

LET'S TALK ABOUT RATES

See our Rates
HERE

What is Best for Our Members?

It is no secret that interest rates have been low for several years. Not only were they low for those who have substantial deposit balances and have not earned much in dividends, but also generously low for consumers who have wanted or needed to borrow money to purchase homes, vehicles, boats, campers, or dive into remodeling projects. Many have also taken advantage of the low-rate environment to refinance existing debt. Consumers are smart and understand that rates play a part in financial decisions.

Leading a credit union, especially in a volatile rising rate environment, is no small feat. When making decisions at PCMCU, we always ask ourselves, what is in the best interest of our members?

When talking about interest rates, this is a tricky question. It is our responsibility to maintain a financially strong cooperative while providing members benefits and advantages over other financial institutions. We have solid evidence we do both. DepositAccounts.com rates us near the top 2% among credit unions nationally for financial strength. S&P Global gives us their highest rating; A+. **Callahan and Associates (see page 2)** ranks us #1 in the country for returning value back to members. This number one ranking is as of 12/31/21 and has been maintained for many years.

PCM's core structure is cooperative-based. Members' deposits are used to lend out to other members who need loans. We rely on our members for both. Our staff and Board of Directors handle all the details in between. It cannot be understated how important and appreciated it is that you choose PCM as your primary financial.

How do we make money to pay our expenses, offer great member benefits, and build reserves? There are multiple ways that a credit union generates income, but a large portion of that is when a member is granted a loan, and then repays it over time, paying interest.

Believe us, we want to pay our depositors the highest rate, and also provide the lowest loan rate to benefit our borrowers. If we offer a car loan of 2.99%, we can't offer a deposit rate of 2.99%. The math on the financial statement just doesn't add up.

Net interest margin means the difference between what is being earned on interest from loans being repaid to interest that is paid out as dividends on deposits. In a rising rate environment, this is a tricky balancing act, since many loans from the past years are still in repayment at low rates.

As your credit union, it is important that you know we do not make these decisions without a lot of research and collaborative discussion. Our leadership team is partnered with several economic advisors to provide knowledge and insight to support these types of conversations. We research our local market and know what our competitors are doing. This keeps us on our toes and can influence our decisions. But overall, we must do what is right for PCM Credit Union and OUR membership.

Our rate structure is simple and we like it that way. For collateralized loan rates we have 2 tiers for credit score, one rate package to include a large spectrum of vehicles, boats, UTVs, campers, etc. and we don't discriminate on the age of the asset, but consider value. We recently increased our basic savings rate to benefit all of our members who only need \$5 to open an account. We encourage savings habits by offering a Rewards savings program that pays 7.5%* on the first \$500 and provides a credit card option to earn up to a \$50 cash-back reward** every month. We offer our very own creative Dream Save Win prize-based savings program that gives away monthly cash prizes.

PCMCU is always competitive for both our depositors and our borrowers. We take pride in trying to balance the benefit to each of you, as you are each a very important piece of our cooperative-driven credit union.

As your trusted financial partner, your decision to do your banking with us means a lot. It is important to know that your decision to do your banking with us also means a lot to your fellow PCM Credit Union members. The credit union philosophy of "People Helping People" is a strong statement with deep meaning.

We know we are a great financial partner who continuously strives to go above and beyond. We do wonderful things for our members, and service is truly a priority. We will continue to live up to our name, People Caring More. Rates are one piece of the puzzle in financial decisions and PCM's leadership team and Board of Directors takes this very seriously. We are dedicated to providing value and always doing what is best for you and PCM Credit Union.

* www.pcmcu.org/deposits/savings-accounts/

** www.pcmcu.org/loans/credit-card/

Member NCUA. Equal Housing Opportunity. Membership eligibility required.



Callahan & Associates, founded in 1985, is a research and consulting firm who developed Return Of The Member (ROM) over twenty years ago to help credit unions quantify member value and measure their impact to members.

What is **Return of the Member (ROM) Score?**

- ROM is a score that measures how much we give back to our members in three key areas:
 - Return to savers
 - Return to borrowers
 - Member service

Our ROM score ranking is a reflection of our “People Caring More” Philosophy

PCM Credit Union ranks:

1st of all credit unions in the nation between **\$250M and \$500M in asset size**

2nd in the State of Wisconsin for all asset sizes

8th in the nation for all assets sizes

Return to Savers:

- We pay competitive, high rates on deposit accounts.

Dividends paid as a percentage of income was 13.67% and 0.55% as a percentage of assets –both more than double the peer average, placing us in the 90th percentile.

Return to Borrowers:

- We offer competitive, low loan rates.

Average yield on loans was 3.57%, compared to our peers’ average yield of 4.34%.

- We utilize members’ deposits to lend to other members.

Our loan to deposit ratio was 83.69% compared to the peer average of 64.43%.

Member Service:

- We are **proud** of our low to no fee philosophy.
- We answer every phone call and provide care and compassion with every interaction.

Doing what is best for our members is a part of every conversation and always a priority.

We’re investing in You ... Growing Together!