

Credit Union Trends Report

Executive Summary December 2025

TruStage's Chief Economist, Steven Rick, shares trends of lending volume and credit quality. Additional highlights this month include:

Economy

- We expect real GDP to expand 2.4% in 2026, below the 2.8% pace set in 2025, but above the 2% long run trend growth rate.
- Inflation is expected to be 2.5% in 2026, only falling slightly from the 2.7% pace set in 2025.
- The unemployment rate is expected to rise to 4.6% by the end of 2026.
- We expect the Federal Reserve to lower the Federal Funds interest rate by 25 to 50 basis points in 2026.
- Expect long term interest rates, the 10-year Treasury yield, to rise to and then remain around 4.2% in 2026, due to a significant fiscal deficit of over \$2 trillion.

Lending

- As short-term interest rates fall another 50 basis points in 2026, and auto loan repayments from the 2022 auto loan boom slow, we are forecasting credit union loan growth to rise to 5.5% in 2026, and 6.5% in 2027.
- Expect growth in consumer credit to rise in 2026 due to modest job growth, financial markets deregulation and falling interest rates.
- Expect new vehicle sales to fall 1% in 2026 compared to 2025, due to tariff-driven rising auto prices, rising labor market risks, and less than average stock market returns.
- House price appreciation is expected to decelerate to 1% in 2026 and decline in real (inflation adjusted) terms given the imbalance between median house prices and median incomes.

Members/Assets

- We expect credit union savings balances to rise 6% in 2026, below the 7% long run average but better than the 5% reported in 2025, due to rising consumers' real incomes, a rise in the personal savings rate (personal savings as a percentage of disposable personal income), and more competitive credit union deposit interest rates.
- We expect funding costs to fall in 2026 as the Federal Reserve lowers the fed funds interest rates 0.25% to 0.50%.
- Forecast for credit union savings balances to rise 6% in 2026, below the 7% long run average but better than the 5% reported in 2025, due to rising consumers' real incomes, a rise in the personal savings rate (personal savings as a percentage of disposable personal income), and more competitive credit union deposit interest rates.

[View full CU Trends Report for December](#)

[Insurance | Financial Services](#)