SECU Salary Advance Program

- Maximum Amount $500
- Maximum Term 31 Days
- Line of Credit (one time set up!)
- Requires SECU Checking Account
- Requires Direct Deposit at SECU
- Breathing, Not Under Bankruptcy
- Interest Rate 12.00% APR (1% per month!)
- Mandatory Savings (5% of borrowing)
### SECU Salary Advance Program

#### Basic Economics

<table>
<thead>
<tr>
<th></th>
<th>SECU Actual</th>
<th>Bank/Credit Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>12.00%</td>
<td>18.00%</td>
</tr>
<tr>
<td>(Loan Losses)</td>
<td>(.25)%</td>
<td>(5.00)%</td>
</tr>
<tr>
<td></td>
<td>11.75%</td>
<td>13.00%</td>
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<tr>
<td>(Cost of Funds)</td>
<td>(4.00)%</td>
<td>(4.00)%</td>
</tr>
<tr>
<td></td>
<td>7.75%</td>
<td>9.00%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>(2.00)%</td>
<td>(3.00)%</td>
</tr>
<tr>
<td>Before Tax Earnings</td>
<td>5.75%</td>
<td>6.00%</td>
</tr>
</tbody>
</table>

...What other products give you a 6.00% pretax ROA or a 75% pretax ROE (8% capital rate)?
Let’s calculate that difference…

- **Payday Lender**
  - $15 per hundred borrowed or $75 fee on a $500 loan for 1 month.

- **SECU**
  - 1% of amount borrowed or $5 in interest on a $500 loan for 1 month.

- **50,000 SECU members** use the salary advance loan each and every month.

- **Each member “saves” $70 each month** (theirs $75 – ours $5!).

- **Monthly savings:** $70 x 50,000 people = $3.5 million.

- **Yearly savings:** $3.5 million x 12 months = **$42 million.**

- **SECU members have $15+ million in savings with the Credit Union.**

We see the world differently!