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THE 2013 CREDIT UNION IMPACT REPORT

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On February 23, 2014, more than 4,000 credit union people are expected to descend upon the nation's capital for CUNA's 2014 Governmental Affairs Conference. Credit unions will have the opportunity to network with leaders of the cooperative movement and share their vision for the industry. More importantly, credit unions will meet face-to-face with federal legislators and policymakers to talk about how they've supported their local communities and memberships through the hardships of the past several years.

Callahan & Associates is collecting quarterly financial performance data as part of its FirstLook program. To date, Callahan has information from more than 6,500 credit unions representing more than 99% of the industry's total assets. Using data from these institutions, Callahan & Associates has analyzed and highlighted five significant ways credit unions impacted their communities and consumers in 2013.

Modified First Mortgages

In 2013, credit unions modified 32,308 first mortgage loans totaling more than \$7.3 billion. The industry's active participation in loan modifications exemplifies its dedication to the cooperative principles and is a testament to the efforts of the individual institutions that helped members stay in their homes.

LEADERS IN MODIFIED FIRST MORTGAGE GROWTH

Data as of December 31, 2013, for FirstLook credit unions
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	State	Growth In # Of Modified First Mortgages	# Of Modified First Mortgages	\$ Of Modified First Mortgages
1	Alaska	281.8%	42	\$12.9M
2	Vermont	70.0%	34	\$4.9M
3	Pennsylvania	63.6%	386	\$85.7M
4	Indiana	51.6%	740	\$105.1M
5	New Jersey	47.3%	324	\$98.9M
6	Wyoming	45.5%	16	\$4.5M
7	Maine	36.6%	127	\$17.4M
8	New Mexico	35.2%	123	\$25.1M
9	North Dakota	33.3%	8	\$1.6M
10	Alabama	27.0%	207	\$60.5M

Source: Callahan & Associates' [Peer-to-Peer Analytics](#)

Auto And First Mortgage Originations

AUTO Auto sales in the United States exploded in 2013 as consumers demonstrated their rising confidence by replacing older vehicles with new ones. Credit unions reported \$196.6 billion in outstanding auto loans at the end of 2013, marking the highest year of annual growth in auto loan balances. Credit unions financed 15.0% of car purchases within the United States in 2013, according to Experian Automotive's AutoCount data.

LEADERS IN AUTO MARKET SHARE

Data as of December 31, 2013, for all U.S. credit unions

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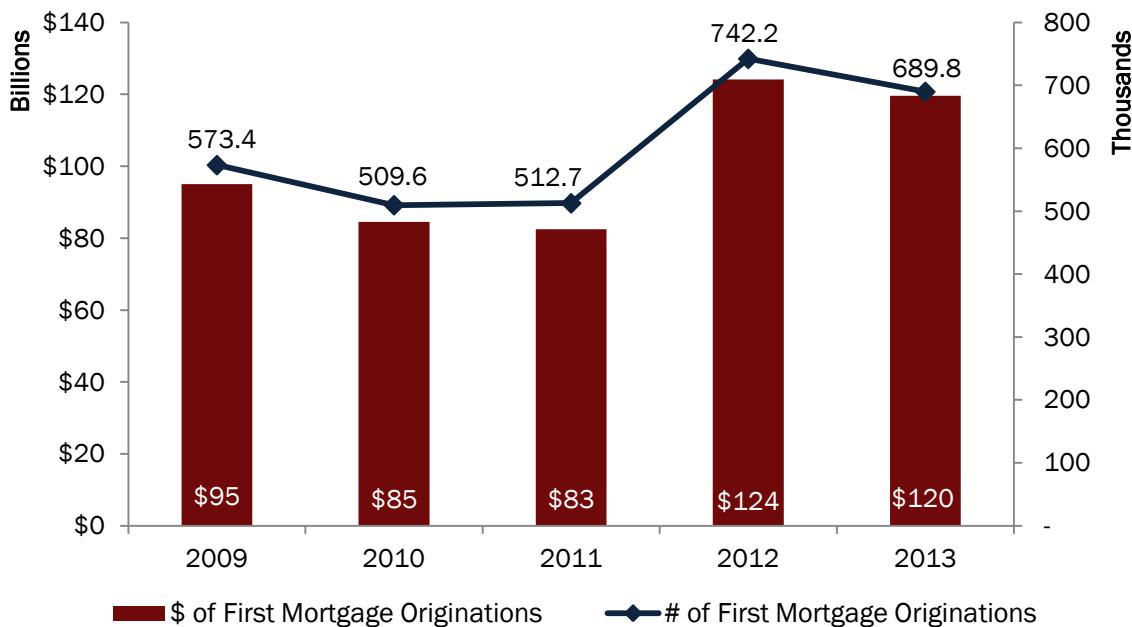
	State	Auto Market Share	Growth In Auto Market Share (in percentage points)
1	Utah	46.4%	+0.6
2	Idaho	39.6%	+3.5
3	Oregon	37.1%	-0.6
4	Washington	33.8%	+1.2
5	Colorado	31.0%	-0.9
6	New Mexico	29.5%	+1.0
7	Iowa	28.8%	-0.8
8	New Hampshire	24.9%	+2.6
9	Kansas	24.6%	+2.8
10	Hawaii	24.3%	-2.1

Source: AutoCount data from Experian Automotive; Callahan & Associates

FIRST MORTGAGE With an improving economy, the housing market has also steadily recovered in 2013. Credit unions have played an integral role in helping people realize the American dream of homeownership. Credit unions originated 689,829 first mortgages in 2013, totaling \$118.6 billion. Both the number and the dollar amount of total first mortgage originations have come down from their peak in 2012. This is primarily the result of rising rates and slowing refinancing activity.

FIRST MORTGAGE ORIGINATION GROWTH (BY DOLLAR AND NUMBER)

Data as of December 31 for FirstLook credit unions
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Source: Callahan & Associates' [Peer-to-Peer Analytics](#)

Small Business Loan Originations

When the recession hit, many banks pulled back on business lending and reduced or called lines of credit. Credit unions, on the other hand, ramped up their activity in the small business lending space and responded to members' needs. Credit unions nationwide originated 78,847 small business loans, totaling \$16.5 billion, through the twelve months of 2013. Credit unions have originated more than \$63.9 billion in small business loans from 2009 to 2013, and have each year increased the total amount of small business loan originations. By supporting entrepreneurs and small business owners, credit unions have helped maintain and strengthen their local, as well as the national, economy.

LEADERS IN SMALL BUSINESS LOAN ORIGINATION GROWTH (BY DOLLARS)

Data as of December 31, 2013, for FirstLook credit unions

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	State	% Growth In # Of Small Business Loan Originations	# Of Small Business Loan Originations	\$ Of Small Business Loan Originations
1	Nevada	213.6%	69	\$10.9M
2	Arkansas	123.5%	38	\$11.2M
3	Wyoming	105.5%	263	\$20.4M
4	Delaware	97.7%	87	\$13.5M
5	Michigan	69.6%	8,871	\$583.2M
6	Rhode Island	47.4%	395	\$113.8M
7	North Carolina	46.5%	1,496	\$319.3M
8	Connecticut	39.8%	172	\$41.1M
9	West Virginia	38.2%	94	\$15.1M
10	Arizona	38.0%	657	\$125.8M

Source: Callahan & Associates' [Peer-to-Peer Analytics](#)

Dividends Paid And Rebates On Loan Accounts

DIVIDENDS PAID As not-for-profit institutions, credit unions serve the interests of their member-owners either by reinvesting earnings into the credit union or by paying out dividends on member share accounts. In 2013, credit unions paid \$5.4 billion in dividends.



NORTH CAROLINA CREDIT UNIONS ON AVERAGE PAID OUT NEARLY 20% OF THEIR TOTAL INCOME IN DIVIDENDS IN 2013.



CREDIT UNIONS IN 32 STATES REPORTED AN AVERAGE DIVIDEND PAYOUT RATIO THAT EXCEEDED 10% AS OF DECEMBER 2013.

REBATES ON LOAN ACCOUNTS Credit unions returned \$48.7 million in loan rebates to members through the end of 2013.



MICHIGAN CREDIT UNIONS RETURNED \$16.5 MILLION IN LOAN REBATES DURING 2013. THAT IS MORE THAN A THIRD OF THE TOTAL REBATES REPORTED BY THE INDUSTRY IN 2013.



IN 2013, MASSACHUSETTS CREDIT UNIONS INCREASED THEIR LOAN REBATES BY MORE THAN FIVE TIMES THEIR 2012 LEVEL, REACHING \$1.3 MILLION IN LOAN REBATES AS OF DECEMBER 2013.

Employee Base

Contrary to the recession-prompted slowdown in the U.S. job market, credit unions have been expanding their employee base since 2010 and had 248,075 full-time equivalent employees as of December 2013. The total number of credit union employees has increased 16 basis points from December 2012 and nearly three percentage points from December 2008. In 2013 alone, credit unions added more than 400 new employees, providing new opportunities for American jobseekers.

LEADERS IN EMPLOYEE GROWTH

Data as of December 31, 2013, for FirstLook credit unions

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	State	% Growth In # Of Employees	# Of Employees
1	Idaho	10.5%	1,779
2	Virginia	9.4%	17,462
3	Vermont	7.2%	949
4	North Dakota	7.1%	858
5	New Hampshire	7.0%	1,568
6	Nevada	6.3%	630
7	Utah	5.9%	5,414
8	South Dakota	5.8%	921
9	Michigan	5.7%	12,468
10	Arizona	4.7%	4,415

Source: Callahan & Associates' [Peer-to-Peer Analytics](http://www.creditunions.com)