

Credit Union Community Reinvestment Report 2013



Credit Unions Helping
Michigan Communities

Credit Unions ARE Different



The term “credit union difference” gets a lot of mileage, but what does it really mean? Although credit unions have been helping members since the mid-1800s, they’ve seen a new surge in popularity recently. Consumers have been looking for an alternative to the typical financial

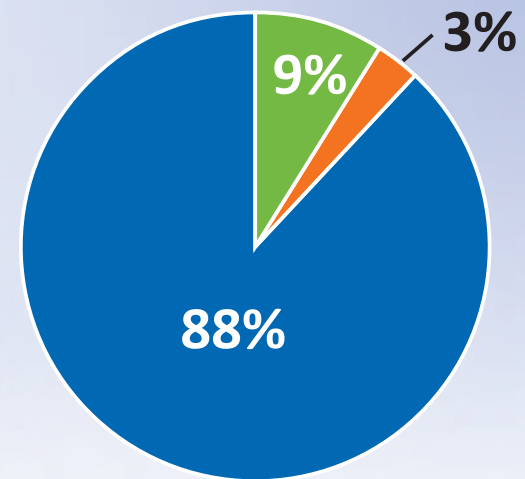
institution – one that puts their interests first, without excessive fees. That’s where your friendly neighborhood Michigan credit union comes in.

Member trust and confidence are inherent in a credit union’s not-for-profit status and its dedication to the communities it serves. The MCUL & Affiliates Community Reinvestment Initiative goes hand-in-hand with this philosophy. Michigan credit unions have garnered a solid reputation for helping members save, reaching out to young members, boosting member financial education, focusing on small business lending and growth and helping to increase U.S. auto sales.

While in Detroit for a field hearing, Richard Cordray, director of the Consumer Financial Protection Bureau, said credit unions were not part of the problem that led to the 2008 mortgage crisis. It’s just more proof that credit unions have earned the trust and confidence of the public.

David Adams
Michigan Credit Union League & Affiliates CEO

Are Credit Unions Different from Banks?



■ Yes ■ No ■ Don't Know

How are Credit Unions Different?

The concept of member ownership of credit unions is widely recognized.

45% Percentage of survey respondents who recognize that **credit unions are member-owned.**

Source: Credit Union Awareness Study, Michigan Credit Union League & Affiliates, 2012

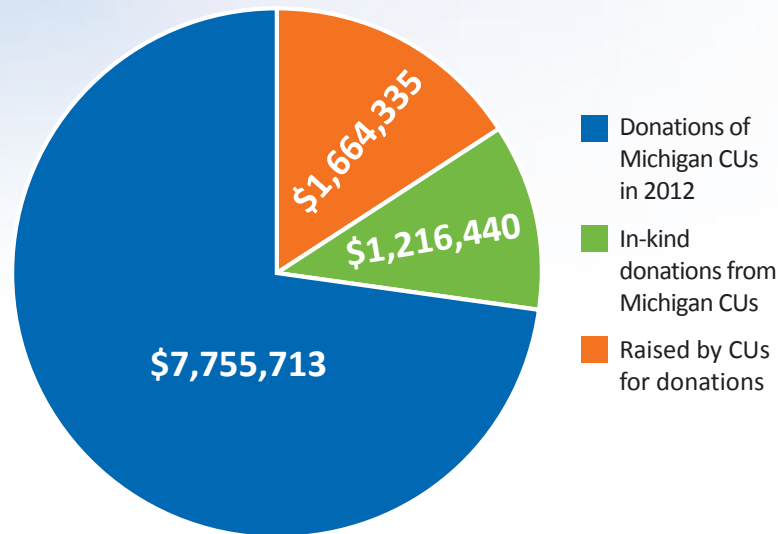
On the cover: An MSU baseball player assists a young lady at the grand opening of the CASE Cares Miracle Field. CASE Cares is CASE Credit Union's Foundation. See story on page three.

Community Involvement

Credit unions don't take on community service projects because they have to. They do it because **service is at the core of credit unions.**

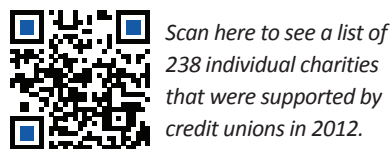
Credit Union Community Outreach

\$10,636,488 Total donations



 **114,057**
Volunteer hours

 **3,568**
Volunteer projects



Miracle Baseball Field

Play Ball! That's something children and adults with disabilities can do now, thanks to Lansing-based CASE Credit Union and its foundation, CASE Cares. The CASE Cares Miracle Baseball Field is one of just three rubberized playing fields in the state. After several years of fundraising and work, the grand opening ceremony for the field took place in May 2012.



MSU pitcher Mike Theodore, a sophomore from Bloomfield Hills, helps one of the players during an exhibition inning at the opening ceremonies for the CASE Cares Miracle Baseball Field.

Helping One Another

Ferndale-based Credit Union ONE donated a property to FernCare, a nonprofit medical clinic which provides health care services to the uninsured and underinsured. The credit union also donated cubicles, tables, desks and chairs for employee and patient use in the facility, which has become the clinic's permanent home.

These projects are just two of the seven from Michigan (more than any other state) which received national awards from the Credit Union National Association in 2012.



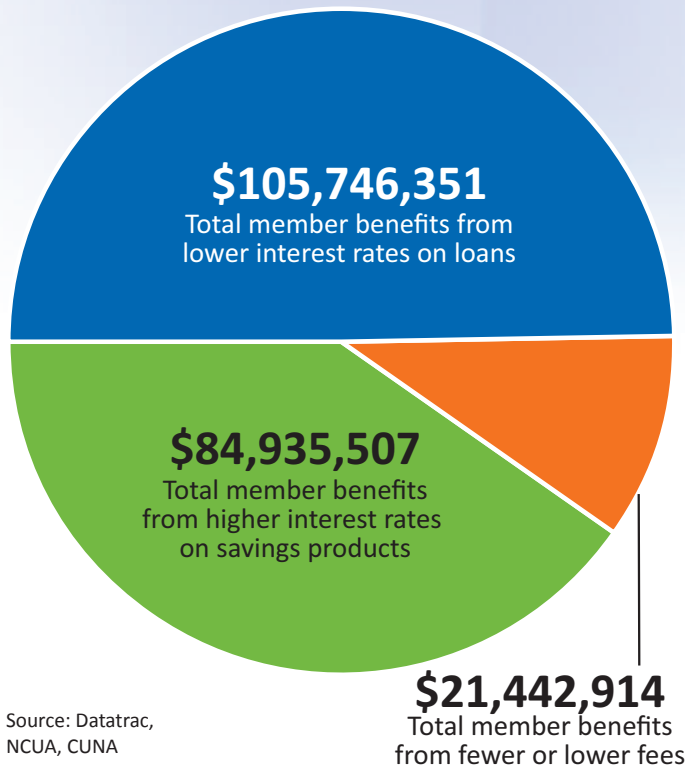
Jeremy Cybulski, left, works with Emilie Rohrbach of Volunteers of America at Co-op Services Credit Union to sort backpacks donated for Operation Backpack, which provides school supplies to needy students.

"Supporting a nonprofit community organization is a natural fit for us. **The shared values of people helping people** make FernCare and Credit Union ONE perfect partners."

Gary Moody, Credit Union ONE CEO

Benefits to Members

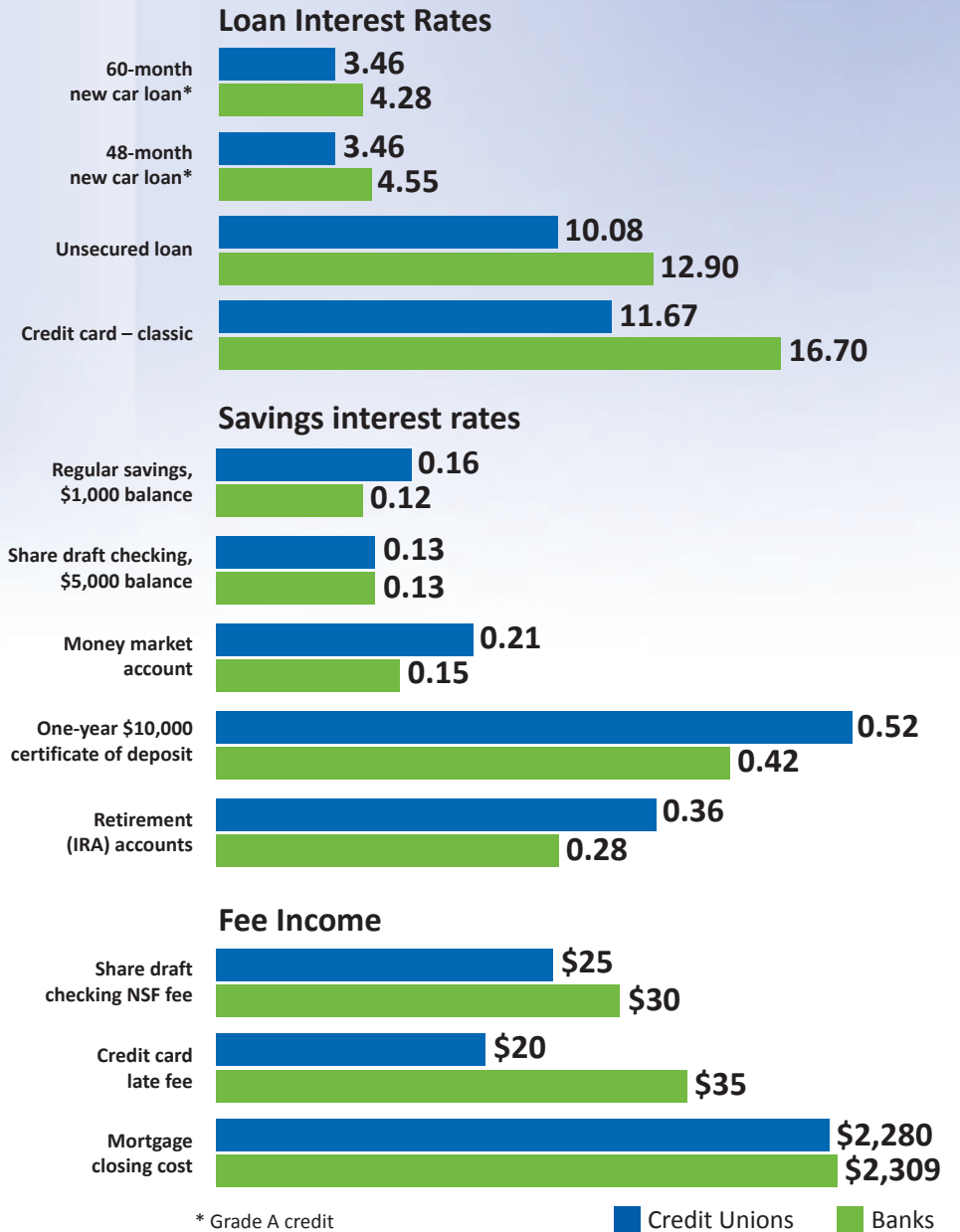
It pays to belong to a credit union – members in Michigan **save more than \$212 million annually** in lower fees and better rates.



Source: Datatrac, NCUA, CUNA

\$212,124,772
Total benefit to members

Average rates of credit unions vs. banks in Michigan



Having A Choice

Because they've earned the trust and confidence of consumers, **credit unions are quickly becoming the financial service providers** of choice for more and more Michiganders.

The move to credit unions has only picked up speed in the months since consumer outrage over big bank fees sparked the November 2011 event known as Bank Transfer Day.

“Bank Transfer Day urged consumers to transfer their accounts from banks to credit unions – and more than 2 million discovered credit unions nationally, including 84,000 here in the state of Michigan, but the numbers show **consumers in the past year have been acting as if every day is Bank Transfer Day,**”

David Adams, MCUL & Affiliates CEO



84,000

The number of new credit union members.



84,777

The number of new checking accounts.



\$2 Billion

Increase in credit union deposits.

*For the 12-month period ending June 30, 2012.
Source: National Credit Union Administration

Generosity and Collaboration

Not only do Michigan credit unions support causes and organizations close to their hearts and communities, **they also come together to donate time** and money to large-scale projects.



Kidney Walk
Raise Money to Fight Kidney Disease

13 participating credit unions.

\$80,000 raised in 2012.



Children's Miracle Network Hospitals

\$125,885 raised in 2012,

\$1 million since 2006.



Scan here to watch a video from the Kidney Walk

MCUL & Affiliates CEO David Adams, honorary chairman of the National Kidney Foundation Walk, cuts the ribbon opening the zoo for the walk.



Scan here to watch a video of the Children's Miracle Network donation.

Drew Egan, holding check, third from right, of the Michigan Credit Union League & Affiliates, presents Dr. Mahesh Sharman, holding Kaidyn Lewis, with a check from Michigan's credit unions for \$125,885.

MCUL & Affiliates, along with 13 credit unions, took part in the National Kidney Foundation Walk at the Detroit Zoo in May 2012, raising more than \$80,000.

The Michigan credit union community presented its largest-ever donation, \$126,000, to Children's Miracle Network in a special presentation at Hurley Children's Hospital in Flint. The money will be shared between Michigan's four CMN hospitals: Hurley, Helen DeVos Children's Hospital in Grand Rapids, Beaumont Hospital in Royal Oak and Sparrow Hospital in Lansing.

Helping Members Save

With credit unions and the Invest in America member rewards program, **the savings add up fast.**



What do you get when you combine the power of the credit union industry with an expanding list of well-respected American companies, and throw in a hefty dose of savings on products and

services consumers want most? That's the recipe behind Invest in America, the nationwide credit union member rewards program created and based in Michigan.

In 2012, the program celebrated a major milestone: 500,000 vehicles sold. That's half a million American-made vehicles sold to credit union members in just four years, all of them enjoying special discounts from General Motors just for being a member of a credit union.



Members get discounts on other everyday purchases, too, such as:

Cell phone service



Satellite TV



Tax preparation



Computers



Online Shopping



Moving services



Jeff Edwards of GM, left, stands with Teri Vollmar, a Genisys member who was recognized for purchasing the 500,000th vehicle through Invest in America. With them are Genisys President & CEO Jackie Buchanan and MCUL & Affiliates CEO David Adams. CU Solutions Group, which runs Invest in America, is an affiliate of the Michigan Credit Union League.



3,467

The number of supporting credit unions.



3,339,905

The number of total transactions to date.



1,324,719

Sprint activations.



515,186

The number of auto sales.



1,500,000

The number of TurboTax returns.



\$638,927,902

Total member savings.



Scan here to visit the LoveMyCreditUnion.org website.

Michigan credit unions fulfill their social mission by leading the nation in financial education assistance and outreach.

Annual Growth in Account Balance with Save to Win

38% Increase among non-savers.
Individuals who report that they were not regular savers before opening a Save to Win account.

31% Increase among asset poor.
Individuals with \$5,000 or less in financial assets, excluding home equity.

34% Increase among low to moderate income.
Individuals with household income less than \$40,000.

7% Increase among single parents with dependents.

Source: Playing the Savings Game, A Prize-Linked Savings Report, Doorways to Dreams Fund, 2011



State Sen. John Proos works with a Junior Achievement class at Howard Ellis Elementary in Niles as part of the Financial Literacy Legislative Challenge and in partnership with Honor Credit Union.

Students

- 395 student-run credit union branches operated by 59 credit unions, by far the most in the country.
- 2,001 classroom financial literacy presentations attended by nearly 46,976 students in 2011-12.

Adults

- 249 credit union professionals have received training and certification as financial counselors in the last three years.
- Save to Win encourages more savings with lower opening deposits and monthly chances to win money. In 2012, 15,173 Michiganders saved \$43.6 million through Save to Win.

Teaching Members to Save

Members build savings - and confidence - through credit union savings.

The Save to Win program, which was piloted in Michigan in 2009, is still reaching out to savers going into its fifth year. According to Michigan program data through November 2012, the Save to Win product was available to more than 1.1 million credit union members at 58 participating credit unions, which increased from more than 800,000 members at 47 credit unions in 2011. More credit unions are seeing the value in helping members become more financially aware and develop positive savings habits. In 2012, more than \$43 million dollars was saved by Michigan credit union members, up from \$37 million in 2011.

For 2013, credit unions can add SaveUp, an online program that rewards members for good financial behavior. Members earn credits by saving money, paying down debt and boosting their financial literacy. SaveUp is 100% free to members.

For more information on Save to Win, visit www.savetowin.org. To learn more about Save Up, visit www.cusolutionsgroup.com/SaveUp.

SAVE TO WIN



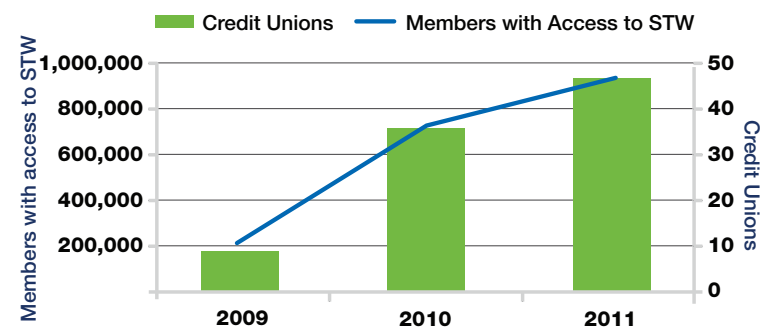
\$915,482

Save to Win prizes awarded since 2009.



Credit union members like Michael who save regularly are entered into monthly drawings for cash prizes.

Increasing Access to Save to Win



Source: Doorways to Dreams 2012 Report, Playing the Savings Game: A Prize-Linked Savings Report



Scan here to visit the SaveUp website



Scan here to visit the Save to Win website

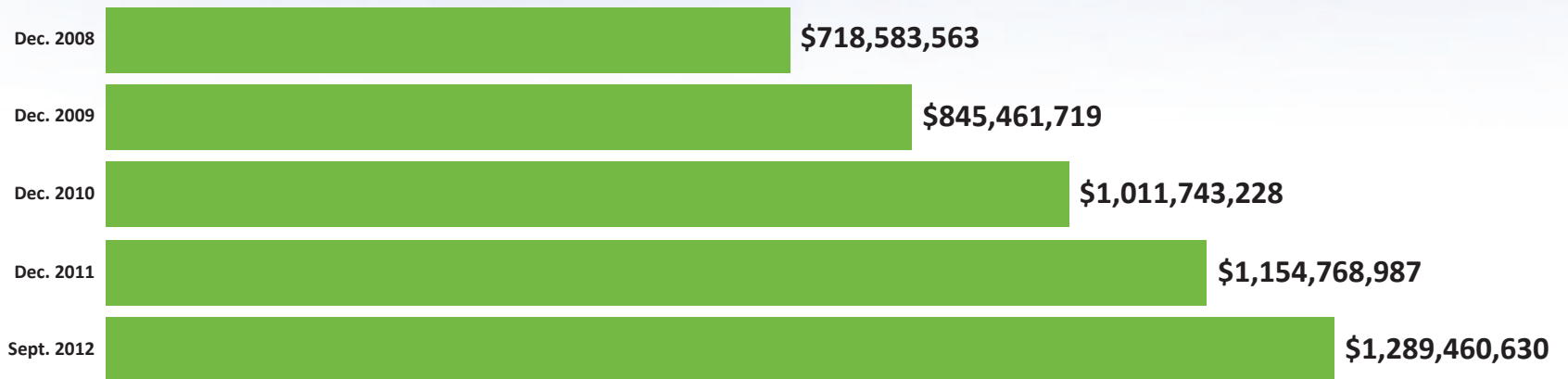
Lending to Small Businesses

Michigan credit unions are national leaders when it comes to providing small businesses with access to capital.

Business loans to members were up 4.8% in the third quarter of 2012, far ahead of the national rate of 2.3%. And credit unions in Michigan have access to a local business that specializes in business loans, Michigan Business Connection, for the expertise to do the job well.



Total Business Loans



Source: National Credit Union Administration

Helping Small Business Succeed

Choosing a credit union often goes deeper than finding the lowest rates.

Jeff Tait and Gary Berkenpas, co-owners of Distinctive Machine Corp. in Rockford, like being able to call up their loan officer at Lake Michigan Credit Union, Jim Maskell, and brainstorm with him. Berkenpas said he never would have felt comfortable having those conversations with his loan officer when he was at a bank.

“He’s more like a business associate than a typical banker,” co-owner Jeff Tait added.

Distinctive started its relationship with LMCU in 2011 when the company purchased a flatbed truck. Seeing how easy the relationship was, they decided to bring the rest of the company’s banking relationship to LMCU.

“Lake Michigan Credit Union seemed happy to have us in their portfolio,” Tait said.



Jeff Tait, left, and Gary Berkenpas, co-owners of Distinctive Machine Corp., first worked with Jim Maskell, right, a loan officer at Lake Michigan Credit Union, to buy this truck for the business. Since then, the machine shop has expanded its relationship with the credit union.



Michigan Business Connection, MCUL & Affiliates and Michigan CU Capital promoted CU Lunch Local in October 2012. Credit unions and their employees across the state supported local small businesses for lunch and office snacks.

Creating Jobs

Credit unions have confidence in Michigan, and it shows in increasing employment numbers.

Six Michigan credit unions were named to The Detroit Free Press list of the state's best employers, three of them for the fifth year in a row. DFCU Financial, Michigan First Credit Union and Genisys Credit Union have all been on the list for five years while MSU Federal Credit Union, CASE Credit Union and E&A Credit Union all made this year's list.

Nearly one-third of Michigan's credit unions added new full-time employees in the past 12 months. That includes Clinton Twp.-based MSGCU, where hiring is up 29%. With 8,000 applicants for jobs at the credit union, MSGCU had to turn away thousands of applicants, illustrating the need for better jobs in the state.

3.3%

Increase in employment at Michigan credit unions through the second quarter of 2012.

13,000+

Total employment at Michigan credit unions through the second quarter of 2012.

29%

Increase in employment at Michigan Schools & Government Credit Union in the second quarter of 2012.

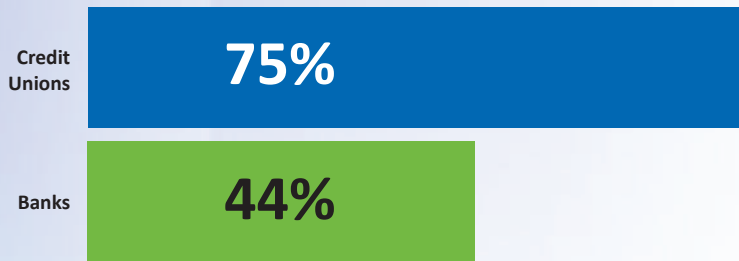


"MSGCU plays a central role in our community and that means doing everything we can to support the families and businesses we serve, including hiring locally and creating jobs."

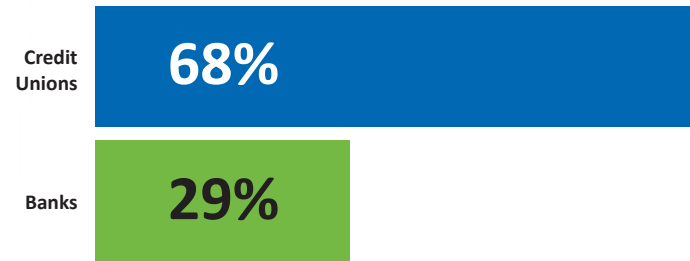
- Michigan Schools and Government Credit Union CEO Pete Gates

Building Confidence and Trust

Confidence in Your Primary Financial Institution



Trust Primary Financial Institution is Doing What is in Your Best Interest



More than half of Michigan consumers, member and non-members alike, have a “very favorable” opinion of credit unions.



Source: Credit Union Awareness Study, Michigan Credit Union League & Affiliates, 2012.

Spreading the Word


Credit unions are taking advantage of social media to reach younger consumers and **help them understand the credit union difference.**



In 2012, Michigan credit unions also made waves with the unveiling of a new online portal for credit union information: www.creditunionlink.org. CU Link brings the shared trust and confidence of the state's credit unions to one central location.

Credit Union Link on Facebook

Credit unions annually support a media campaign that, for the first time in 2012, utilized social media. Credit Union Link's Facebook page has:

 **3,939**
"Likes" acquired.

 **7,909**
People "talking about this."

 **44 million**
Impressions delivered.

 **1.4 million**
Unique individuals reached.

 **18-34 year olds**
Engaged. 87% of followers are in this age group.



Scan here to visit
the Credit Union Link
Facebook page.

Social Media Spotlight: Consumers Credit Union

Asset Size: \$385 million

Started Social Media: Summer of 2011

Purpose: Engage and educate members

Facebook Likes: 3,300

Facebook Likes (Spanish Page): 45

Twitter Followers: 415

Key to Success: Consumers engages members daily by asking questions to find out how to better serve them, posting educational content and messages that are targeted to each platform and making social media a regular component of how they do business.

Resources: Social media has been a shared responsibility of the marketing department thus far, but a full-time digital and social media coordinator started in January 2013. Consumers has allocated 7% of its marketing budget to social media, but plans to increase this amount by 15-20% in 2013.



Robby Johnson works on Consumers Credit Union's Cash Car promotion at local fairs. It integrates the Cash Car into social media as well.

In the News

From lower fees and better rates, to charitable causes and community events, **the media spotlight is on the positive accomplishments of the industry**, a rarity in today's media landscape.

**CREDIT UNIONS
CONTINUE GROWTH
TREND**

West Michigan Business News

**Michigan Credit
Unions Set Record
for Membership in
the First Quarter**

Crain's Detroit Business

**Credit Unions
Band Together
to Boost State's
Economy**

Mlive

Credit Unions Help Out Kenyan Orphans

Detroit Free Press

**Economy Aside, Credit Unions
Aid Cash-Strapped Charities**

Detroit News

**Credit Unions
'Cash Mob' the
West Michigan
Economy**

Mlive



Scan here to visit
the MCUL & Affiliates
Press Room.

Strengthening Credit Unions

In 2012, the Michigan Credit Union Foundation provided nearly

\$90,000

in support to

100
credit unions and

249
credit union employees.

The funds were used for scholarships for employee educational development and grants for community outreach projects.

Michigan residents trust in credit unions as a premier source of quality financial services and look to them as an important partner in community-building outreach.

One of those grants helped Do-All Inc., a Bay City nonprofit, pair up with Financial Edge Community Credit Union to provide training and opportunities for adults with disabilities. Through the partnership, the Do-All trainees learn financial skills and can train to work in a one-of-a-kind credit union branch located at the agency.

The MCUF also provided a grant to Christian Financial Credit Union to help the credit union encourage the entrepreneurial spirit. The funding went toward CU@Soup, an event which allowed the community to vote on which of three business plans would receive a startup grant. The winner, Shell Jones, received \$1,000 to open a therapeutic play center for children with autism and other disabilities.



Beth Troost, left, congratulates Shell Jones who won a micro grant through the CU@Soup project, sponsored by Christian Financial Credit Union and supported with a Michigan Credit Union Foundation grant.



FinancialEdge Community Credit Union worked with Do-All Inc. on a groundbreaking project where Do-All trainees work in a credit union branch inside a thrift store run by the company.

Credit Unions Have World View

Through the World Council of Credit Unions, **credit unions in Michigan support projects throughout the world.**

In celebration of the Year of the Cooperative, Stephanie Klocinski from MCUL & Affiliates; Hank Hubbard, CEO of Communicating Arts Credit Union in Detroit; and Dean Trudeau, CEO of Public Service Credit Union in Romulus, traveled to Kenya to work at an orphanage that is affiliated with a fledgling credit union there.



Stephanie Klocinski, Hank Hubbard, center, and Dean Trudeau share a laugh with children at Busia Compassionate Care Center in Kenya.



Stephanie Klocinski and Dean Trudeau pump water from a new well that draws clean spring water for the orphanage.

Credit Unions 101

Credit unions are different

- Not-for-profit
- Member-owned
- Governed by volunteer boards
- Fewer and lower fees
- Better loan rates
- Higher interest on deposits

Credit unions are similar to banks in a few important ways

- Credit union deposits are federally insured up to \$250,000
- All banking services are offered, including checking and savings accounts (often these are free); home, auto and business loan products; and mobile and online banking
- ATM access worldwide – but at credit unions there are more locations, nearly 30,000 in the U.S.

Everyone can join

While not everyone can join every credit union, there is a credit union out there for everyone. Each one has its own field of membership based on where you live, work or worship.

Members come first

“People helping people” is the credit union mission. That means that credit unions think first about their members and the communities they serve – by offering financial services to all consumers, even those who don’t often use traditional banking; teaching youth about financial literacy; volunteering time to local charities and providing loans to local small businesses.

Beyond banking services

- Financial literacy programs
 - Counseling on mortgages and basic finances
 - Student-run credit unions
 - Support for educational TV programming such as BizKid\$
- Opportunities to pitch a business proposal for special funding
- Credit unions are deeply embedded in their communities
- Members of Michigan’s credit unions have trust and confidence in their financial institutions



CO-OP Services Credit Union’s Rock Star Dude hangs out with children and shares financial literacy information during the Livonia Police Passport to Safety event.



Scan here to visit the Credit Union Link Facebook page.

Credit Union Facts



Sen. Geoff Hansen, R-Hart, hands out a financial quiz to students at Whitehall High School.



Ed Case, left, of First Community Credit Union, has worked with Mark Smutek, owner of Water Street Coffee Joint in Kalamazoo, on a variety of financing projects for his business.

Did You Know?

- Michigan has 4.53 million credit union members.*
- Member business lending was up 4.8% just in the third quarter of 2012.
- 59 credit unions operate 395 student-run credit union branches, by far the most of any state in the country.
- Credit unions reached 46,976 students in 2,001 classroom financial literacy presentations conducted in schools in the 2011-12 school year.
- The Michigan Credit Union Foundation provided nearly \$90,000 in support to 100 credit unions and 249 credit union employees with scholarships for employee educational development and grants for community outreach projects.
- 60% of non-credit union members in 2012 would consider a credit union if they were looking to open a new savings account, loan or credit card.
- 82% of those who consider a credit union as their primary financial institution (PFI) are very confident that it's the best place for their needs – while only 49% feel the same about their bank PFI.**
- 82% have a favorable opinion of credit unions.

** As of Sept. 30, 2012.*

*** 2012 MCUL Consumer Survey*

About the Michigan Credit Union League & Affiliates

The MCUL & Affiliates helps Michigan credit unions serve their members, grow their market presence and strengthen their financial condition. The league accomplishes this by protecting and expanding the charter, telling the credit union story and providing solutions that help credit unions excel. Organized in 1934, the Michigan league has long been considered one of the most progressive in the country.

About the Community Reinvestment Report

The Community Reinvestment Report is an annual effort to highlight the community work that is at the core of credit unions' social mission.

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Thank you to the 116 Michigan credit unions that provided their individual information and statistics for this report.



Scan here to learn more about MCUL & Affiliates