



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

C U NOTES

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

June 30, 2013

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR SECOND QUARTER OF 2013 ANNOUNCED

Yields on saved money continue to be at record low levels. While the yields are small, we continue to pay a dividend in excess of yields available elsewhere, unless it's accompanied by an element of risk not associated with your shares in Knoxville Teachers Federal Credit Union. We repeat our previous position statement that we do not know when yields will return to "normal." Meanwhile, Knoxville Teachers Federal Credit Union paid a dividend on all IRA deposits and on all other deposits (including checking accounts) in excess of \$4,000 at a rate of **0.50% APY**. Funds under \$4,000 received a dividend of 0.15% APY. Dividends paid are added to your savings balance. Dividends on checking accounts are paid and immediately transferred to savings to assist members who are faithful in balancing their checking accounts.

FANG FOUND US - HAVE YOU?

Our proof reader's loyal seeing eye dog was confused by our recent move from World Headquarters of Knoxville Teachers Federal Credit Union to 711 N. Hall of Fame. As a result, this edition of NOTES may contain more than the usual typos and errors. Fang, our proofreader's seeing eye dog, took our proofreader to the previous location. Little wonder since we had been in that location for most of our 81 years of operation.

In fact, some of our members have confessed that they had first gone to the old location by habit. Even some staff members who assisted in moving furniture and equipment have acknowledged that they have done the "auto-pilot" thing and arrived a bit late with a sheepish grin.

It takes a while following a move. The longer in the previous location, the more adjustment is needed. We have just about completed the unpacking and are settling in to the Hall of Fame location. Fortunately, members who have traditionally utilized one of the other ten locations were not inconvenienced. The hours that our "on line" connection was interrupted were minimized as much as possible.

We believe that Fang and our members will find that this new location will have some advantages that will become more obvious as time passes. A nearby interstate exit is only one of those advantages even though Fang avoids all high speed routes.

STILL TRYING TO BE DIFFERENT

Kermit the Frog confided to us that it was hard being green. We can also attest that it is hard to be different and we've worked at it for years. Knoxville Teachers Federal Credit Union has – and continues – to work at being what teachers and other school employees have let us know that they need even though it was quite different. In fact, since this credit union is owned by those very folks, it is only logical that this credit union has developed in a way that helps to shelter members from the "cookie cutter" approach to service.

However, we must announce that our margin of dif-

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	3rd Quarter 2012	4th Quarter 2012	1st Quarter 2013	2nd Quarter 2013	Yearly Average APY
Credit Union Premium Shares	0.5%	0.5%	0.5%	0.5%	0.5%
Credit Union IRA	0.5%	0.5%	0.5%	0.5%	0.5%
Bank 6 Month CD*	0.19%	0.18%	0.17%	0.17%	0.18%
Bank 1 Year CD*	0.3%	0.27%	0.26%	0.26%	0.27%

(Rates are as of first of each quarter.)

The yield rate printed on your statement is the composite rate of your first \$4,000 and the remainder of your share deposit.

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ference is being steadily reduced. This is not by the choice of your management or officers. This drift toward dismal uniformity is brought to you by the apparent goal of making everyone equal. We have never believed that teachers should be treated any way but the best and best isn't "equal." This is only one of the reasons that officers have been reluctant to convert to a "community credit union."

Most of the various federal agencies that were blamed, rightly or wrongly, for the current deep and dirty economic conditions have responded in a way typical of bureaucracies. You've seen it before. There is a rush to display a tightening of the controls and standards. Less room is left for the unique or special. The innocents are punished while the search goes on for the guilty. It usually continues until a new issue or crisis causes memories to fade.

Your credit Union has experienced all of those reactions and more. As a result, the flexibility and difference of the past has been severely restricted. This is to assure members that we continue to try to operate your credit union for you and with your needs as the primary guide but we must ask members to understand that, through no fault of our own, many decisions are simply out of our hands and are being dictated to us by regulation. It's hard being green and even harder to be different.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

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

Farragut Office
147 West End Avenue
Knoxville, TN 37934
(865) 582-2701

North Office
108 Hillcrest Drive
Knoxville, TN 37918
(865) 582-2702

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

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

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

All locations are open 9-5 weekdays,
except July 4th (Independence Day),

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

South Office
203 E. Moody Ave
Knoxville, TN 37920
(865) 582-2704

Halls Office
3722 Cunningham Rd
Knoxville, TN 37918
(865) 582-2706

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

Carter Office
8709 Strawberry Plains Pk.
Knoxville, TN 37924
(865) 582-2708

Anderson Co. Courthouse
100 N. Main St, Room 123
Clinton, TN 37716
(865) 582-2709
(10 - 4:30, Mon - Fri)

ARE YOU GETTING ALL YOU ARE DUE?

Membership in any organization normally has benefits. Often members of any organization will not take advantage of all benefits. It is true of membership in Knoxville Teachers Federal Credit Union. Some members fail to get all they are due just because they don't know about a benefit or just haven't considered it for personal use. Some of the several benefits of membership in Knoxville Teachers Federal Credit Union are...

Dividends: Your share deposit is actually an investment in an enterprise. You are due to be paid a dividend when there are profits. Even at the current record low rates, dividends paid by Knoxville Teachers Federal Credit Union are better than a saver is receiving from banking institutions on long term certificates of deposit. And we have never failed to pay a dividend for over seventy-five years.

Checking accounts: Most "free" checking accounts are "free" until you cross some carefully laid line. A Knoxville Teachers Federal Credit Union checking account is not advertised as free but we simply do not use these accounts as a source of profit. We do not charge a monthly fee nor a per check fee. About the only time a member is charged for anything is when the member has caused an expense for the credit union. We think it is only fair that members who issue a check with insufficient funds to pay the check should reimburse the credit union for the cost. The cost to the credit union is about \$10 per item. So, that is what we ask for when that happens. (See next related item.)

Overdraft protection: Most members who open a checking account can qualify for an overdraft protection cushion. It is called an overdraft protection loan. It is a pretty simple idea and not one of those "courtesy" overdraft deals offered at most financial institutions. Your credit union will make every effort to clear as many checks as your checking and/or share balances will cover. Then, the small overdraft protec-

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tion loan is used to cover any other check. Of course, sometimes, even these systems are overcome and we must return a check for "insufficient funds." What is the cost for an overdraft protection loan? Nothing unless you use the amount set aside by the loan. Even then you pay only the interest on the loan until you are able to make things right. (We would urge you to do that as soon as you discover you have overdrawn.)

Bill payer: Many members have moved beyond writing checks to pay bills and have gone electronic. Some prefer to allow or authorize the payee to present an item for collection right out of your checking account. It is easy and convenient and you don't have to remember to pay your monthly bills. All you have to do is be sure the money is on deposit. Other members prefer to control the amount and when a bill is to be paid. We provide a bill payer that is available to members at no charge for the service. So it's free? No, it has a cost but the credit union does not pass that charge on to members. The cost is absorbed into the operational cost of the credit union as all other benefits.

24 Hour Teller: No, we don't make one of our staff stay up at night. But, members can check balances and activity, as well as move funds and many other things by using our 24 Hour Teller. Many members benefit from this while others prefer to avoid interacting with a phone key pad. Again, this service does not carry a user fee.

Virtual Branch: Most financial institutions provide a web site and so do we. We strive to maintain the web connection in an easy-to-use format. It is safe and password protected. Try it at www.KTFCU.org. If it is not easy to find your way around the site, give us a call for a guided tour.

Eleven "Walk In" Sites: For a credit union with only 7,500 members, eleven locations is extremely rare. These are not the palatial branch offices that most banks and credit unions provide. We have tried to place small offices in convenient areas. The locations are all in Knox and Anderson County. You will find the specific location in the masthead of this newsletter.

ATM Access: You can access cash from ATMs. By now, most understand that the owner of the ATM may charge a fee. Members in the East Tennessee area can use Easy Street machines provided by many credit unions at no charge. You can access cash worldwide, with the exception of a few high-fraud eastern European countries. We recommend you let us know your international travel plans so we can ensure smooth access to your account. If KTFCU members are charged a fee, all charges up to \$8 per month are reimbursed by a deposit to shares at the end of each month.

Talk: How will that help? Yes, "talk" is cheap but sometimes a conversation with a loan officer can help you make sound decisions. We are willing to hold discussions with members on financial matters. We don't hold ourselves out as financial planners but we can talk, at least.

Tax Shelter: We provide safe, insured tax shelters. We have IRAs, Roth IRAs, and a Deferred Compensation Plan 457(b). IRAs are open to all who are working. The DCP 457(b) plan is currently open only to Knox County and Clinton City School employees. Oak Ridge Schools employees may be eligible soon. That system administration's decision is pending.

Family Services: All of the services above are available to members' families if they have good character and reasonably good credit. Being a member of Knoxville Teachers Federal Credit Union has real member benefits.