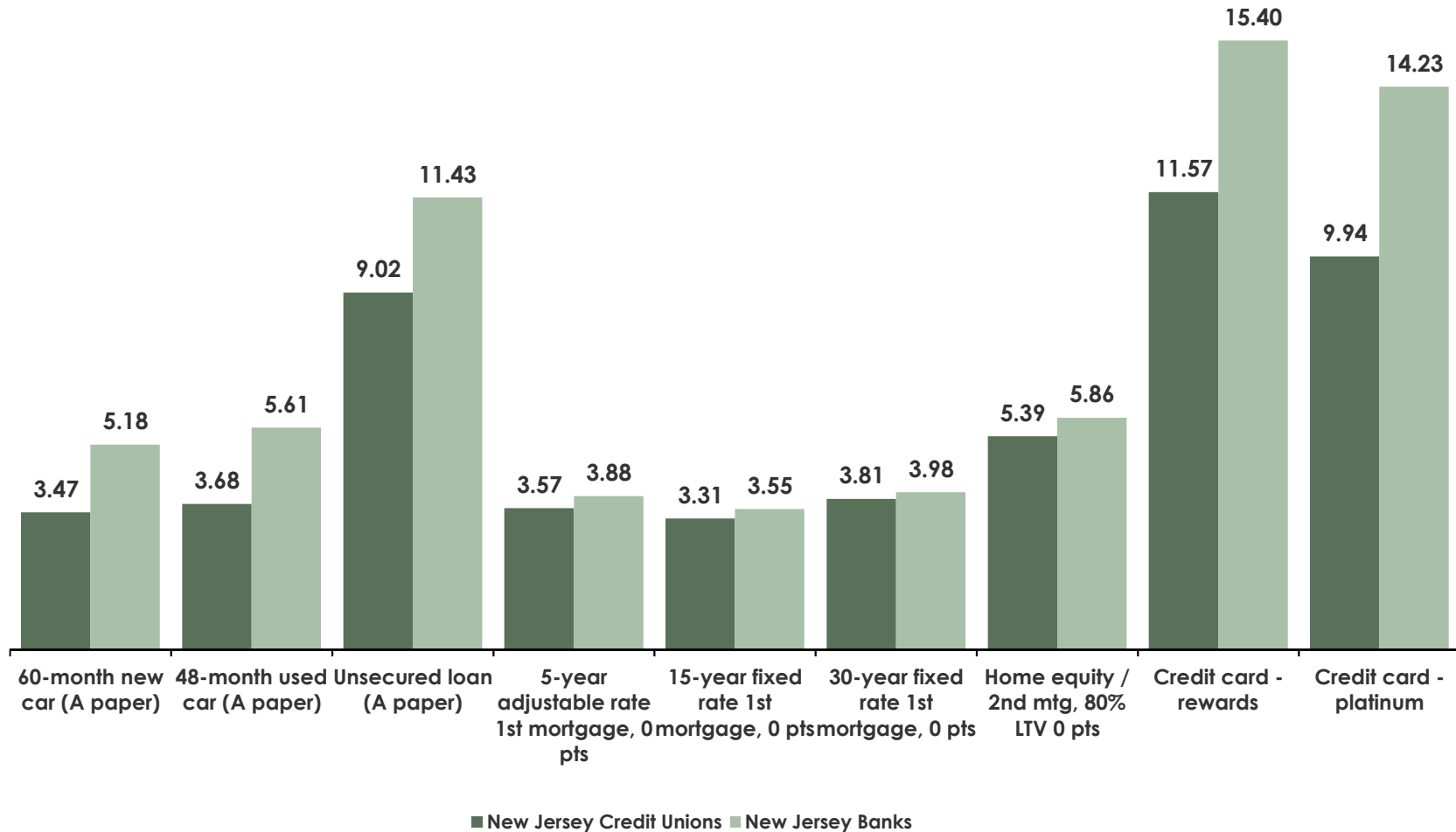
New Jersey credit unions excel in providing member benefits on many loan and savings products. In particular, New Jersey credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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



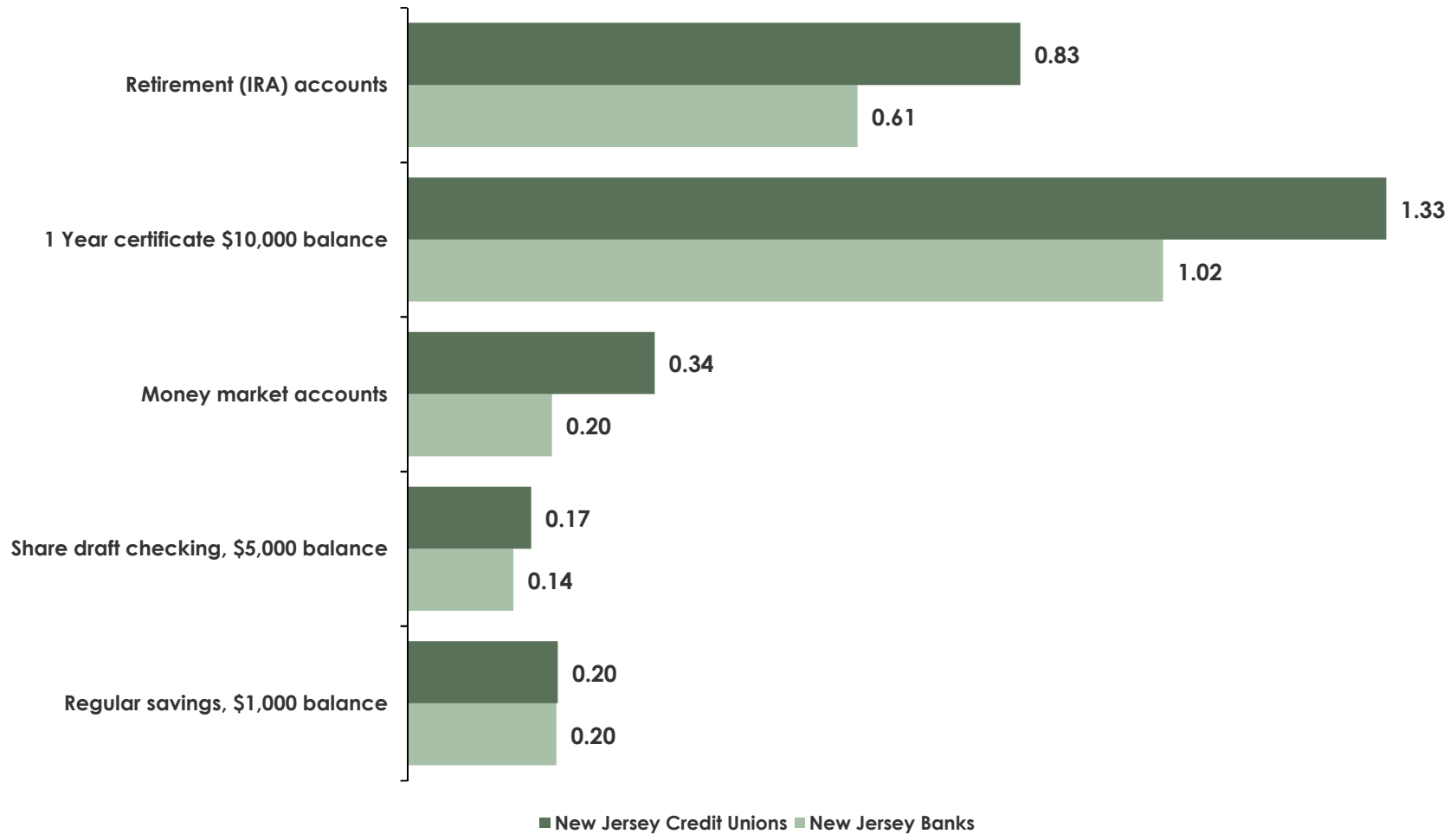
## Loan Product Comparative Interest Rates (%)

by Loan Type



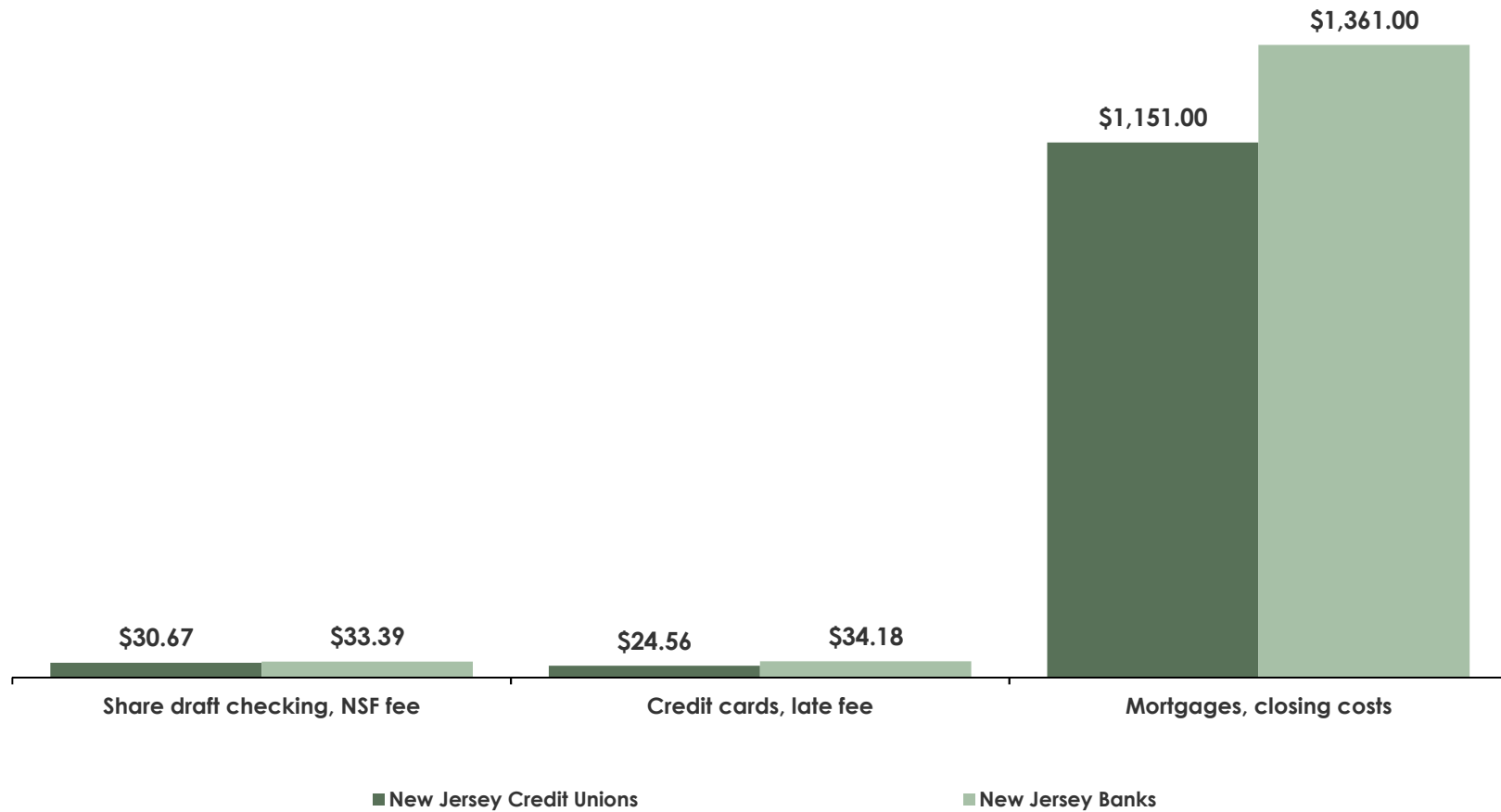
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



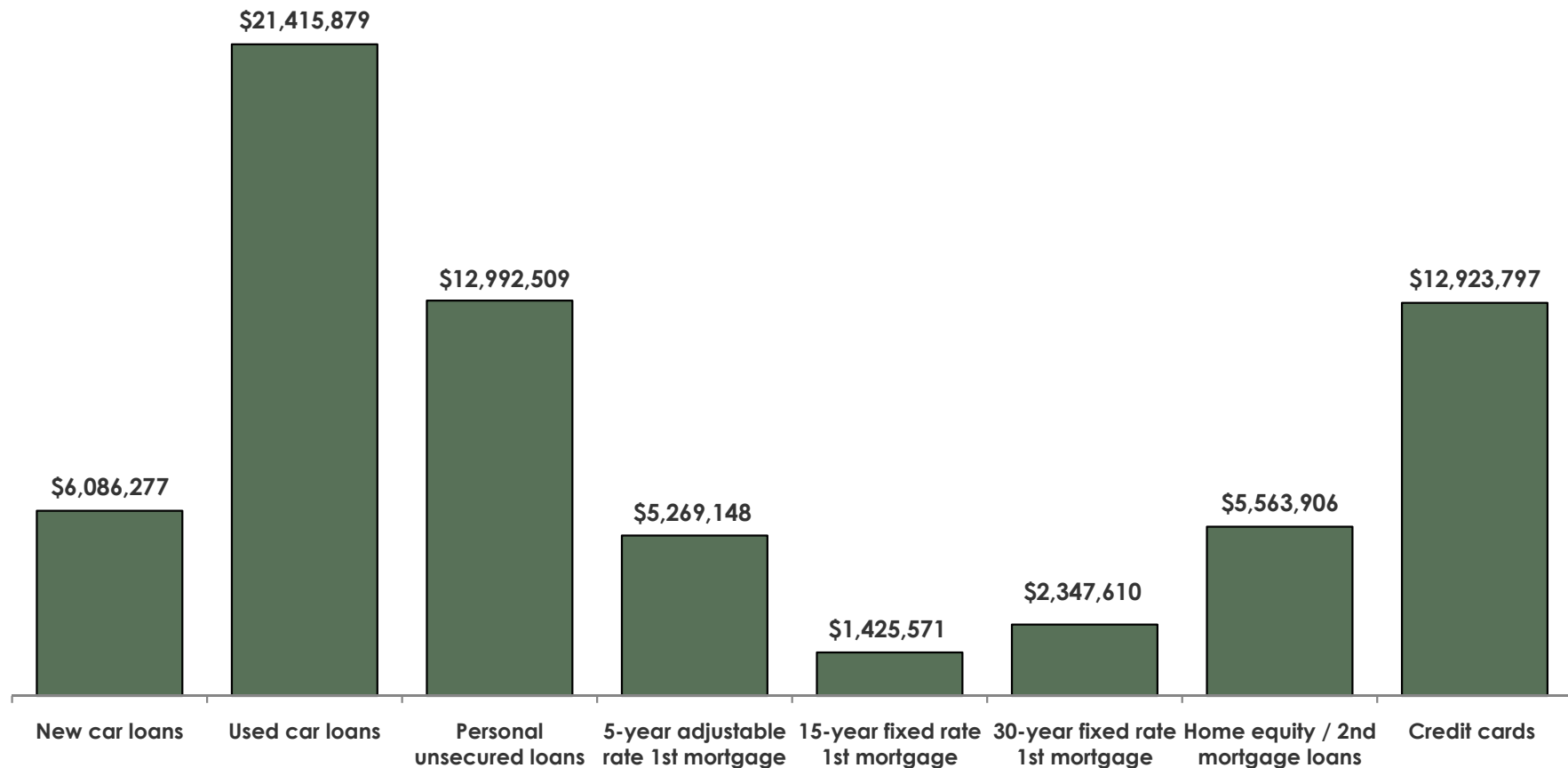
## New Jersey Credit Union and Banking Institution September 2019 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.47	5.18	-1.71
48-month used car (A paper)	3.68	5.61	-1.93
Unsecured loan (A paper)	9.02	11.43	-2.41
5-year adjustable rate 1st mortgage, 0 pts	3.57	3.88	-0.30
15-year fixed rate 1st mortgage, 0 pts	3.31	3.55	-0.24
30-year fixed rate 1st mortgage, 0 pts	3.81	3.98	-0.17
Home equity / 2nd mtg, 80% LTV 0 pts	5.39	5.86	-0.46
Credit card - rewards	11.57	15.40	-3.83
Credit card - platinum	9.94	14.23	-4.29
Savings Products			
Regular savings, \$1,000 balance	0.20	0.20	0.00
Share draft checking, \$5,000 balance	0.17	0.14	0.02
Money market accounts	0.34	0.20	0.14
1 Year certificate \$10,000 balance	1.33	1.02	0.30
Retirement (IRA) accounts	0.83	0.61	0.22
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

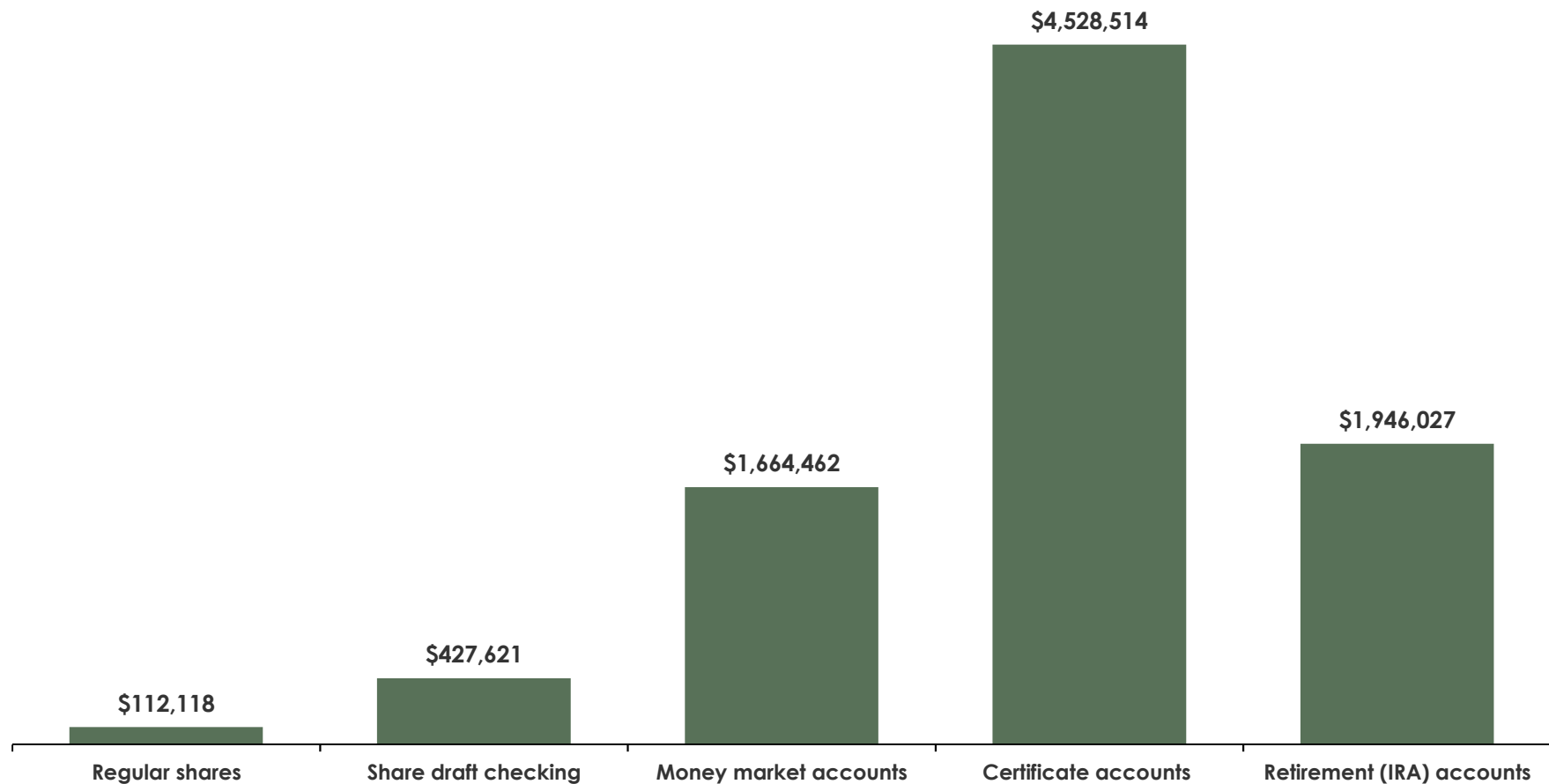
## Estimated Credit Union Loan Benefits

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 New Jersey Credit Unions September 2019

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. New Jersey Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	355,714,609	-1.71	\$6,086,277
Used car loans	1,109,631,021	-1.93	\$21,415,879
Personal unsecured loans	539,780,202	-2.41	\$12,992,509
5-year adjustable rate 1st mortgage	1,750,547,512	-0.30	\$5,269,148
15-year fixed rate 1st mortgage	606,626,011	-0.24	\$1,425,571
30-year fixed rate 1st mortgage	1,397,387,045	-0.17	\$2,347,610
Home equity / 2nd mortgage loans	1,199,117,680	-0.46	\$5,563,906
Credit cards	327,620,172	-3.83	\$12,923,797
Interest rebates			\$361
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$68,025,058</b>
Savings			
Regular shares	5,605,880,529	0.00	\$112,118
Share draft checking	1,781,754,949	0.02	\$427,621
Money market accounts	1,197,454,975	0.14	\$1,664,462
Certificate accounts	1,499,507,937	0.30	\$4,528,514
Retirement (IRA) accounts	882,551,900	0.22	\$1,946,027
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$8,678,742</b>
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$9,710,099</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$86,413,900</b>
<b>Total CU member benefit / member:</b>			<b>\$85</b>
<b>Total CU member benefit / member household:</b>			<b>\$179</b>

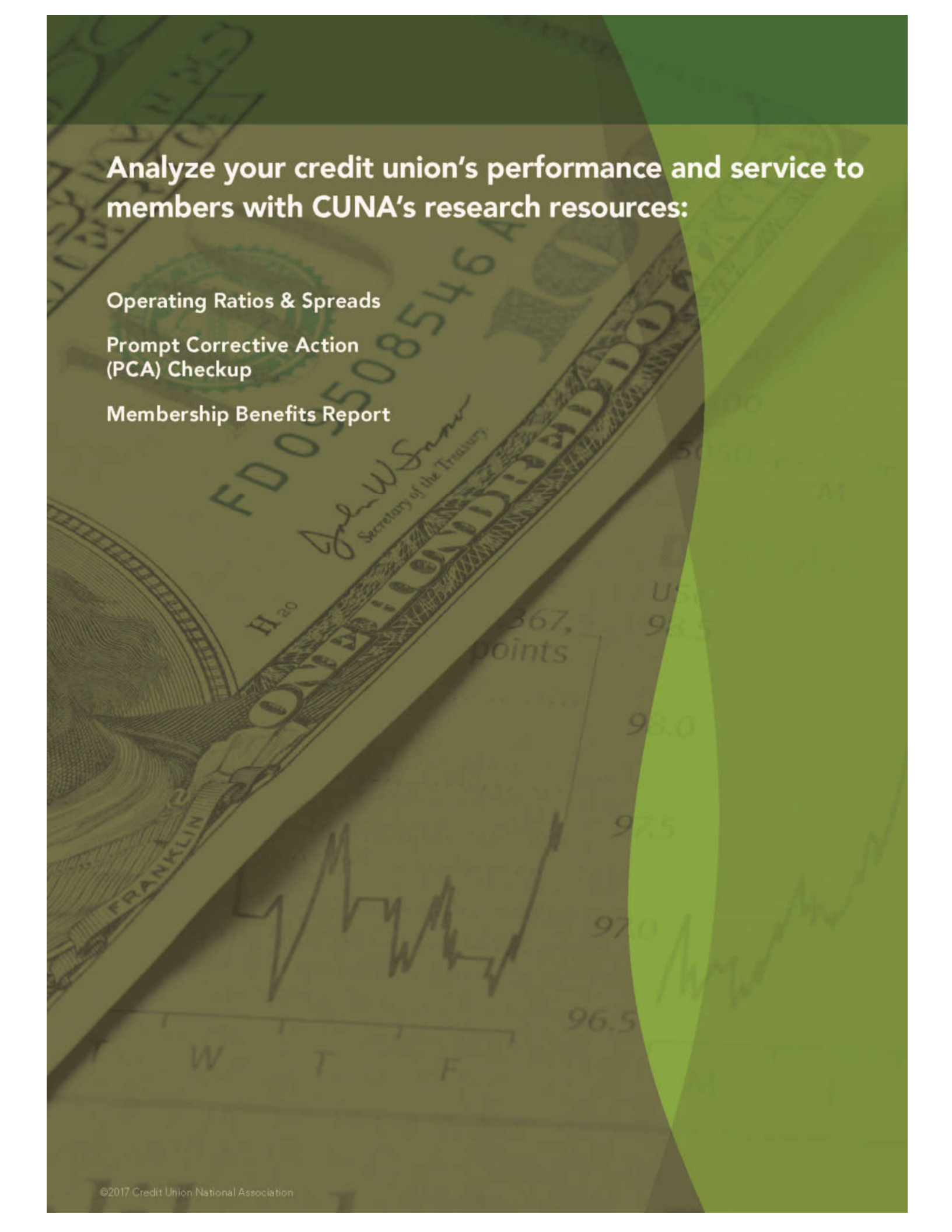
Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2019 and September 2018, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

## New Jersey Credit Union Performance Profile

Demographic Information	Sep 19	Sep 18
Number of branches	298	302
Total assets (\$ mil)	13,388	13,760
Total loans (\$ mil)	8,033	8,287
Total surplus funds (\$ mil)	4,805	4,946
Total savings (\$ mil)	11,348	11,630
Total members (thousands)	1,019	1,035
Growth Rates (Trailing 12 months) *		
Total assets	0.5 %	2.4 %
Total loans	1.1 %	6.6 %
Total surplus funds	-1.3 %	-4.1 %
Total savings	0.7 %	0.4 %
Total members	1.1 %	1.2 %
Earnings - Basis Pts. *		
Yield on total assets	371	347
Dividend / interest cost of assets	79	59
Fee & other income	94	93
Operating expense	305	302
Loss Provisions	38	40
Net Income (ROA) after stabilization exp	43	39
Capital Adequacy		
Net worth / assets	10.2	10.0
Asset Quality *		
Delinquencies / loans	1.4	1.7
Net chargeoffs / average loans	0.8	0.7
Total borrower-bankruptcies	7	7
Bankruptcies per 1000 members	1.1	1.1
Asset/Liability Management		
Loans / savings	70.8	71.3
Loans / assets	60.0	60.2
Long-term assets / assets	36.3	36.2
Core deposits/shares & borrowings	61.8	61.7
Productivity		
Members / potential members	5.0	5.0
Borrowers / members	49.3	51.3
Members / FTE	418	421
Average shares / members (\$)	11,131	11,235
Average loan balances (\$)	15,968	15,595
Salary & Benefits / FTE	79,278	79,687

\* 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**