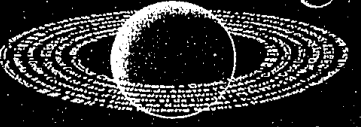


**Credit Unions:
A Universal Language**



1992 International Credit Union Day
October 15, 1992

Credit Union facts

- Membership:** Michigan credit unions have 3.6 million members, which means more than one out of every three Michigan citizens is a credit union member. Nationally, over 62 million Americans belong to a credit union.
- Assets:** In the past decade, assets held by Michigan credit unions have grown from \$4 billion to almost \$12 billion. Across the nation, credit union assets have reached \$241 billion and grew 11% last year alone.
- Insurance:** All Michigan credit unions are insured by the federal government up to \$100,000 per member account through the National Credit Union Share Insurance Fund (NCUSIF) administered by the National Credit Union Administration (NCUA). The credit union insurance fund is the safest of all federal deposit insurance programs.
- Loans:** Although each Michigan credit union establishes a loan policy tailored to the needs of its members, certain general trends are evident. Only one half of one percent of loans from Michigan credit unions can be classified as "commercial" in nature. Over 40% of the loans are small consumer loans, 36% are auto loans and 23% are mortgage loans. At the end of 1991, Michigan credit unions had
- outstanding loans exceeding \$6.8 billion.**
- Savings:** Savings in Michigan credit unions total over \$10.7 billion. Nationally, over \$219 billion are on deposit in credit unions.
- Diversity:** Credit unions continue to reflect the diversity of American society. In Michigan, the largest credit union serves over 100,000 members while the smallest serves less than 100. At the end of 1991, Michigan had 582 credit unions.
- Unique:** Credit unions are not-for-profit, member-owned financial cooperatives organized solely to meet the financial needs of their members. Directors serve without compensation and more volunteers work at Michigan credit unions than do either full-time or part-time employees.
- Common Bond:** Credit unions do not serve the general public. Members must fall within the membership field of each credit union, thereby establishing the "common bond" uniting its members. Currently, nearly 58% of Michigan credit unions have primary membership fields based on occupation. Nearly 24% are based on association groups and the remainder, 18% are based on residential or multiple groups.

Security, Service and cost; Picking a financial institution

Most of us pay lots of attention to earning our money. We work long hours, study our business, research the competition, monitor our boss's reaction, cater to the client's whim and seek diligently for opportunities to make more money. Once we have the money, however, we are sometimes thoughtless of how we handle it.

Take choosing a financial institution, for example. How did you select where you deposit your money? Was the location convenient? Did your parents save there? Were they offering a free toaster the week you needed a checking account?

Banks, savings and loans (S&Ls), and credit unions are the three most common types of financial institutions for basic services such as saving, checking and personal loans. Banks and S&Ls are businesses that make profits from their customers for their stockholders. Credit unions

are not-for-profit financial cooperatives, owned by their members. Every bank, S&L and credit union is at least a little different from every other and consumers need to choose their financial institutions carefully.

There are three basic concerns when choosing a financial institution: security, services and cost. Given the turmoil of the financial world in recent years, security is not to be overlooked. In Michigan, banks, S&Ls and credit unions all carry the same federal deposit insurance coverage; \$100,000 per account. Although the national credit union insurance program is better funded than that for banks and S&Ls due to recent problems in those industries, each fund is backed by the "full faith and credit of the federal government."

Services, however, can vary widely between institutions. Begin by making a list of what your needs are from a financial institution. If you're looking to finance

an oil exploration project in Siberia costing two billion dollars, you're going to need a major commercial bank. If you want a savings account with a good interest rate, a checking account without too many service charges and low rates on car and home loans, the credit union down the block might be perfect.

Once you've determined your needs, it is time to check costs. There are often significant differences between institutions when it comes to charges, rates and fees. Take your personal list of what services you want from a financial institution and start calling those in your area. Ask for a complete explanation of fees and note such things as minimum balances, charges for writing checks or using the automated teller machine (ATM) and monthly service charges. Be realistic about your needs. How many checks do you write each month? How much will you actually keep on hand in a savings ac-

count? Do you use an ATM frequently? Does your company offer direct deposit of your paycheck?

Be aware that banks and S&Ls are commercial institutions open to anyone with enough money to afford their services. Credit unions, on the other hand, are member-owned cooperatives and you must be a member to use their services. Call your area credit unions to inquire as to whether you may qualify for membership.

Don't forget to factor in convenience. If you work next door to a bank, that may save you time. If the credit union on the other side of town has no fee for using an ATM machine, location may not be important.

What is important is that your needs are met effectively without costing you more than it should. You work hard for your money. Make certain that it works hard for you by choosing the right place to put it.

Consumers rate credit unions #1

Consumers have once again picked credit unions as the financial institution with which they are most satisfied according to a poll released by American Banker Magazine. The survey also demonstrated that the member-owned financial cooperatives

were most likely to have improved service and least likely to cause concern about the safety of deposits.

"This is no surprise to us," said Michigan Credit Union League President Kenyan Bixby. "Credit unions have been rated above all other financial institutions each year since American Banker started taking this survey in 1984. The survey showed 78% of credit union members were 'very satisfied' with their credit union, up from 70% in the 1990 survey. By comparison, 65% of bank customers and 62% of savings & loan customers were 'very satisfied.' Only 9% of credit union members reported being 'very concerned' about the safety of their deposits compared with 12% of bank customers and 19% of savings & loan customers. Credit unions also scored higher on satisfaction with service charges, deposit rates, loan rates and prompt loan decisions.

The survey was conducted in May by the Gallup Organization, Inc. of Princeton, New Jersey, and involved telephone interviews of 1,007 randomly selected adults.

Michigan credit unions have seen strong growth combined with stability. Assets in Michigan credit unions grew from \$4 billion in 1980 to over \$11 billion in 1990. Today more than 3.6 million Michigan residents are credit union members, more than one

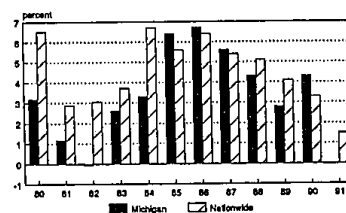
out of every three Michigan residents.

The Michigan Credit Union League is the primary trade association representing Michigan credit unions. Established in 1934, it is headquartered in Southfield.

SUMMARY OF MICHIGAN CREDIT UNION FACTS

- Michigan credit union membership exceeds 3.6 million.
- Michigan credit union assets exceed \$11.9 billion.
- Michigan credit union savings exceed \$10.7 billion.
- Michigan credit union loans outstanding exceed \$6.8 billion.
- There were 582 credit unions in Michigan at the end of 1991.
- Savings in every Michigan credit union is insured up to \$100,000 by the federal government.
- 85% of all Michigan credit unions are affiliated with the Michigan Credit Union League.

Growth in Members



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"If you're shopping for better interest rates, it can pay to take a look at credit unions."

The Wall Street Journal
September 1992

A major financial survey conducted by Bank Rate Monitor, and recently reported on by The Wall Street Journal, found that consumers can save money when they borrow from a credit union.

What makes a loan from a credit union such a good deal is that these member-owned organizations are true not-for-profit financial cooperatives. Having no stockholders, they do not have to generate profits for outside investors. It allows them to charge their members lower rates.

Whenever you need to borrow money, make a low-cost credit union loan your first choice.

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For more information on loan services and rates, check with the credit union that may serve your place of employment, your community or your place of worship.

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