



The Credit Union That Is High in Sodium!

C U NOTES

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

June 30, 2015

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

FINALLY, AN INCREASE IN DIVIDENDS!

For the first time in too many quarters, we are able to announce that your Board of Directors have been able to increase the dividends paid to saving members of Knoxville Teachers Federal Credit Union. The rate paid from April 1 to June 30, 2015 is **.55% APY**. This increased rate is being paid on *all* IRA savings and all other balances in regular shares and share drafts over \$4,000. Deposits in those accounts below \$4,000 will continue to earn .15% APY. Deposits in your Knoxville Teachers Federal Credit Union DCP 457(b) will also continue to earn the premium rates of the past several quarters. We agree the increase is small, but it goes completely against the tide. Rates paid by banks and other institutions on certificates of deposit (CDs) still languish at around .24% APY for a one year CD. Your credit union has been paying over double that rate for deposits that were available for the members' accessibility. Members should keep in mind that not only have we increased the dividend rate paid, that increase became effective this past April 1.

Members may be curious about this increase. Your credit union can pay this higher dividend because of the help by members in holding down costs. (See more on cost containment elsewhere in this newsletter.) Yes, all dividends continue to be on the right side of the decimal but it is getting better at Knoxville Teachers Federal Credit Union. Thanks for helping us be frugal.

FRUGAL ISN'T CHEAP

Knoxville Teachers Federal Credit Union consistently provides services to members at about two-thirds the cost of operation by most credit unions. That cost containment is the result of a partnership of management and members. Our credit union is able to contain costs because members do not demand drive through windows, credit cards with points and skymiles, ATMs at each location, and staff with impressive titles.

Nevertheless, members do have most, if not all, of the tools of the 21st Century to manage their accounts. These include access to ATMs around the world (with refunds of up to \$8 of withdrawal fees per month), full control of your account by internet and smart phone, electronic check deposit and review, transfer of funds to those you want to send money to and much, much, more.

Knoxville Teachers Federal Credit Union is proud that members have first class services but at the least possible cost to members. Members don't have to accept "cheap" service just because of inexpensive measures.

IN TOUCH WITH YOUR CREDIT UNION (EXCEPT IN PATAGONIA)

Cell towers are rather sparse in Patagonia. Therefore, if you have gone to Patagonia to gain some solitude. You may not be able to check your balances, transfer money to your daughter in college or pay your bills.

But, *just about anywhere else* you may wander is where you can contact Knoxville Teachers Federal Credit Union and transact your financial needs by phone, iPad or other device. Hey, we're not kidding. Just go try it somewhere you've always wanted to visit. We've worked hard to make it easy for you.

	3rd Quarter 2014	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015	Yearly Average APY
Credit Union Premium Shares	0.5%	0.5%	0.5%	.055%	0.51%
Credit Union IRA	0.5%	0.5%	0.5%	0.55%	0.51%
Bank 6 Month CD*	0.15%	0.15%	0.15%	0.15%	0.15%
Bank 1 Year CD*	0.24%	0.25%	0.25%	0.25%	0.25%

(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.

**Published by www.bankrate.com*

THE CHINESE HAVE YOUR SOCIAL SECURITY NUMBER!

Well, we can't be sure but it is very likely since major hacking of governmental records is alleged to have occurred. And, we certainly don't know why they want information on you. Your credit union has taken every step to keep your affairs confidential. It has been a long held tradition that we have a responsibility to our members that is unique. Most of the members know each other in the process of being a part of the school community. We know that most people would rather a complete stranger know how much you owe or pay or have in savings than the teacher next door or especially that nosy sister-in-law. Given that, we have guarded members' information even before the federal privacy act was passed.

We will continue to protect our members' privacy even from those curious people in Beijing. And, we promise we won't send your money to them either.

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 3rd (Independence Day) and
September 7th (Labor Day).

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

South Office
7359 Chapman Hwy.
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)



RETURN OF THE SWIMSUIT EDITION

A tradition returns! The long time readers of this publication know that the Knoxville Teachers Federal Credit Union's SWIMSUIT EDITION was suspended with the advent of the Great Recession. We felt it was too trivial for the times. However, the announcement by several government agencies that the recession has ended has given us encouragement to resume this annual July event. (You wouldn't expect this in winter, would you?)

Providing quality service to the owner/members of this credit union without the impressive and expensive buildings is not the only way we strive to be conservative with your assets. Therefore, you will appreciate that the ANNUAL SWIMSUIT EDITION is once again presented without the costly photo shoots in exotic locations and the slick color photography. And, once again, we invite our members to assist us in presentation of this year's event by wearing your swimsuit while reading this edition of NOTES. (We suggest you accomplish this in the privacy of your own home, of course. This is a family newsletter, after all.) Not only will this hold down costs, it will give you a sense of being a part of our efforts to operate efficiently. These and other reasons are why Knoxville Teachers Federal Credit Union consistently ranks among the most efficiently operated credit unions in the nation.

LIVING WITH FEDERAL OVERSIGHT

A single law, recently passed, has changed the way your credit union does business. The Dodd-Frank Law was passed to corral a few big time cowboys of the financial world. As such things go, the law is applied broadly and not only puts the shackles on those cowboys, it certainly puts the same shackles on the small farmer who keeps a couple of cows for milk and cheese for his family and friends.

Your credit union has made loans to members to purchase homes and other real estate since the 1940's. The financial real estate market collapse of 2008 did impact a few of our members whose family income was dependent on a healthy real estate market. However, your credit union has sailed through that period mostly unaffected. (Unaffected except for the legislation that came from the Congressional response.)

We recently read that the regulations written based on the Dodd-Frank Law already amounts to over 19,000 pages of regulation. That seems bad enough, but the report went on to say that the writers of regulations are only 40% completed.

We ask that you remember this when you call on the credit union for a home or equity loan. You will wonder if it is the same credit union. It is, but it's the same credit union operating under and responding to a huge and growing regulatory load. Since this is "a work in progress," we must acknowledge that even the regulators are playing "catch up" and must make changes "on the fly." All of which is creating interruptions and distractions. We still intend to serve the owner/members of this credit union as owners should be treated.

SHOPPING ONLINE?

There are many conveniences to shopping online. But there are disadvantages as well. One pattern recently detected is not classified as fraud but borders on it.

It works like this: You shop or even visit an online shopping site. When you check out or even just log off, a charge may be added for some special service or to join a special group.

It is important to review your account and challenge the charge as soon as possible. Your success is more likely on a fresh charge than on a charge from several months back.

* CAN'T FIND THE SOUTH OFFICE?

Most members have found our new location just north of John Sevier Highway in Chapman Plaza. If you haven't seen it, we hope you stop by soon. We believe that it's much more conveniently located for members. The same staff is there, ready to serve you.

YES, YOUR SAVINGS ARE INSURED

Many years back, it became clear to your officers that members wanted their savings to be federally insured. Times were uncertain. Savings and Loan Associations had failed and the banking industry in general was a bit shaky. Your credit union had operated for over sixty years without federal insurance and not a penny of a member's savings had been lost during all those years. Nevertheless, perception becomes reality and your credit union took the steps to obtain federal insurance. We will continue to provide that assurance to members. In fact, once provided, it cannot be eliminated.

Such insurance comes with a price, of course. That means that the owners of your credit union must pay for that insurance. Members are the owners. Members pay by receiving a lower dividend because the cost of federal insurance is paid before the net income is distributed to depositing members in the form of quarterly dividends.

Another price that is paid is the time of management and staff that is redirected from providing services to members to responding to the regulatory oversight that comes with federal involvement. If you call or come by and we seem a bit slow to respond it is likely because the federal examiners are in the process of conducting one of their many examinations. Or as Thomas Jefferson put it when drafting the Declaration of Independence, "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance." Of course, that was 18th century language and we assure you that we are not declaring our independence from federal insurance, even though we certainly do feel somewhat akin to that Founding Father. To wildly paraphrase a much later president, "We feel his pain."