

CUNA Massachusetts
**MEMBERSHIP BENEFITS
REPORT**



Massachusetts

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 Massachusetts credit unions provided \$233,178,304 in direct financial benefits to the state's 3,125,212 members during the twelve months ending June 2020.

These benefits are equivalent to \$75 per member or \$157 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 Massachusetts 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 Massachusetts credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Massachusetts credit union will save members an average \$177 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.

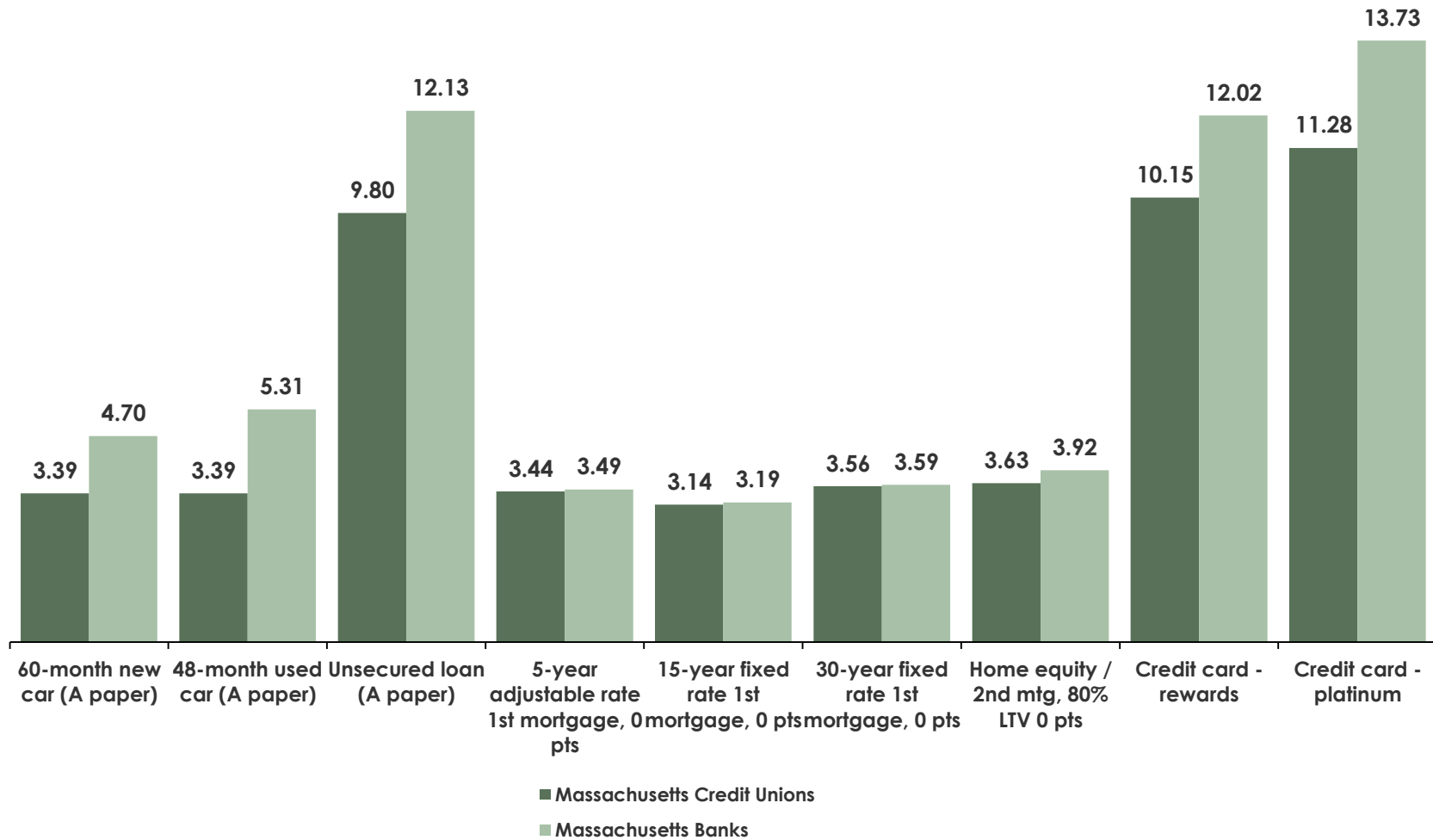
Massachusetts credit unions excel in providing member benefits on many loan and savings products. In particular, Massachusetts credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



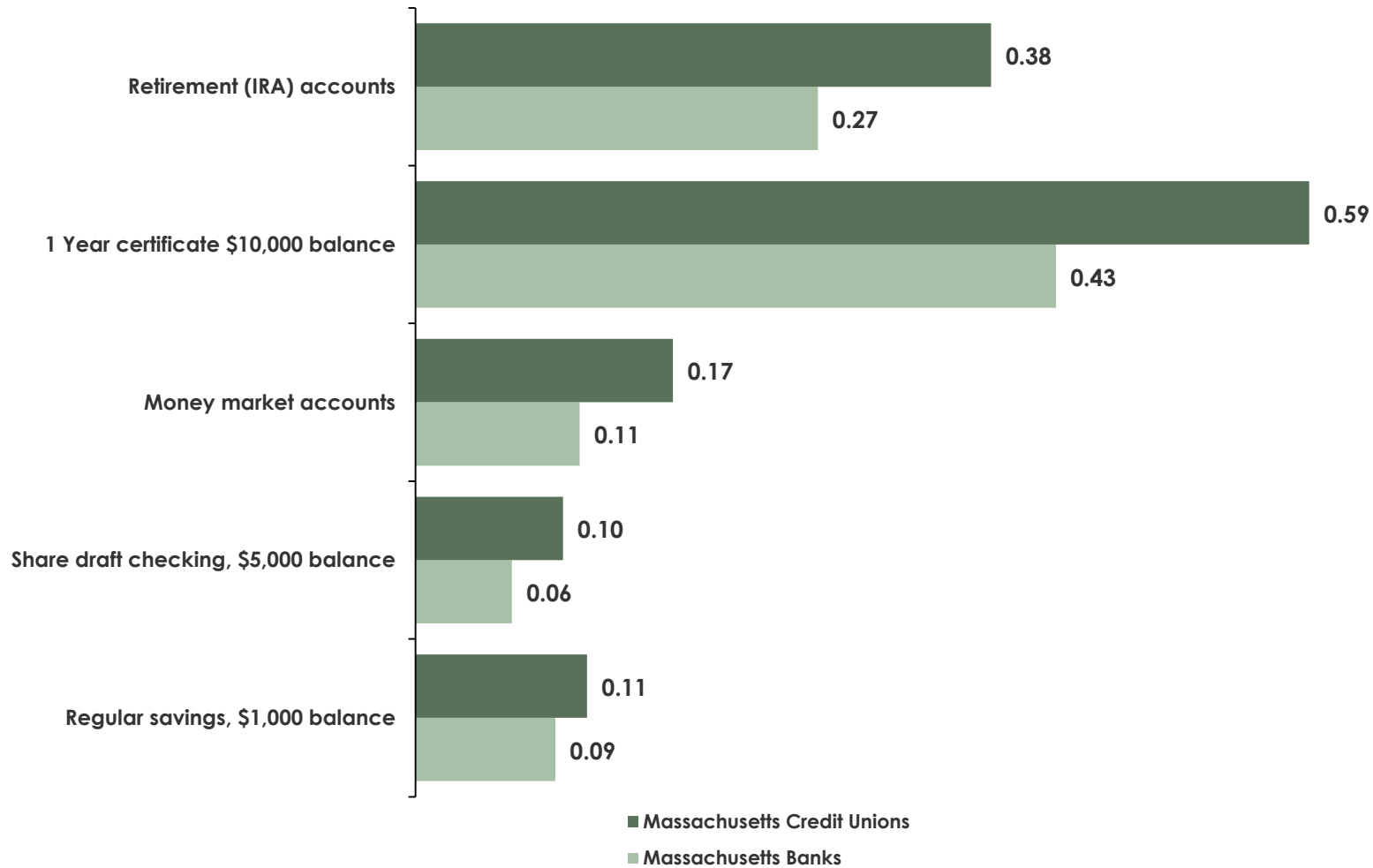
Loan Product Comparative Interest Rates (%)

by Loan Type



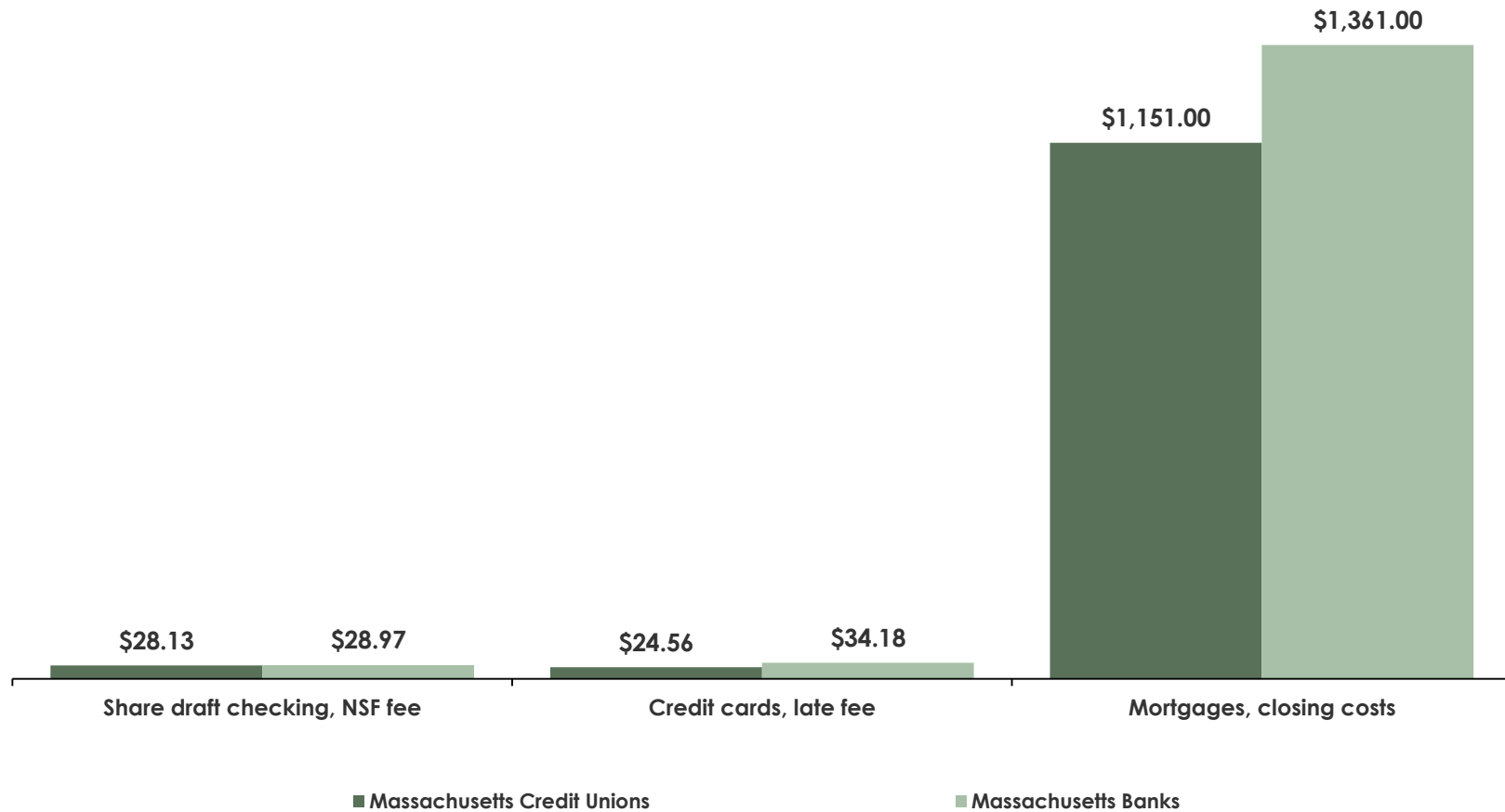
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



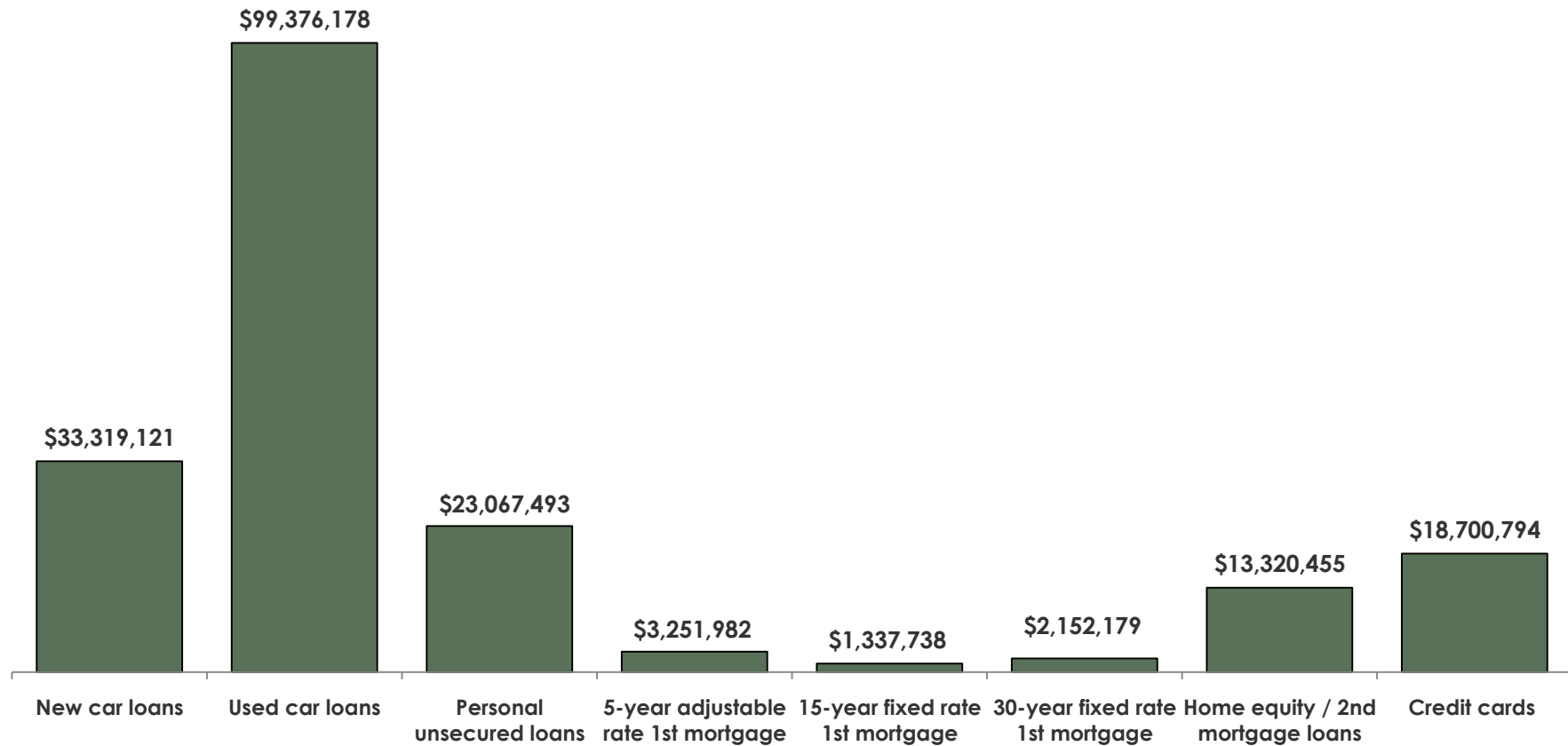
Massachusetts Credit Union and Banking Institution June 2020 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.39	4.70	-1.31
48-month used car (A paper)	3.39	5.31	-1.92
Unsecured loan (A paper)	9.80	12.13	-2.33
5-year adjustable rate 1st mortgage, 0 pts	3.44	3.49	-0.05
15-year fixed rate 1st mortgage, 0 pts	3.14	3.19	-0.05
30-year fixed rate 1st mortgage, 0 pts	3.56	3.59	-0.04
Home equity / 2nd mtg, 80% LTV 0 pts	3.63	3.92	-0.29
Credit card - rewards	10.15	12.02	-1.88
Credit card - platinum	11.28	13.73	-2.45
Savings Products			
Regular savings, \$1,000 balance	0.11	0.09	0.02
Share draft checking, \$5,000 balance	0.10	0.06	0.03
Money market accounts	0.17	0.11	0.06
1 Year certificate \$10,000 balance	0.59	0.43	0.17
Retirement (IRA) accounts	0.38	0.27	0.12
Fee Income			
Share draft checking, NSF fee	\$28.13	\$28.97	-\$0.85
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

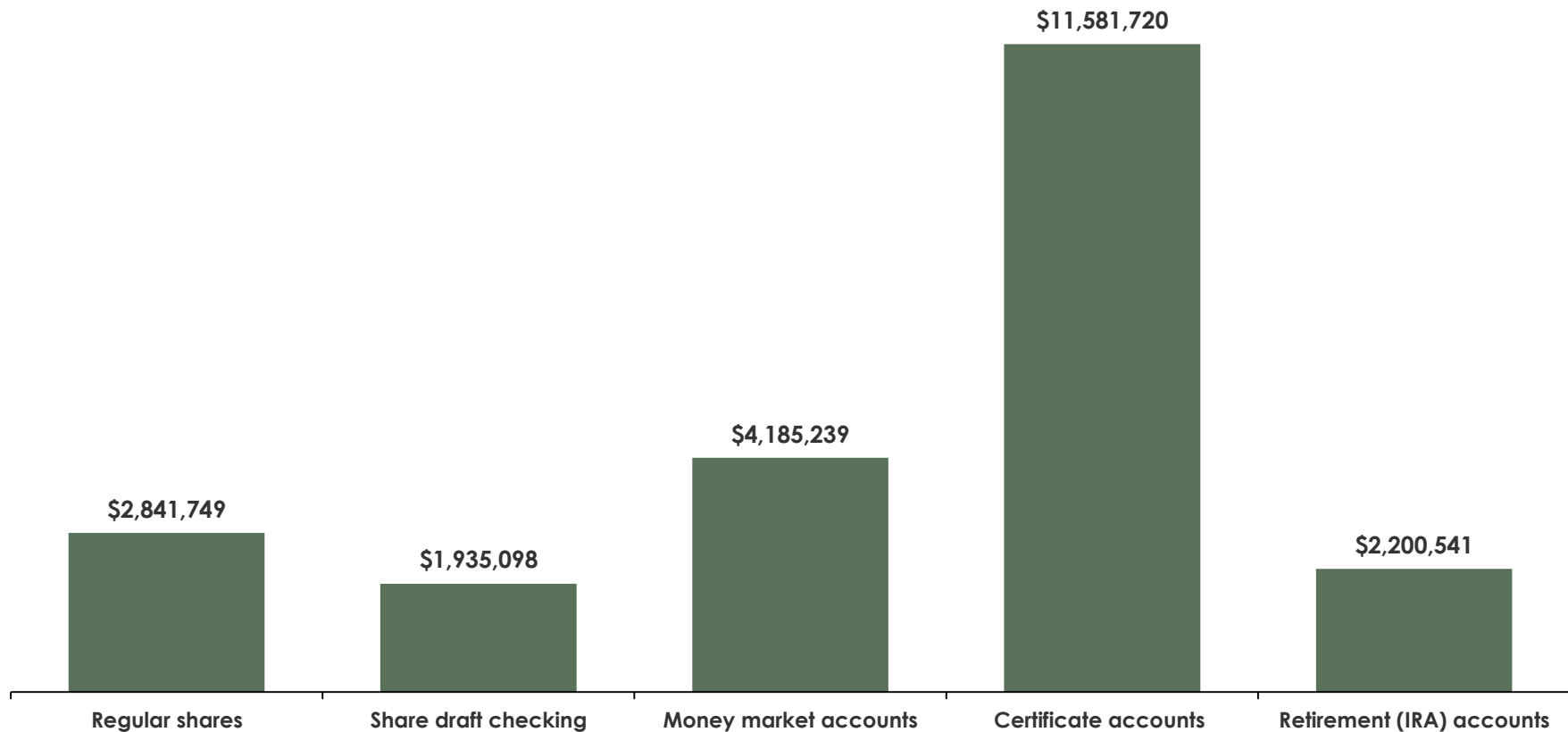
Estimated Credit Union Loan Benefits

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 Massachusetts Credit Unions June 2020

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Massachusetts Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,547,333,415	-1.31	\$33,319,121
Used car loans	5,183,942,523	-1.92	\$99,376,178
Personal unsecured loans	988,748,074	-2.33	\$23,067,493
5-year adjustable rate 1st mortgage	6,636,697,426	-0.05	\$3,251,982
15-year fixed rate 1st mortgage	2,675,476,085	-0.05	\$1,337,738
30-year fixed rate 1st mortgage	6,149,081,853	-0.04	\$2,152,179
Home equity / 2nd mortgage loans	4,546,230,256	-0.29	\$13,320,455
Credit cards	925,323,808	-1.88	\$18,700,794
Interest rebates			\$2,148,480
Total CU member benefits arising from lower interest rates on loan products:			\$196,674,419
Savings			
Regular shares	13,532,138,524	0.02	\$2,841,749
Share draft checking	5,691,464,435	0.03	\$1,935,098
Money market accounts	6,750,386,259	0.06	\$4,185,239
Certificate accounts	6,893,880,674	0.17	\$11,581,720
Retirement (IRA) accounts	1,913,513,545	0.12	\$2,200,541
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$22,744,347
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$13,759,538
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$233,178,304
Total CU member benefit / member:			\$75
Total CU member benefit / member household:			\$157

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2020 and June 2019, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

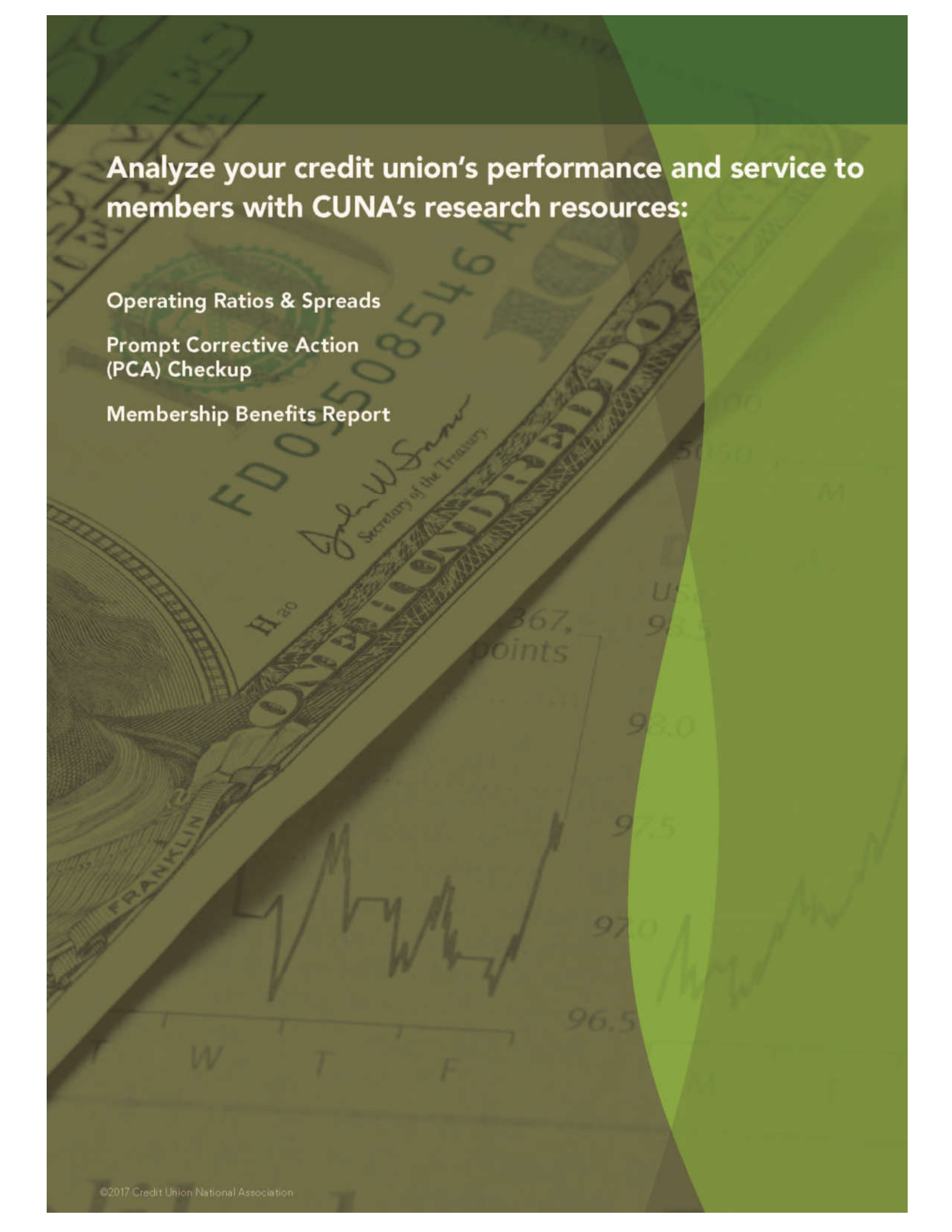
Membership Benefits Report

CUNA Economics and Statistics

Massachusetts Credit Union Performance Profile

Demographic Information	Jun 20	Jun 19
Number of branches	482	490
Total assets (\$ mil)	46,140	41,024
Total loans (\$ mil)	32,835	31,602
Total surplus funds (\$ mil)	11,964	8,185
Total savings (\$ mil)	38,566	33,310
Total members (thousands)	3,179	3,121
Growth Rates (Trailing 12 months) *		
Total assets	13.8 %	6.2 %
Total loans	5.2 %	7.2 %
Total surplus funds	47.6 %	2.5 %
Total savings	17.1 %	6.4 %
Total members	3.5 %	5.6 %
Earnings - Basis Pts. *		
Yield on total assets	344	385
Dividend / interest cost of assets	83	91
Fee & other income	89	88
Operating expense	277	281
Loss Provisions	40	36
Net Income (ROA) after stabilization exp	33	65
Capital Adequacy		
Net worth / assets	10.2	11.0
Asset Quality *		
Delinquencies / loans	0.7	0.6
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	7	6
Bankruptcies per 1000 members	0.3	0.3
Asset/Liability Management		
Loans / savings	85.1	94.9
Loans / assets	71.2	77.0
Long-term assets / assets	38.1	39.0
Core deposits/shares & borrowings	52.8	49.9
Productivity		
Members / potential members	3.8	3.8
Borrowers / members	48.1	49.2
Members / FTE	446	437
Average shares / members (\$)	12,132	10,672
Average loan balances (\$)	21,477	20,561
Salary & Benefits / FTE	87,236	80,434

* 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