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Newest Georgia Lending and Rate Index Shows Credit Unions Continue to Offer Consumers Savings in First Half of 2009

Georgia Credit Union Benefits Index Tracks State Credit Union Rates and Fees Compared to Banking Institutions

ATLANTA (Sept. 10, 2009) – The latest index of loan activity and rate comparisons from Georgia Credit Union Affiliates (GCUA) shows Georgia’s credit unions have continued through the first half of 2009 to offer consumers savings through lower rates on auto loans and credit cards, and fewer and lower transactional fees. Released semiannually, the *Georgia Credit Union Benefits Index* serves as a barometer to help Georgia consumers make more informed personal financial decisions in an uncertain financial environment. The full report, along with illustrated charts, is available at www.georgiacreditunions.org.

“In total, the index shows credit unions saved Georgians more than \$138 million on an annual basis from lower interest rates, higher rates on savings and lower fees,” said Michael Mercer, president and CEO of GCUA. “Credit unions are clearly returning ‘profits’ to their members since they don’t have to pass them on to third-party shareholders. We know every dollar they can save translates into more peace of mind for our members, and that is why more and more consumers are turning to credit unions.”

According to the index, credit unions continue to offer lower rates than banking institutions on loans for key purchases like new and used vehicles; on average, credit union rates were 1.6 percent lower than bank rates for new vehicles, and more than 2 percent lower for used vehicles. Many credit unions in the state have been able to offer further vehicle savings to members by participating in the nationwide credit union “Invest in America” program, which offers cash incentives from \$500 to \$1,000 for purchasing qualified American-made vehicles.

The index uses credit union data and banking institution statistics from Datatrac, the nation’s leading rate survey firm, to track credit union lending and compares savings, loan and fee rates between state credit unions and banking institutions. The current index is based on data

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collected during June 2009. Among the report's findings:

- Credit unions approved more than 174,000 loans to Georgians through the first half of this year, compared to 178,000 in the same period ending June 2008.
- Loans totaled more than \$2.1 billion in the first half of 2009, compared to \$2.0 billion through the same period last year.
- While the number of loans decreased slightly, the average loan amount was higher --\$12,416 compared to \$11,557.
- Lower average interest rates on loans issued by Georgia credit unions through the first half of this year saved members a total of \$70,438,046 compared to bank rates.
- The majority of loans continued to be for consumer purchases, including new and used vehicle loans, home mortgages, home equity lines of credit and credit cards.
- Higher interest rates on savings products yielded \$35,459,670 to credit union members' accounts compared to banking institutions.
- Fewer and lower fees for credit union members totaled \$32,750,297 in savings benefits compared to banking institutions.

Key findings for loan product rate comparisons include:

- Credit union rates on auto loans continued to be lower than banking institutions. The average rate for a 60-month new car loan was 5.54 percent for credit unions in Georgia, compared to 7.14 percent for banking institutions. The average rate for a 48-month used car loan was 5.71 for credit unions, compared to 7.74 for banking institutions.
- The average rate for credit cards was 11.77 percent for credit unions in Georgia, compared to 12.07 percent for banking institutions.
- At 11.33 percent, banking institutions offered slightly lower rates on personal, or "unsecured," loans, compared to 11.54 percent for credit unions.
- Credit unions in Georgia offered slightly higher average rates for 15- and 30-year mortgages, at 5.71 and 6.21 percent, respectively, compared to 5.36 and 5.85 percent for banking institutions.
- The average rate for home equity lines of credit and second mortgages was 4.83 percent for credit unions in Georgia, compared to 5.31 percent for banking institutions.

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Savings data compared to banking institutions showed rates favorable to credit union members in Georgia. According to the index:

- The average rate paid on a savings account with a \$1,000 balance was 0.64 percent for credit unions, compared to 0.47 percent for banking institutions.
- The average rate paid on a share draft checking account with a \$5,000 balance was 0.47 percent at a credit union, compared to 0.40 percent for banking institutions.
- The average rate paid on money market accounts was 1.95 percent for credit unions, compared to 1.32 percent for banking institutions.
- The average rate paid on an IRA retirement accounts was 2.24 percent for credit unions, compared to 1.76 percent for banking institutions.

It's never been easier to join a credit union. Membership is open to individuals who are associated through employer, organization, community or other affiliation. Many credit unions now open their membership to the broader local communities where they operate. To find a local credit union or for more information, go to www.georgiacreditunions.org.

Credit unions are also more convenient than ever. In July, GCUA announced the 100th statewide location in a shared branching network that allows members to conduct transactions at participating locations. Members of credit unions with shared branching automatically have access to all shared branches, and reap the benefits and convenience of visiting any of the 100 shared branch locations across the state and more than 3,700 nationwide. This ranks credit unions in Georgia along with large banks for convenience based on number of locations available for members to conduct their transactions.

About Georgia Credit Union Affiliates

Georgia Credit Union Affiliates (GCUA) provides services and support that help credit unions meet the financial services needs of the state's more than 1.8 million credit union members. GCUA offers advocacy, educational, operational and marketing support for Georgia's more than 170 credit unions, which in 2009 have combined total assets of almost \$14 billion. More information can be found at www.georgiacreditunions.org.

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