



The Credit Union That Is Different . . . On Purpose!

# C U NOTES

Your Shares Are Federally Insured To At Least \$250,000

December 31, 2024

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

## DIVIDENDS ANNOUNCED FOR FOURTH QUARTER OF 2024

One of the primary goals set by your Board of Directors is to continue increasing dividend rates for our depositors. We've focused our efforts on this goal for nearly three years and it has been paying off. Our success in growing dividends continues into the fourth quarter. Our dividend rate on amounts on deposits over \$20,000 are climbing at a remarkable rate. In addition, members who are willing to commit to longer-term, timed deposits can purchase share certificates of deposit. Members can check for the current rate and terms by visiting [KTFCU.org](http://KTFCU.org).

The table below will show members that regular share rates, which offer immediate, on-demand access to depositors have grown steadily through 2024. Shares in an IRA account and all regular shares in excess of \$20,000 earned a dividend at the rate of **2.80% APY** for the period from October 1, 2024, to December 31, 2024. Shares below \$20,000 will continue to earn a dividend at **0.10% APY**. Shares in the NCUA insured 457(b) tax shelter accounts also earned a dividend of **2.80% APY**. We encourage members to be aware that except in certificates of deposits and funds in an escrow account to pay property insurance and taxes, all shares are available for immediate withdrawal.

### EVEN WE WERE SURPRISED!

We were caught off guard by the overwhelming response to our Pumpkin Spice Loan offer made in the September 30th newsletter. Hundreds of members quickly accepted the seasonal offer made at the beginning of the shopping season. (OK, seven members but we're rounding up here!)

Our Post Christmas Shopping Blues Loan carries a similar loan offer. If you over indulged in generosity this past season, consider this way to deal with those bulging credit card balances that carry the usual extremely high interest and other charges. With a bit of belt tightening, you can pay off those balances before next Christmas strikes! A lower interest rate will help you in that goal. If you are reading this newsletter, you're already part of the way there.

### IT'S US AGAINST THEM!

We are talking about those computers. Ever since mankind has built the first computer, there has been an ongoing struggle for dominance. Your credit union staff has just finished a rather harsh struggle in this final quarter of 2024. First, our phone service was being phased out of support by the vendor. Clearly, a phone service to bind our several locations and the members together will require computerized components. After frustrations that we hope were minimal to members, the phone system is serving its purposes on an acceptable level.

We have new security requirements to defend against crooks and scam artists. There are continuously increasing requirements to report to governmental agencies. We see ongoing expanded use of online services by members. These many new requirements to meet the always changing demands brought on another major upgrade at the beginning of the quarter of our accounting system.

With the help, patience, and support of members, we will continue the battle.

	1st Quarter 2024	2nd Quarter 2024	3rd Quarter 2024	2024 Quarter 2024	Yearly Average APY
Credit Union Premium Shares	2.55%	2.65%	2.75%	<b>2.80%</b>	2.69%
Credit Union IRA	2.55%	2.65%	2.75%	<b>2.80%</b>	2.69%
Bank 6 Month CD*	1.46%	1.52%	1.81%	<b>1.81%</b>	1.65%
Bank 1 Year CD*	1.86%	1.81%	1.86%	<b>1.88%</b>	1.85%

*(Rates are as of first of each quarter.)*

*The APY rate printed on your statement is the composite of your share deposit yields as described above.*

*\*Published by [www.fdic.gov](http://www.fdic.gov)*

### UNCERTAIN TIMES AHEAD?

Changes in government. Middle East governments ending and power vacuums. New alignments of unfriendly countries. Old allies less reliable. New allies untested. Nations emerging or ending. Possible end of the dollar. Bitcoin. On line security. The list could go on. And few of the uncertainties are comforting.

What is an intelligent plan when times are uncertain? Our opinion is to reduce or eliminate unsustainable debts. We recommend that members take an inventory of debts and set a plan in motion to reduce or eliminate them. Our best advice is to take steps to pay off in full the smallest debts. Then the next big step is to build a contingency fund. Having some money available can make a major difference when that unexpected event occurs.

Knoxville Teachers Federal Credit Union is the traditional place for teachers to visit to begin the process of debt reduction as well as a useful place to have that ready money in your contingency fund.

Serving School Employees Since 1932

## KNOXVILLE TEACHERS FEDERAL CREDIT UNION

**East/Downtown**  
711 N. Hall of Fame Dr.  
Knoxville, TN 37917  
(865) 582-2700

**Farragut Office**  
147 West End Ave.  
Knoxville, TN 37934  
(865) 582-2701

**North Office**  
108 Hillcrest Dr.  
Knoxville, TN 37918  
(865) 582-2702

**Powell Office**  
7315-C Clinton Hwy.  
Powell, TN 37849  
(865) 582-2703

**South Office**  
7359 Chapman Hwy.  
Knoxville, TN 37920  
(865) 582-2704

**Halls Office**  
6925 E Maynardville Hwy.  
Knoxville, TN 37918  
(865) 582-2706

**Bearden Office**  
410 Montbrook Ln.  
Knoxville, TN 37919  
(865) 582-2707

**Oak Ridge Office**  
304 New York Ave.  
Oak Ridge, TN 37831  
(865) 582-2710

**Clinton Office**  
125 Leinart St.  
Clinton, TN 37716  
(865) 582-2705

All locations are open 9-5 weekdays,  
except January 1 (New Year's Day) and  
January 20 (Martin Luther King, Jr. Day)

**Virtual Branch - <https://ktfcu.org>  
24-Hour Telephone Teller - (865) 582-2800**

## ANNUAL ANNOUNCEMENTS

**Dividend income** will be documented by mailing of Form 1099INT since dividends from your credit union are taxable. IRS does not require documentation by you or the payer of dividends in amounts of less than \$10. This and the real estate interest form 1098 will be mailed by or before January 31.

**Real estate interest** is deductible on your IRS report if you itemize. If you have a loan secured by residential real estate with Knoxville Teachers Federal Credit Union, you can expect a separate mailing of Form 1098 to provide you with your tax information and documentation of interest paid during 2024. No such report will be sent in cases in which the interest amounts to less than \$600 for the year even though it can be deducted.

**IRA account transactions** and yields for 2024 are reported on your December 31, 2024 statement. (Reminder: any current contribution in a nondeductible IRA must be accompanied by Form 8606 when you file your 2024 IRS report. This is an annual requirement covering current and all past contributions. This reporting is not required for Roth IRAs.) If you made withdrawals from an IRA in 2024, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$7000 for 2024 until April 15, 2025. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2024 will be reported to you on a form 5498 that will be sent to you in May, 2025, to allow us to include any additions you may have made up until the time you file your 2024 IRS tax return. This form is for your records and is not required for your tax return.)

**Deferred Compensation (457)** account participants who made withdrawals from their DCP 457 account in 2024 will receive a 1099R tax form by the end of January.

**The Annual Meeting** of members will be held at 5:30 pm on February 13, 2024 at the credit union office at 711 N. Hall of Fame, Knoxville, Tennessee, 37917. This will be an in-person meeting. This is a meeting of members and is a requirement of the National Credit Union Act. The items on the agenda are routine to conduct the required business of the credit union. No other matters are expected to come before the membership for action.

In the event of weather or other conditions that require the meeting to be postponed, it will be held in the same location and time on February 27, 2025. If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

**The financial report** for 2024 will be included in the report for March 31, 2025.

**Our snow policy** continues to be pretty simple. If schools are closed for the safety of students and teachers, we assume our owners (teachers and other school employees) want the same safety for their credit union employees. We do have one small difference. We know that there are days when school must be canceled for snow or other reasons and then conditions improve and traffic can move with safety. When this happens, our credit union staff normally attempts to open as many of the locations as possible to serve members. We urge you to call before you start out for one of our offices on a day when schools around the greater Knoxville area have been canceled. We will try to be present to serve you.

## DEBT: A BLACK HOLE

Many economists have expressed concern about the national debt level and the rate of the growth of that debt. Of greater concern to some is the level of personal debt owed by U.S. citizens and the growth of that level of debt since the Covid crisis. If you have been a part of that trend, you may now find yourself wondering if there is a way out of this debt bondage. Of course there is but it carries an abrasive set of financial pain.

Americans are innovated. They find ways. Taking a part time extra job is one method some folks have accepted. stopping the use of credit cards cold turkey is another, but not likely during a time we have just passed through the holiday season. (Why do we go crazy in the fall? Don't blame it on pumpkin spice or eggnog.) Bankruptcy is not only unpleasant but it carries another set of costs.

Some have explored the offers from credit card companies themselves. There are offers aplenty of 18 to 21 months of interest free consolidation lending by transferring existing debt to a new credit card. A period of time in which all of any payment goes to reduction of the total debt has some appeal. There are some under advertised provisions such as a fee of a percentage of the amount transferred. Some up to 5% of the amount transferred. The motivation for the credit card offering is that fee and the almost certain debt remaining after the interest free period. Just do the math to be certain this is a logical path for you.

Knoxville Teachers Federal Credit Union continues the mantra of early days of credit unions. "Not for profit. Not for charity. But for service." We do modestly claim that we have assisted many members over the years to achieve freedom from debt bondage. We cannot do it alone. But we can assist a determined and self disciplined member to be able to say finally, "Free at last. Free at last. Thank God Almighty, free at last." If you would like to try this way out, gather up your debts and expenses and come in to talk.

## ELECTORAL COLLEGE DISAPPOINTS AGAIN!

We were disappointed that, once again, the Electoral College was not invited to play in a bowl game. Keep the faith.