

DATA DISPATCH

Mortgage rates at credit unions, community banks rise in H1

Monday, July 11, 2022 10:23 AM ET

By Vaibhav Chakraborty and Xylex Mangulabnan
Market Intelligence

The median interest rates offered by community banks and credit unions rose in the first half of 2022 amid the Federal Reserve's effort to tame inflation via monetary policy tightening.

Rate hikes on 15-year and 30-year fixed mortgages offered by community banks and credit unions were higher than rate hikes on other products, such as new auto loans, used auto loans, and home equity lines of credit, according to the S&P Global Market Intelligence data.

About this analysis

Community banks include operating U.S. commercial banks, savings banks, and savings and loan associations below \$10 billion in total assets as of March 31, 2022. The middle-tier and ultimate parent must also be below \$10 billion in assets for the most recent quarter reported. Nondepository trusts and banks with a foreign banking organization charter are excluded.

Credit unions include operating U.S. credit unions below \$10 billion in total assets as of March 31, 2022.

Analysis limited to companies with loan-to-deposit ratios greater than 40%.

Mixed trends

Credit unions continued to offer lower rates on auto loans in the first half of the year compared to community banks. Median interest rates on auto loans offered by community banks returned to their 2020 levels, up from their 2021 sector medians.

The credit union median interest rate was 2.99% for both new and used car loans on July 1, compared to 2.79% for 60-month new-car loans and 2.74% for 36-month used-auto loans on July 2, 2021.

Meanwhile, community banks and credit unions offered identical median interest rates on 15-year fixed-rate mortgages through the first half of the year at 4.88%. For 30-year fixed-rate mortgages, community banks offered a median 5.50%, compared to 5.63% at credit unions.

For 2021, both community banks and credit unions offered median 15-year and 30-year fixed-rate mortgages of 2.50% and 3.13%, respectively. In 2020, community banks and credit unions offered an identical 3.38% on 30-year fixed-rate mortgages, but credit unions offered a median 2.88% on 15-year fixed-rate mortgages, compared to 3.00% at community banks.

Median interest rates offered by community banks and credit unions (%)

Loan products	2020		2021		2022	
	Community banks	Credit unions	Community banks	Credit unions	Community banks	Credit unions
60-month new-car loan (\$25,000)	4.75	3.24	4.50	2.79	4.75	2.99
36-month used-car loan (\$15,000)	4.99	3.09	4.95	2.74	4.99	2.99
Home equity lines of credit	4.00	4.00	4.00	3.75	4.50	4.25
Credit card rewards	13.99	9.90	14.49	9.95	14.74	10.24
15-year fixed mortgage	3.00	2.88	2.50	2.50	4.88	4.88
30-year fixed mortgage	3.38	3.38	3.13	3.13	5.50	5.63

Data compiled July 7, 2022.

Community banks include operating U.S. commercial banks, savings banks, and savings and loan associations below \$10 billion in total assets as of March 31, 2022. The middle-tier and ultimate parent must also be below \$10 billion in assets for the most recent quarter reported. Nondepository trusts and banks with a foreign banking organization charter are excluded.

Credit unions include operating U.S. credit unions below \$10 billion in total assets as of March 31, 2022.

Analysis limited to companies with a loans-to-deposits ratio greater than 40%.

The displayed rates are the medians of the rates offered by commercial banks, savings banks, savings and loans associations, and credit unions covered by S&P Global Market Intelligence. The medians are calculated as of July 3 for 2020, July 2 for 2021, and July 1 for 2022.

Source: S&P Global Market Intelligence

Mid-Atlantic and Midwest lead the way

Community banks and credit unions in the Mid-Atlantic and Midwest regions offered some of the highest interest rates on fixed-rate mortgage products through the first half of the year, compared to rates in the Northeast, Southeast, Southwest and West regions.

The median interest rates offered on 15-year fixed-rate mortgages in the Mid-Atlantic region were 4.88% and 4.86% at community banks and credit unions, respectively. For 30-year fixed-rate mortgages, Mid-Atlantic credit unions and community banks both offered a median rate of 5.50% during the first half of the

year.



***View U.S. industry data for commercial banks, savings banks, and savings and loan associations.**
***Click here for a template on depository interest rates by region.**

In the Midwest, community banks offered median interest rates of 4.48% and 5.50% for 15-year and 30-year fixed-rate mortgages, respectively, during the first half. Midwest credit unions offered rates of 5.00% and 5.63% for 15-year and 30-year fixed-rate mortgages, respectively, over the same time period.

Median interest rates offered by community banks and credit unions per region (%)

	60-month new-car loan (\$25,000)	36-month used-car loan (\$15,000)	Home equity lines of credit	Credit card rewards	15-year fixed mortgage	30-year fixed mortgage
Community banks						
Mid-Atlantic	4.60	5.00	4.25	14.74	4.88	5.50
Midwest	4.54	4.75	4.50	14.90	4.88	5.50
Northeast	4.44	4.99	4.00	15.99	4.57	5.38
Southeast	5.00	5.36	4.25	11.50	4.75	5.49
Southwest	5.00	5.30	4.75	15.24	4.68	5.38
West	4.50	4.89	4.75	15.24	4.88	5.44
Credit unions						
Mid-Atlantic	2.99	2.99	4.00	9.99	4.86	5.50
Midwest	3.00	2.99	4.00	10.24	5.00	5.63
Northeast	3.09	2.99	4.00	12.00	4.75	5.50
Southeast	2.99	2.75	4.00	10.15	4.75	5.50
Southwest	3.00	2.99	4.50	9.99	4.75	5.50
West	2.99	2.90	4.74	10.25	4.75	5.63

Data compiled July 7, 2022.
 Community banks include operating U.S. commercial banks, savings banks, and savings and loan associations below \$10 billion in total assets as of March 31, 2022. The middle-tier and ultimate parent must also be below \$10 billion in assets for the most recent quarter reported. Nondepository trusts and banks with a foreign banking organization charter are excluded. Credit unions include operating U.S. credit unions below \$10 billion in total assets as of March 31, 2022. Analysis limited to companies with a loans-to-deposits ratio greater than 40%. The displayed rates are the medians of the rates offered by commercial banks, savings banks, savings and loans associations, and credit unions per region covered by S&P Global Market Intelligence. The medians are calculated based on the current interest rates for the week ended July 1, 2022. Banks are assigned regions based on headquarters. Source: S&P Global Market Intelligence

Interest rates at top community banks and credit unions by total loans and leases

As of March 31, Souderton, Pa.-based Univest Bank and Trust Co. offered the highest interest rate for 60-month new-car loans at 8.0%. Among credit unions in the category, North Liberty, Iowa-based GreenState CU offered the highest rate for the same segment at 4.95%. The national average rate among community banks and credit unions for new-car loans as of March 31 was 4.30%.

Chubbuck, Idaho-based Idaho Central CU offered the highest interest rate for 15-year fixed-rate mortgages among the top credit unions at 5.13%. Among the top community banks, Youngstown, Ohio-based Premier Bank offered the highest 15-year fixed-rate mortgage at 5.13%, as of March 31.

Average US rates at community banks and credit unions

Ranked by total loans and leases, net of PPP loans, as of March 31, 2022

Company	City, state	Total loans and leases, net of PPP (\$B)	60-month new-car loan, \$25,000 (%)	36-month used-car loan, \$15,000 (%)	Home equity lines of credit (%)	Credit card rewards (%)	15-year fixed mortgage (%)	30-year fixed mortgage (%)
Community banks								
Merchants Bank of Indiana	Carmel, IN	8.39	4.99	6.00	3.50	NA	4.50	5.25
Capitol Federal Savings Bank	Topeka, KS	7.12	4.32	3.88	5.25	NA	4.75	5.50
ConnectOne Bank	Englewood Cliffs, NJ	6.93	6.75	7.00	4.50	9.99	4.88	5.25
S&T Bank	Indiana, PA	6.92	5.10	5.24	4.00	15.99	4.88	5.75
Columbia Bank	Fair Lawn, NJ	6.30	4.88	4.98	4.75	NA	4.25	4.88
HomeStreet Bank	Seattle, WA	5.93	4.33	4.30	4.24	15.99	4.24	5.03
Amerant Bank NA	Coral Gables, FL	5.72	3.25	3.74	3.75	NA	4.88	5.00
Midland States Bank	Effingham, IL	5.53	3.95	4.10	3.90	NA	4.15	4.95
Premier Bank	Youngstown, OH	5.52	3.94	3.94	4.75	NA	5.13	5.88
Univest Bank and Trust Co.	Souderton, PA	5.41	8.00	9.00	4.75	15.99	4.38	5.25
Credit unions								
GreenState CU	North Liberty, IA	8.33	4.95	5.05	NA	13.90	4.63	5.38
Digital Federal CU	Marlborough, MA	8.01	3.24	3.24	4.50	12.00	4.88	5.75
Ent CU	Colorado Springs, CO	6.99	3.74	3.74	4.25	13.49	4.88	5.38
Idaho Central CU	Chubbuck, ID	6.92	3.69	3.64	4.75	10.24	5.13	6.00
Logix Federal CU	Valencia, CA	5.93	3.87	3.49	5.50	13.49	5.00	5.63
Police and Fire Federal CU	Philadelphia, PA	5.91	3.24	3.24	3.50	9.90	4.88	5.75
Patelco CU	Dublin, CA	5.81	3.49	3.59	4.50	8.40	4.88	5.75
Pennsylvania State Employees CU	Harrisburg, PA	5.66	3.24	2.74	4.00	13.15	4.88	5.88
Eastman CU	Kingsport, TN	5.64	2.45	2.65	NA	12.90	5.00	5.50
Bellco CU	Greenwood Village, CO	5.36	3.49	3.49	3.75	12.25	4.63	5.50
National average*			4.30	4.48	4.87	14.07	4.78	5.51

Data compiled July 7, 2022.

PPP = Paycheck Protection Program; NA = not available

Community banks include operating U.S. commercial banks, savings banks, and savings and loan associations below \$10 billion in total assets as of March 31, 2022. The middle-tier and ultimate parent must also be below \$10 billion in assets for the most recent quarter reported. Nondepository trusts and banks with a foreign banking organization charter are excluded.

Credit unions include operating U.S. credit unions below \$10 billion in total assets as of March 31, 2022.

Analysis limited to companies with rate data available for at least five of the six products shown and with a loans-to-deposits ratio greater than 40%.

* All banks, thrifts and credit unions are included in the national average.

Loans and leases, net of PPP loans, are based on regulatory filings as of March 31, 2022.

Source: S&P Global Market Intelligence

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.