Credit Union Trends Report

January 2024, November 2023 Data

Section one

Economic Trends

Expect a “soft landing” in 2024 with economic growth coming in slightly below trend.

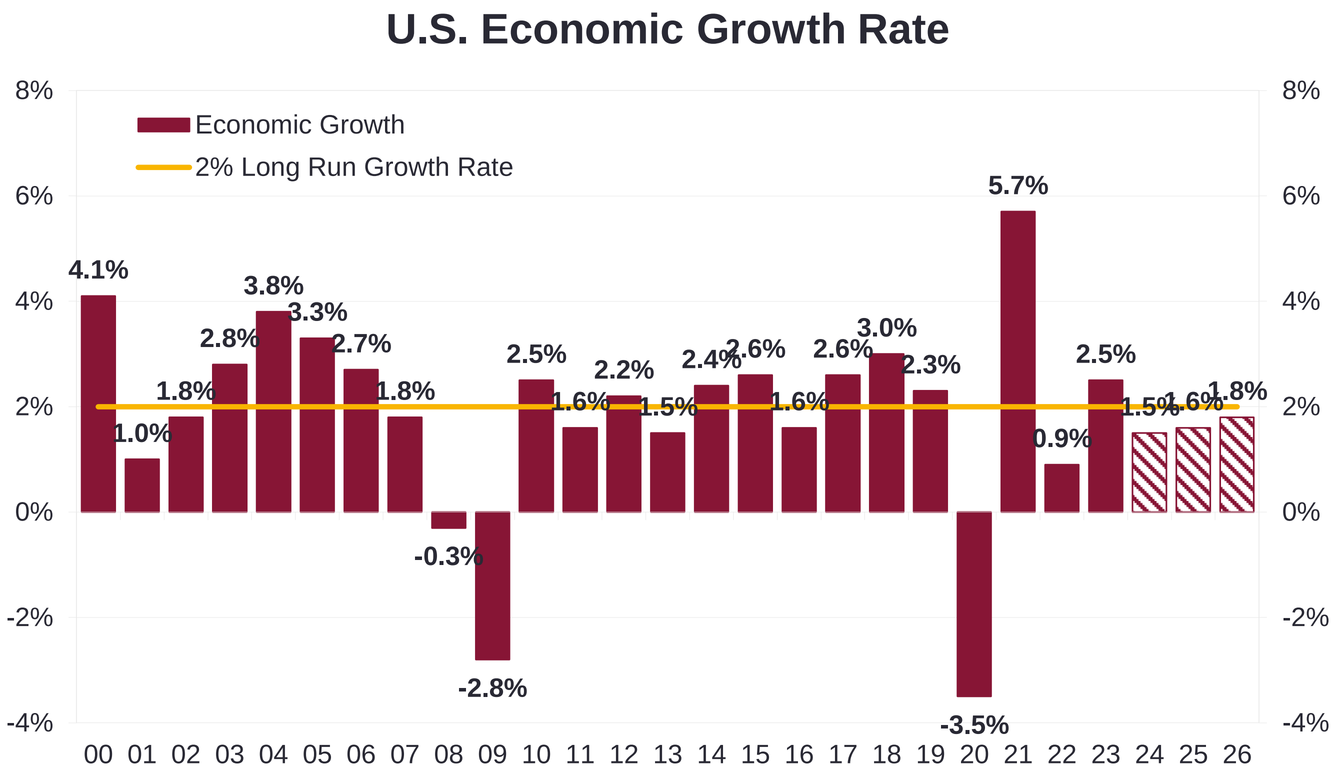
Economic Trends

As we begin 2024, the question on the mind of many credit union leaders is what the economic environment will look like during the next few years. Looking in the rear-view mirror, the economy performed surprisingly well in 2023 producing 2.5% more goods and services compared to 2022, which is above the 2% long run natural growth rate **(see figure below)**. Growth was broad-based as consumer, residential, government and export spending reported robust growth.

Other signs of recent economic strength include strong monthly job growth across most sectors and industries, a very low 3.7% unemployment rate, and wage and price pressures continuing to decline. As the inflation rate falls throughout 2024 this should allow the Federal Reserve to begin lowering short-term interest rates sometime this summer.

So, with this economic backdrop we are forecasting real gross domestic product to rise 1.5% in 2024, slightly below the long-run average of 2%, creating the "soft landing" scenario the Federal Reserve is shooting for. So why are we forecasting below trend growth? First and foremost, the long and variable lags of monetary policy will weigh on job gains which in turn slows economic growth. Other factors reducing economic growth include slowing inventory accumulation, a rise in the personal savings rate, some reduction in consumer spending by lower-income households who must start repaying student loans and the tightening of welfare eligibility requirements.

Even though a recession is always a possibility, we are putting its probability at 33% for 2024. Factors that could push us into negative growth would be a combination of significantly higher energy prices, higher long-term interest rates, and a sharp drop in commercial real estate prices leading to a banking crisis.



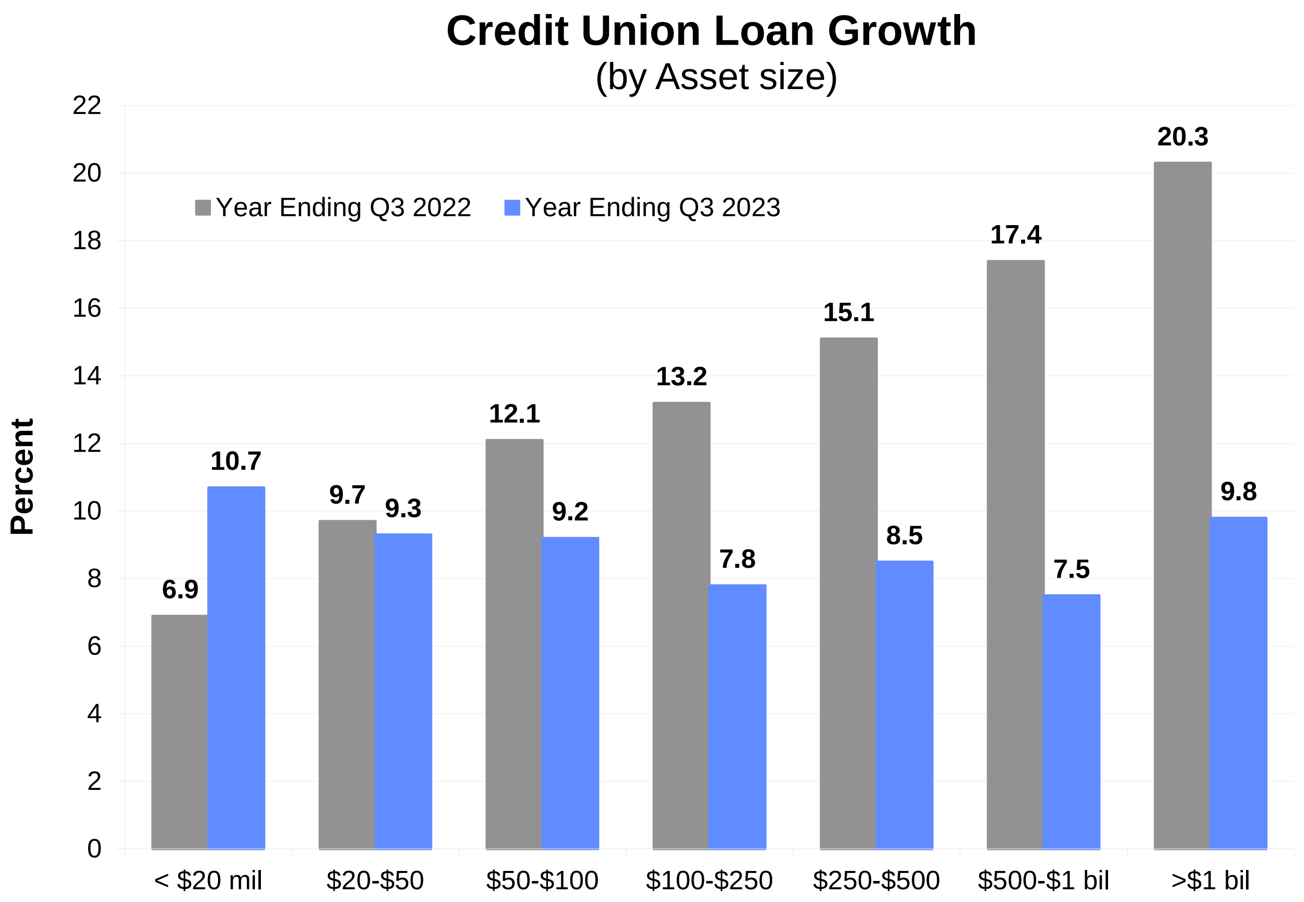
Source data: Department of Commence

Section two

Total Credit Union Lending

For the first time in many years, small credit unions reported faster loan growth than larger credit unions because of their greater liquidity.

Total Credit Union Lending



Source: CUNA Economics & Statistics and TruStage – Economics

Credit union loan balances rose 0.4% in November, below the 1.0% pace reported in November 2022. Driving overall loan growth was strong growth in credit card loans (1.7%), home equity lending (1.5%), and adjustable-rate mortgages (1.4%). November seasonal factors typically subtract 0.22 percentage points from the underlying trend loan growth as winter weather slows auto and home purchases.

Over the past 12 months, total credit union loan balances rose a strong 9.0%, above the 7.2% long-run average. However, industry growth rates mask big disparities between large and small credit unions. For the first time in many years, small credit unions reported faster loan growth than larger credit unions due to lower loan-to-savings ratios providing them greater liquidity for lending.

In the year ending in the third quarter of 2023, credit unions with assets greater than $1 billion reported a 9.8% increase in loan balances, which was down significantly from a similar period one year earlier. During the same period, credit unions with assets less than $20 million reported loan growth of 10.7%, which is above the 6.9% pace set a year earlier **(see figure above)**. We expect overall credit union loan growth to slow to 5.0% in 2024 due to tight credit union liquidity, high interest rates and satiated consumer demand for durable goods.

Section three

Consumer Installment Credit

Consumer spending on servicing debt will rise in 2024.

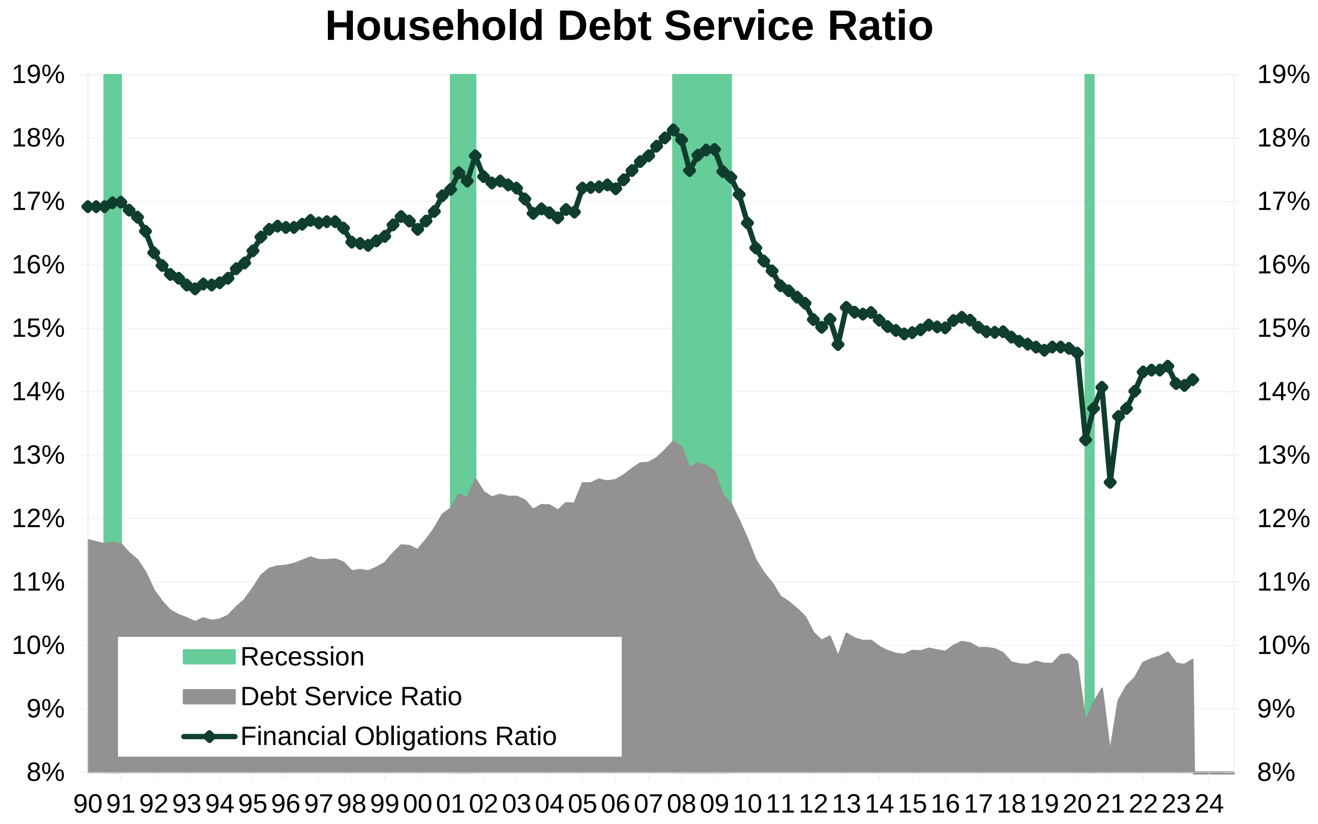
Consumer Installment Credit

Credit union consumer installment credit balances (auto, credit card and other unsecured loans) rose 0.7% in November, below the 0.9% rise set in November 2022, as consumer spending ebbed in the fourth quarter of 2023.

Credit union consumer installment credit grew 7.4% over the last year, which is above its 30-year average of 6.3%, but slower than the 8.4% rise in total real estate loans.

The household debt service ratio (mortgage and consumer debt payments required to remain current on that debt as a percent of disposable income) rose to 9.78% in the third quarter, from the 9.69% reported in the second quarter, and above the record low of 8.31% reported in the first quarter of 2021, according to the Federal Reserve **(see figure below)**. The 2021 record-low debt service ratio was caused by record-low interest rates and government stimulus checks, which were used to pay off debt. The Financial Obligations Ratio, which adds to debt payments other obligations like rent payments, auto lease payments, homeowners' insurance and property tax payments, rose slightly to 14.2% in the third quarter of 2023, but significantly below the 18.1% record high set back in the 4th quarter of 2007.

Looking into 2024 high interest rates and the repricing of adjustable-rate credit will mean higher spending on servicing debt which will increase the debt service ratio. This will reduce household disposable income for spending on goods and services or will decrease the national savings rates.



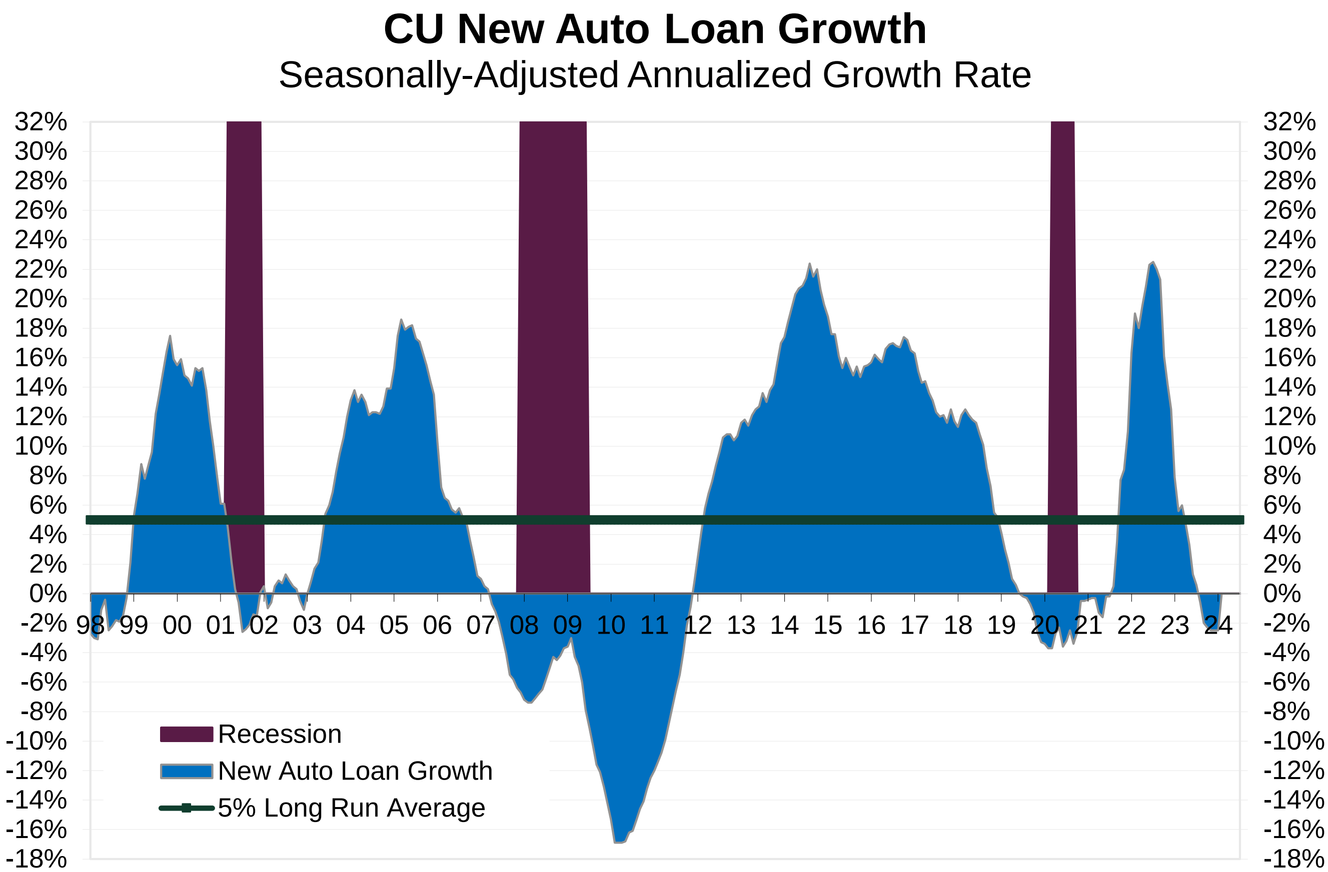
Source data: Federal Reserve

Section four

Vehicle Loans

Credit union new-auto loan balances were falling at a -2.5% annualized pace in November.

Vehicle Loans



Source: CUNA Economics & Statistics and Trustage – Economics

Credit union new-auto loan balances fell at a -2.5% seasonally-adjusted annual rate in November, significantly below the 14.2% pace set in November 2022 **(see figure above)**, due to high lending interest rates, tight liquidity pressures causing some credit unions to pull back from lending, increased vehicle incentives by manufactures, and tighter lending standards reducing the availability of credit.

November is typically one of the slower months of the year for credit union new-auto loan originations as seasonal factors subtract 0.35 percentage points from the underlying trend growth rate due to normally weak new auto sales.

New auto prices fell 0.1% in November as inventories increased but rose 1% during the last 12 months, according to the Bureau of Labor Statistics, increasing the size of the auto loan to finance the auto purchase. Used auto prices fell 1.3% during the last year leaving consumers with less equity from their trade-ins when purchasing a new vehicle.

The seasonally-adjusted annualized rates for U.S. new-vehicle sales declined to 15.3 million in November from 15.4 million in October, below the assumed 17 million market equilibrium. But November sales were up 6.8% from November 2022. Expect auto sales to rise 5% in 2024 to 16.5 million due to lower interest rates, falling new vehicle prices, steady growth in inventories and a relatively healthy labor market.

Section five

Real Estate Information

Home prices rose 4.8% during the last year, pushing housing affordability to the lowest in 4 decades.

Real Estate Information

Credit union fixed-rate first mortgage loan balances fell 0.1% in November, below the 0.2% gain set in November 2022. Existing home sales rose 0.8% in November from October to a seasonally adjusted annual rate of 3.82 million, the first monthly gain in 6 months. But sales are still down 7.3% on a year-ago basis due to high interest rates and poor affordability. Fixed-rate mortgage loan balances are currently falling at a -0.4% seasonally-adjusted annualized growth rate **(see figure below)** as credit union members have switched to more adjustable-rate mortgage products which typically have lower interest rates.

The contract interest rate on a 30-year, fixed-rate conventional home mortgage fell from 7.62% in October to 7.44% in November, and that rate is above the 6.81% reported in November 2022 **(see figure below)**. With the Federal Reserve expected to lower short-term interest rates 100-150 basis points in 2024, and the 10-year treasury interest rate expected to remain around 4.0%, expect the 30-year mortgage interest rate to fall to the low 6% range in the second half of 2024.

U.S. home prices climbed to a record high in October amid the lowest housing affordability in four decades. Home prices rose 0.6% in October, according to the S&P Core Logic Home Price Index and are up 4.8% year-over-year. Following two years of double-digit growth, the housing market remains overvalued so expect home prices to level off or decline 3-5% during the next two years.

The U.S. national homeownership rate came in at 66.0% in the third quarter of 2023, unchanged from the third quarter of 2022. Today's homeownership rate is above the 62.9% nadir reported in the second quarter of 2016, but below the 69.2% apex reached in the fourth quarter of 2004.

Expect mortgage originations to rise 15% in 2024 as the economy continues its expansion and mortgage interest rates fall approximately 1 percentage point throughout 2024.

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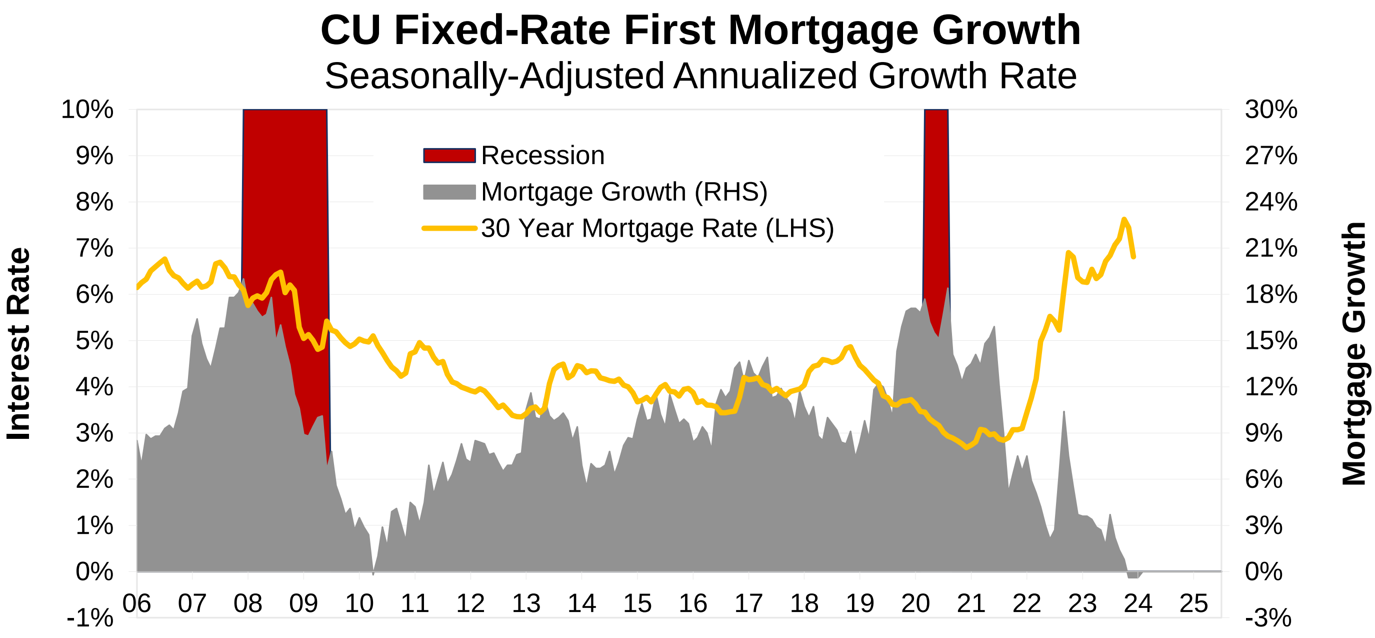


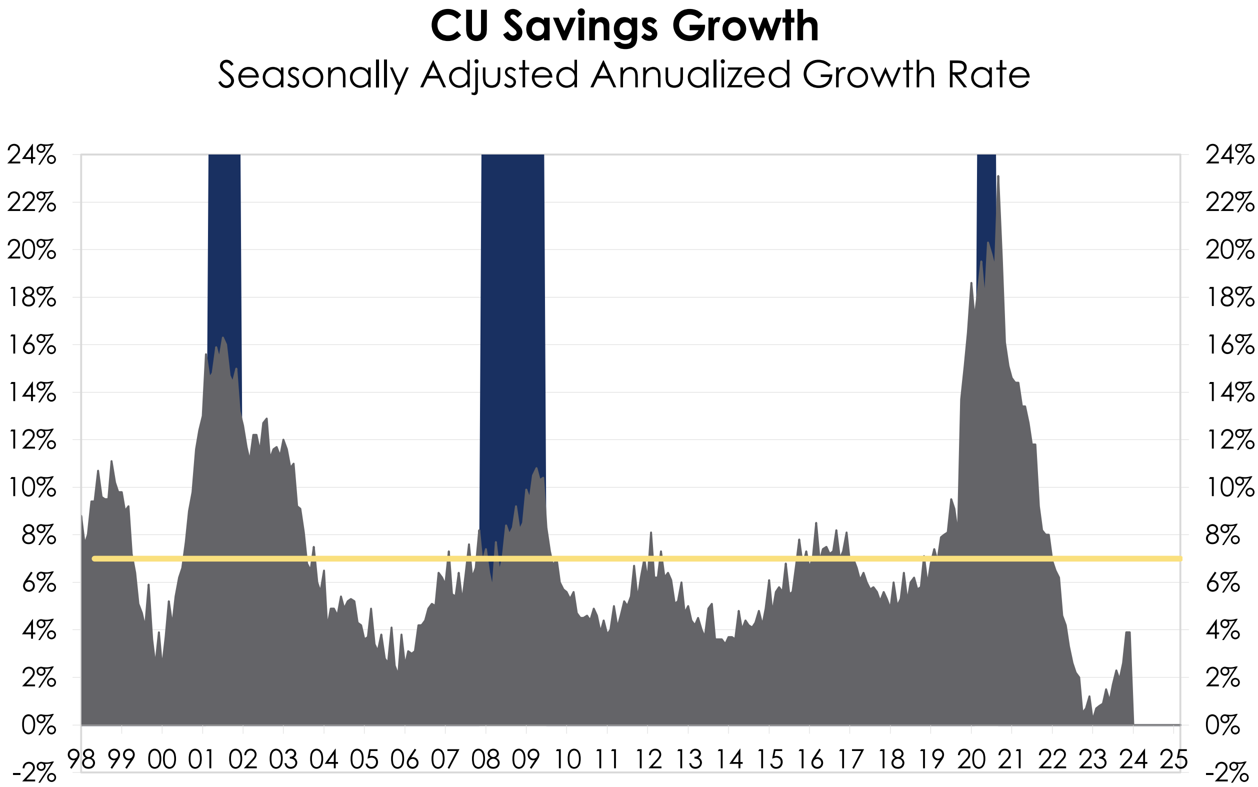
Source data: NCUA and Freddie Mac

Section six

Savings and Assets

Credit union members have an average of $232 less in their savings balances today compared to last year, a 1.7% decline.

Savings and Assets



Source: CUNA Economics & Statistics and TruStage – Economics

Credit union savings balances rose 0.3% in November, better than the -0.3% decline reported in November 2022, as credit unions raised their deposit interest rates to retain and attract additional deposits. November's seasonal factors typically subtract 0.2% percentage points from the underlying savings trend growth.

Savings balances are currently growing at a 4.0% seasonally-adjusted annualized growth rate, which is below the 7% long-run average **(see figure above)**. Members are saving less than normal due to the increased spending on leisure and hospitality after the COVID-19 pandemic and still higher than normal inflation.

The average credit union member was sitting on $13,394 in deposits in November 2023, down $232 from the $13,626 set back in November 2022. This is a 1.7% drop in the dollar amount of deposits per member. But it appears the savings-per-member ratio has bottomed out and will begin to rise soon and eventually approach its long run 4.5% annual growth rate over the next two years.

We expect credit union savings balances to rise 4% in 2024, below the 7% long run average but better than the 1% reported in 2023 due to rising real incomes, a rise in the personal savings rate (personal savings as a percentage of disposable personal income), and higher credit union deposit interest rates. This additional liquidity will be welcomed by many credit unions facing tight liquidity conditions in 2023.

Section seven

Capital and Other Key Measures

Credit union loan delinquency rates will rise to 0.90% in 2024 from 0.77% today.

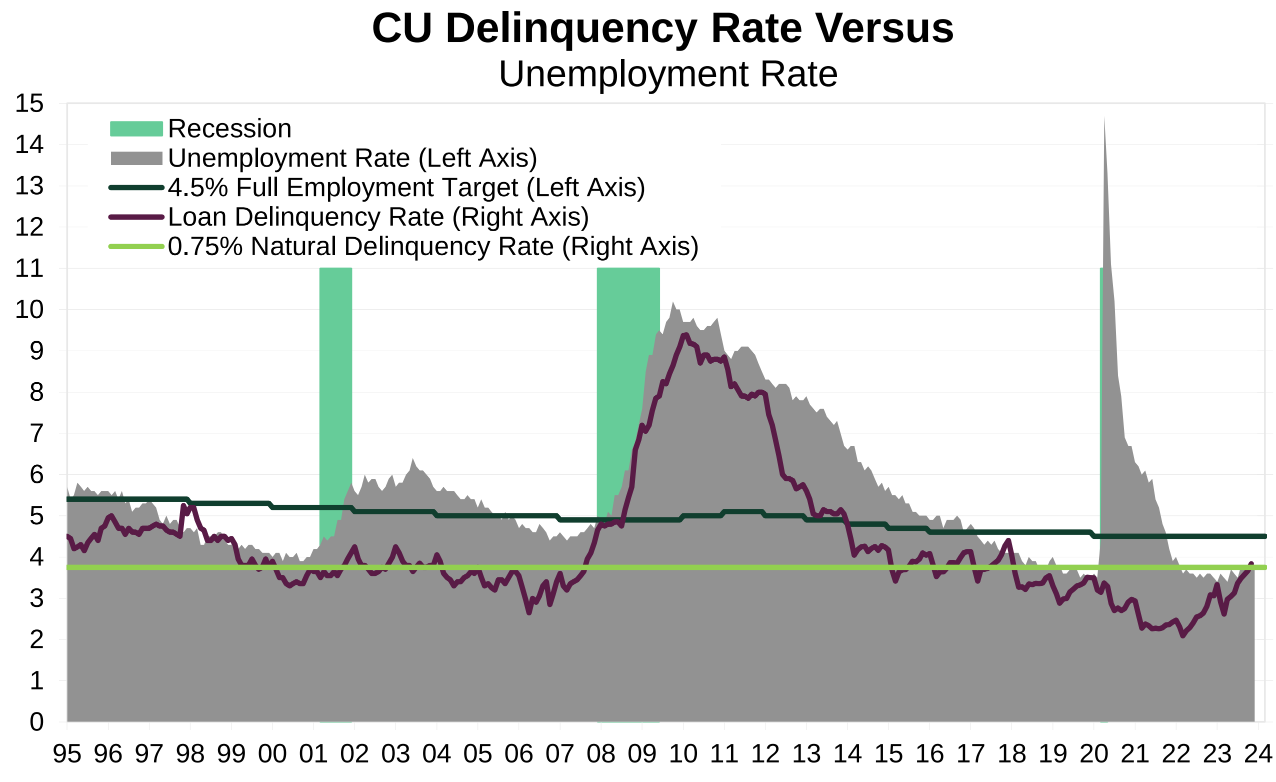
Equity and Other Key Measures

The credit union loan delinquency rate (loans two or more months delinquent as a percent of total loans outstanding) rose to 0.77% in November from 0.52% in March which is in line with the traditional seasonal pattern **(see figure below)**.

Delinquency rates typically reach their nadir in any year's first quarter as members use their tax refunds and bonus checks to catch up on any late loan payments. As the year progresses, delinquency rates slowly rise and reach their apex late in the fourth quarter.

Credit union loan delinquency rates are now approximately equal to the 0.75% long-run natural delinquency rate, after 6 years of below trend numbers. Five factors explain the low loan delinquency numbers of the past few years: low unemployment rates, stimulus checks, enhanced unemployment benefits, loan forbearance programs, and a rather large denominator effect due to loan balances rising faster than the dollar amount of delinquent loans.

Expect loan quality measures to deteriorate during 2024 due to higher interest rates causing repricing of adjustable-rate loans and higher loan repayments, a slowing economy leading to rising unemployment rates, the resumption of student loan payments and slower loan growth. Since the delinquency rate is a ratio its important to compare the growth rates of the numerator (dollar amount of delinquency loans) and the denominator (total loans). During the last year, the numerator increased 33.6% while the denominator rose only 7.5%. This increased the delinquency ratio 24%, from 0.62% in November 2022 to 0.77% today. The 24% growth rate can be approximated by subtracting the denominator growth rate from the numerator growth rate, (33.6% - 7.5% = 26.1%).



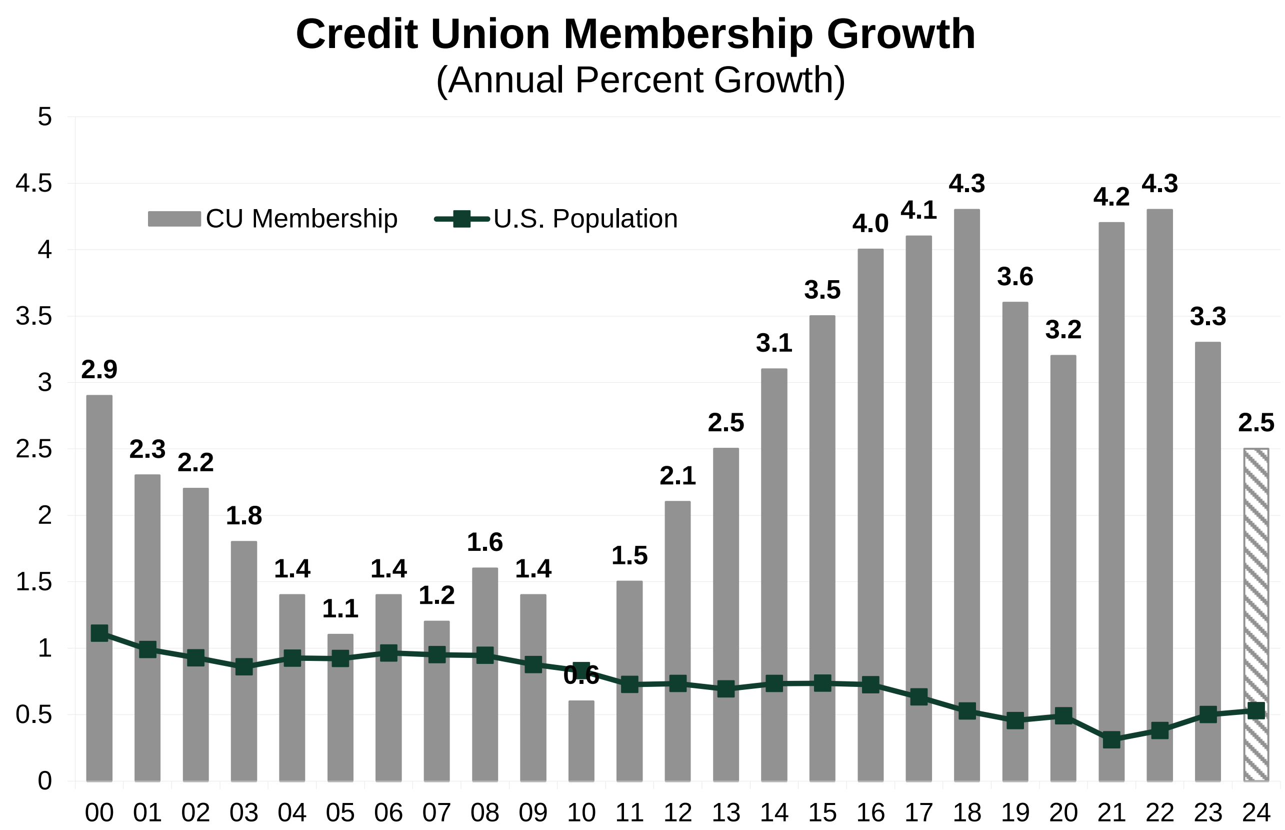
Source: CUNA Economics & Statistics and TruStage – Economics

Section eight

Credit Unions and Members

Credit union membership growth is expected to slow to 2.5% in 2023.

Credit Unions and Members



Source: CUNA Economics & Statistics and TruStage – Economics

Credit union memberships grew 256,000 in November, or 0.18%, which is above the 120,000 new members, or 0.09%, that were added in November 2022. Year-to-date, credit unions added 4.084 million new members, slower than the 5.280 million members added during a similar period in 2022. During the last 12 months, credit union memberships rose 3.3%, the slowest pace since 2020 **(see figure above)**. Credit union membership growth of 3.3% is outpacing the 0.50% growth rate of the U.S. population, indicating credit unions are increasing their market share of the financial services marketplace.

Total credit union memberships reached 141.8 million in November, 4.5 million more than November 2022. Strong credit card and home equity lending and strong job hirings are two major factors driving the rise in credit union memberships.

Job growth is a major factor determining credit union membership growth. The U.S. economy added 2.7 million jobs during 2023, according to the Bureau of Labor Statistics. For 2024, expect only 1.5 million new jobs to be created as the economy slows and the labor market reaches equilibrium. Slower job growth will weigh on membership growth while new-auto indirect lending will be a major factor supporting membership growth. We expect the pace of membership growth to fall slightly to 2.5% in 2024 while the U.S. population growth increases slightly to 0.53%.

Distribution of Credit Union Loans

Estimated $ (Billions) Outstanding

YR/MO	TOTAL LOANS	NEW AUTO	USED AUTO	TOTAL AUTO	UNSEC Ex. CC's	CREDIT CARDS	CUCIC	1st MORT. TOTAL	TOTAL OTHER MORT 2ND + HE	TOTAL REAL ESTATE	MBLs*
21 11	1,271.6	142.6	264.5	407.1	52.6	64.2	529.8	576.2	83.7	659.9	81.8
21 12	1,286.2	144.2	266.7	410.9	52.5	65.0	533.8	581.3	86.2	667.5	84.8
22 01	1,293.9	144.4	268.7	413.1	52.5	64.6	**533.6**	550.5	85.3	635.8	124.5
22 02	1,306.6	145.4	271.2	416.5	54.1	64.6	**538.7**	526.2	84.5	610.7	157.2
22 03	1,328.3	147.2	276.9	424.1	53.8	65.2	**547.3**	503.7	81.5	585.2	195.9
22 04	1,351.0	153.4	282.1	435.5	54.7	65.7	**557.8**	512.4	84.6	597.0	196.2
22 05	1,379.5	156.0	288.0	444.0	55.9	67.2	**570.5**	522.9	86.7	609.6	199.4
22 06	1,411.4	158.9	295.3	454.2	57.9	68.1	**584.3**	530.1	90.4	620.5	206.6
22 07	1,433.8	166.4	299.1	465.5	59.4	69.2	**594.9**	543.2	94.0	637.2	201.7
22 08	1,457.6	170.2	304.0	474.2	61.1	70.1	**602.6**	547.7	97.7	645.3	209.6
22 09	1,482.5	169.3	309.8	479.2	62.0	70.7	**616.2**	549.0	101.0	650.0	216.3
22 10	1,500.5	171.0	312.6	483.6	63.2	71.6	**619.1**	553.1	104.6	657.7	223.8
22 11	1,515.9	173.2	313.9	487.0	63.8	73.2	**624.5**	556.1	106.2	662.3	229.1
22 12	1,531.2	176.2	316.8	493.0	64.5	75.1	**636.8**	561.9	108.9	670.9	223.6
23 01	1,538.7	176.7	319.3	496.0	64.7	75.1	**639.6**	551.8	110.4	662.2	237.0
23 02	1,544.6	177.2	320.9	498.1	65.0	74.9	**641.0**	557.8	112.0	669.9	233.7
23 03	1,555.2	178.3	323.1	501.4	65.0	75.0	**645.0**	567.1	113.7	680.9	229.4
23 04	1,565.8	177.9	322.7	500.6	66.2	76.0	**649.3**	564.7	118.9	683.5	232.9
23 05	1,577.3	177.9	322.9	500.9	67.4	77.3	**649.6**	568.2	121.5	689.7	238.0
23 06	1,587.6	179.3	326.2	505.5	67.0	77.5	**654.2**	575.5	120.8	696.3	237.1
23 07	1,598.5	179.5	327.7	507.3	67.9	78.9	**658.2**	577.4	122.9	700.3	238.6
23 08	1,608.8	179.7	329.0	508.7	68.7	79.5	**661.3**	580.2	125.9	706.1	241.4
23 09	1,615.9	179.5	329.3	508.8	69.2	79.6	**663.9**	583.1	128.2	711.3	240.7
23 10	1,622.9	179.3	330.1	509.4	69.8	80.7	**666.1**	583.4	133.1	714.5	242.3
23 11	1,628.8	178.9	330.0	508.9	70.4	82.0	**670.5**	584.3	133.7	718.0	240.3

* Member Business Loans

CUCIC = Total Loans – Total Real Estate – MBLs CUCIC = Total Vehicle Loans + Unsecured Loans + Credit Card – 14% of MBLs

Distribution of Credit Union Loans

Percent Change From Prior Year

YR/MO	TOTAL LOANS	NEW AUTO	USED AUTO	TOTAL AUTO	UNSEC Ex. CC's	CREDIT CARDS	CUCIC	1st MORT. TOTAL	TOTAL OTHER MORT 2ND + HE	TOTAL REAL ESTATE	MBLs*
21 11	6.7	– 2.2	9.5	5.1	– 1.7	3.6	6.7	11.0	– 3.9	8.8	– 7.6
21 12	7.7	– 0.1	10.3	6.4	– 1.3	3.8	7.8	10.8	0.4	9.3	– 4.0
22 01	8.5	(0.2)	10.9	6.7	2.0	5.9	**6.5**	4.3	(0.8)	3.6	59.4
22 02	9.4	0.5	11.9	7.6	0.9	6.5	**7.4**	(0.5)	(1.0)	(0.6)	99.0
22 03	11.1	3.5	13.3	9.7	0.7	9.7	**8.8**	(5.0)	(2.5)	(4.7)	148.4
22 04	12.4	7.6	14.7	12.1	5.6	11.7	**10.3**	(4.2)	0.8	(3.5)	154.3
22 05	13.9	8.4	15.6	13.0	9.2	11.8	**10.3**	(2.7)	3.2	(1.9)	173.6
22 06	15.4	10.9	17.2	14.9	9.0	12.3	**12.5**	(2.8)	8.1	(1.3)	176.6
22 07	16.3	16.2	17.6	17.1	15.2	13.1	**15.4**	(1.2)	10.7	0.4	144.9
22 08	17.1	18.9	18.1	18.4	18.6	13.4	**15.6**	(1.4)	15.5	0.8	152.3
22 09	18.4	17.9	18.8	18.5	19.1	14.1	**18.0**	(2.3)	19.3	0.5	160.0
22 10	18.7	19.4	19.0	19.2	19.9	14.4	**18.2**	(2.2)	20.5	0.8	154.3
22 11	19.0	20.7	18.5	19.3	23.8	14.7	**17.9**	(3.1)	25.1	0.6	168.7
22 12	19.1	22.2	18.8	20.0	22.9	15.5	**19.3**	(3.3)	26.3	0.5	163.6
23 01	18.9	22.4	18.8	20.1	23.3	16.2	**19.9**	0.2	29.4	4.2	90.3
23 02	18.2	21.9	18.3	19.6	20.1	16.0	**19.0**	6.0	32.6	9.7	48.7
23 03	17.1	21.2	16.7	18.2	20.8	15.1	**17.9**	12.6	39.6	16.4	17.1
23 04	15.9	16.0	14.4	15.0	20.9	15.6	**16.4**	10.2	40.5	14.5	18.7
23 05	14.3	14.1	12.1	12.8	20.7	15.1	**13.9**	8.7	40.2	13.1	19.3
23 06	12.5	12.9	10.5	11.3	15.7	13.9	**12.0**	8.6	33.6	12.2	14.8
23 07	11.5	8.0	9.4	9.0	14.3	14.1	**10.6**	6.3	30.7	10.0	18.3
23 08	10.4	5.6	8.2	7.3	12.6	13.4	**9.7**	5.9	28.9	9.4	15.2
23 09	9.0	6.0	6.3	6.2	11.6	12.5	**7.7**	6.2	26.9	9.4	11.3
23 10	8.2	4.9	5.6	5.3	10.3	12.7	**7.6**	5.5	25.3	8.6	8.3
23 11	7.4	3.3	5.1	4.5	10.3	12.0	**7.4**	5.1	25.9	8.4	4.9

* Member Business Loans

CUCIC = Total Loans – Total Real Estate – MBLs CUCIC = Total Vehicle Loans + Unsecured Loans + Credit Card – 14% of MBLs

National Monthly Credit Union Aggregates

YR/MO	LOANS ($ Billions)	ASSETS ($ Billions)	SAVINGS ($ Billions)	CAPITAL ($ Billions)	MEMBERS (Millions)	CREDIT UNIONS	LOAN/ SAVINGS RATIO	CAPITAL/ ASSET RATIO
21 11	1,271.6	2,084.0	1,798.2	207.6	131.5	5,140	70.7	10.0
21 12	1,286.2	2,094.9	1,819.0	209.2	132.1	5,152	70.7	10.0
22 01	1,293.9	2,093.3	1,817.7	206.9	132.4	5,149	71.2	9.9
22 02	1,306.6	2,123.4	1,847.5	205.1	132.8	5,120	70.7	9.7
22 03	1,328.3	2,152.1	1,881.8	198.4	133.4	5,111	70.6	9.2
22 04	1,351.0	2,170.3	1,895.7	191.5	134.1	5,101	71.3	8.8
22 05	1,379.5	2,171.2	1,882.1	194.2	134.6	5,070	73.3	8.9
22 06	1,411.4	2,170.0	1,884.4	192.6	135.0	5,062	74.9	8.9
22 07	1,433.8	2,195.1	1,885.3	197.1	135.0	5,051	76.0	9.0
22 08	1,457.6	2,183.5	1,879.8	194.7	135.4	5,044	77.5	8.9
22 09	1,482.5	2,184.1	1,889.2	186.7	136.8	5,018	78.5	8.5
22 10	1,500.5	2,181.3	1,876.8	184.8	137.2	5,023	80.0	8.5
22 11	1,515.9	2,192.6	1,871.3	190.8	137.3	4,970	81.0	8.7
22 12	1,531.2	2,202.1	1,879.5	193.2	137.7	4,963	81.5	8.8
23 01	1,538.7	2,201.8	1,865.0	197.8	138.1	4,950	82.5	9.0
23 02	1,544.6	2,208.9	1,887.9	192.3	138.5	4,918	81.8	8.7
23 03	1,555.2	2,245.6	1,919.1	196.4	139.1	4,913	81.0	8.7
23 04	1,565.8	2,253.2	1,905.2	198.5	139.3	4,889	82.2	8.8
23 05	1,577.3	2,253.6	1,896.1	201.5	139.7	4,865	83.2	8.9
23 06	1,587.6	2,252.7	1,906.9	197.8	140.2	4,883	83.3	8.8
23 07	1,598.5	2,240.3	1,888.7	198.0	140.8	4,858	84.6	8.8
23 08	1,608.8	2,251.6	1,893.2	199.3	141.1	4,843	85.0	8.8
23 09	1,615.9	2,263.6	1,904.9	196.9	141.3	4,839	84.8	8.7
23 10	1,622.9	2,252.3	1,893.0	196.5	141.6	4,814	85.7	8.7
23 11	1,628.8	2,269.3	1,899.5	202.4	141.8	4,786	85.8	8.9

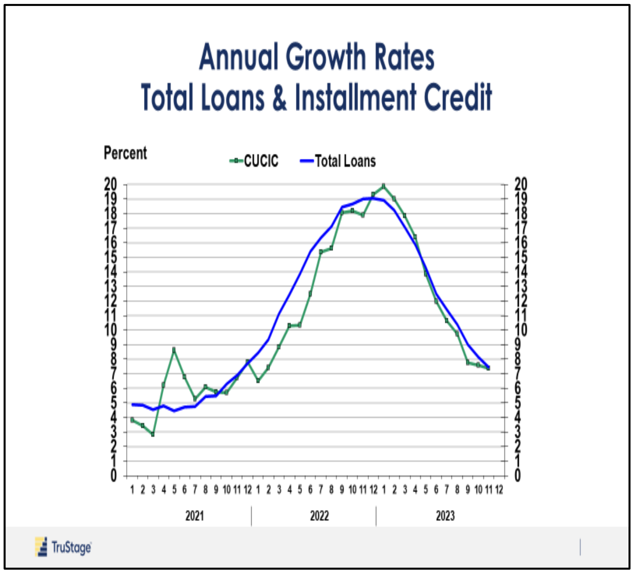
Credit Union Growth Rates

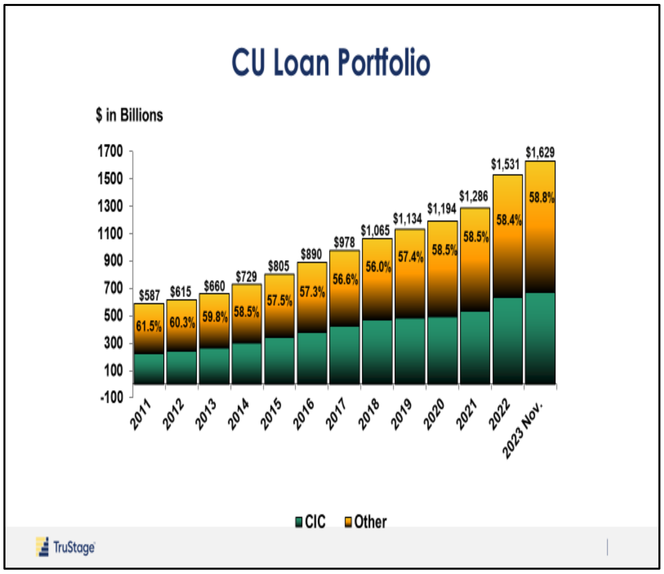
Percent Change From Prior Year

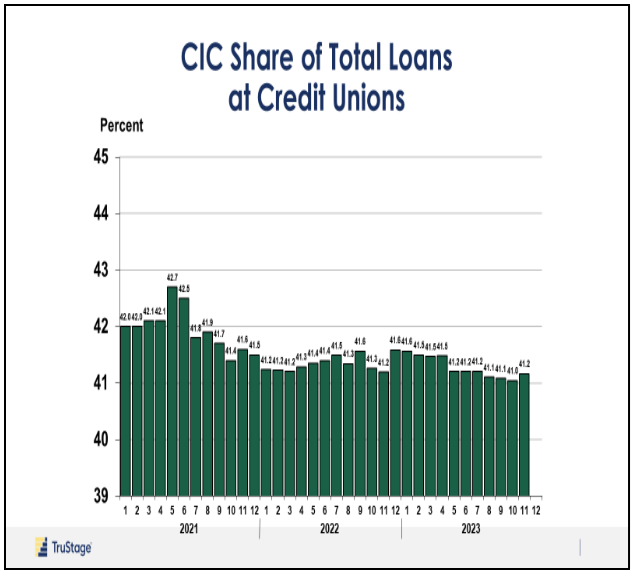
YR/MO	LOANS	ASSETS	SAVINGS	CAPITAL	MEMBERS	CREDIT UNIONS	# OF CUs DECLINE	DELINQUENCY RATE*
21 11	6.7	12.9	13.5	7.6	3.9	(3.4)	(181)	0.491%
21 12	7.7	11.7	12.6	7.8	4.2	(3.1)	(165)	0.485%
22 01	8.5	10.7	11.8	6.1	4.0	(3.2)	(169)	0.494%
22 02	9.4	10.6	11.8	5.3	4.1	(3.5)	(185)	0.461%
22 03	11.1	8.6	9.2	1.8	4.1	(3.3)	(174)	0.418%
22 04	12.4	7.8	8.2	– 3.0	4.3	(3.2)	(168)	0.443%
22 05	13.9	7.2	8.0	– 2.8	4.0	(3.4)	(176)	0.458%
22 06	15.4	7.9	8.0	– 4.6	4.1	(3.5)	(181)	0.479%
22 07	16.3	7.3	6.9	– 3.7	3.7	(3.8)	(200)	0.510%
22 08	17.1	6.6	6.5	– 5.8	3.7	(3.8)	(200)	0.515%
22 09	18.4	6.4	6.2	– 9.7	4.3	(3.6)	(186)	0.528%
22 10	18.7	5.0	4.6	– 10.6	4.5	(3.0)	(156)	0.561%
22 11	19.0	5.7	4.2	– 8.1	4.3	(3.6)	(186)	0.616%
22 12	19.1	5.1	3.3	– 7.6	4.3	(3.7)	(189)	0.612%
23 01	19.0	5.2	2.6	– 4.4	4.3	(3.9)	(221)	0.667%
23 02	18.9	4.0	2.2	– 6.2	4.3	(3.9)	(224)	0.582%
23 03	17.1	4.3	2.0	-1.0	4.3	(3.9)	(220)	0.523%
23 04	15.9	3.8	0.5	3.7	3.9	(4.2)	(212)	0.588%
23 05	14.3	3.8	0.7	3.8	3.8	(4.0)	(205)	0.594%
23 06	12.5	3.8	1.2	2.7	3.8	(3.5)	(179)	0.626%
23 07	11.4	2.1	0.2	0.5	4.3	(3.4)	(172)	0.672%
23 08	10.4	3.1	0.7	2.4	4.1	(4.0)	(201)	0.697%
23 09	9.0	3.6	0.8	5.5	3.3	(3.6)	(179)	0.716%
23 10	8.2	3.3	0.9	6.3	3.2	(4.2)	(209)	0.733%
23 11	7.4	3.5	1.5	6.1	3.3	(3.7)	(184)	0.767%

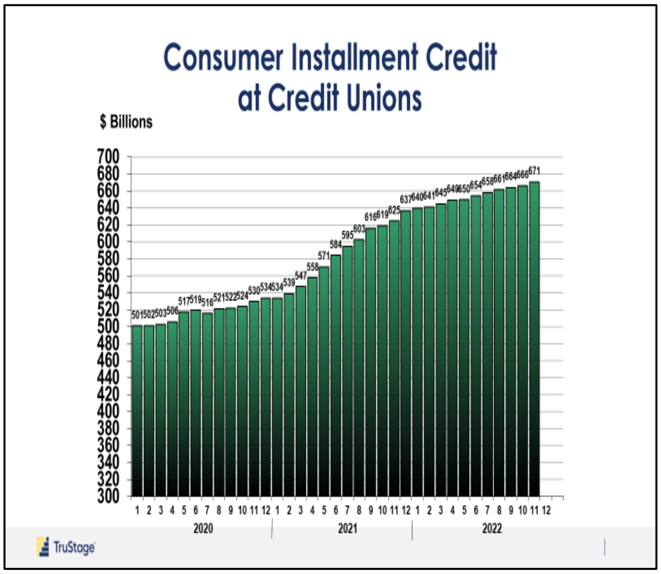
* Loans two or more months delinquent as a percent of total loans

Consumer Installment Credit









Meet Steve Rick

Steve Rick is the Chief Economist for TruStage. Rick is an economic researcher, analyst and forecaster with expertise in consumer markets and the credit union industry. His forecasts serve as a starting point for client—and firm—level strategic planning by creating a clear understanding of the underlying trends and links between the general economy, the financial services industry and the firm's clients. Rick is a member of the TruStage Financial Advisors Investment Committee that approves strategy and oversees the firm's investment operations. He is also a member of the firm's Capital Markets Committee that performs ongoing research on the global economy and financial markets and on behalf of institutional and individual investors across the country.

This report on key credit union indicators is based on data from CUNA E&S's Monthly Credit Union Estimates, the Federal Reserve Board and TruStage – Economics. To access this report on the Internet, go to www.trustage.com/cu-trends. If you have any questions, comments, or need additional information, please call or complete this form. Thank you.

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TruStage – Economics

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