



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

# C U NOTES

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

March 31, 2017

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

## DIVIDENDS FOR FIRST QUARTER OF 2017 ANNOUNCED

Even though this quarter and the new year began during a time of anxiety and fear mixed with anticipation and optimism, the yields on funds on deposits remained at the lackluster levels of prior quarters. As in the past, your credit union monitored yields that were set at the beginning of the quarter by other depositories. This allows us to ensure that funds on deposit at the beginning of each quarter receive a better than average yield at Knoxville Teachers Federal Credit Union. To see the average national yield data as provided by FDIC, see the rate chart below. Your deposits at Knoxville Teachers Federal Credit Union earned **0.58% APY** on all IRA deposits and all other deposits above the \$4,000 level. Funds below that level earned a dividend of **0.15% APY**. Yields on funds deposited in the DCP 457 program continue to receive the same rate as in the prior past years. (See special notes on DCP deposits elsewhere in this newsletter.) The recent changes made by the FOMC on March 15 will likely cause changes for the coming quarters. Your credit union is well positioned to stay ahead of rates being paid nationally. We are monitoring those rates and will respond appropriately.

## ONE HUNDRED MILLION AVAILABLE TO AREA TEACHERS!!

Knoxville Teachers Federal Credit Union members are record setting savers. The average savings accounts in this credit union are among the top one percent in the nation and are the largest per member of any credit union in the State of Tennessee! All of this is very good for all members – both savers and borrowers.

Borrowing members have just over \$100,000,000 available for lending by your credit union. While we have never encouraged members to increase debt, we do point out that when debt is necessary, teachers normally cannot find a better place to borrow than at Knoxville Teachers Federal Credit Union. With that much you can readily see that we are overstocked with money!! When you are considering a major purchase or see the need to escape from high cost credit you have accumulated elsewhere, we advise you call, come in or otherwise investigate how you can take advantage of the current excess inventory of dollars.

## DEFERRED COMPENSATION PLAN (DCP 457)

Your credit union offers a special retirement account that the IRS makes available only to public school employees.

Employees of Clinton City Schools and Knox County Schools are eligible to make deposits into a special savings plan that has been paying a spectacular annual percentage yield since we first offered this method to increase your retirement funds. Even during these past years of dimly low yields, this plan's yields never dropped below **2.5% APY**. We hope that the other schools systems served by Knoxville Teachers Federal Credit Union will enter into an agreement to make this very beneficial program available to other members. If you have an interest in this benefit, call 865-582-2782 and say, "I'd like to discuss the Deferred Compensation Plan."

## YOU HAVE UNTIL APRIL 18TH

We hope you have much more time than that but April 18th is the last day you can add to your 2016 IRA. Yes, tax law allows you to use hindsight and deposit your full eligible amount of a tax deferred IRA to be included in your 2016 tax reporting. If you decide to take advantage of this delayed deposit for the prior year, you can do so at any one of our eleven locations. However, it is important that you inform the staff member handling that deposit to note it as a 2016 deposit. If you do your part, we will do our part to reduce your tax load for 2016.

	2nd Quarter 2016	3rd Quarter 2016	4th Quarter 2016	1st Quarter 2017	Yearly Average APY
Credit Union Premium Shares	0.580%	0.580%	0.580%	<b>0.580%</b>	0.580%
Credit Union IRA	0.580%	0.580%	0.580%	<b>0.580%</b>	0.580%
Bank 6 Month CD*	0.15%	0.14%	0.14%	<b>0.15%</b>	0.15%
Bank 1 Year CD*	0.27%	0.23%	0.23%	<b>0.24%</b>	0.24%

*(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](http://www.bankrate.com)*

## YOU HAVE INFLUENCE

You do have influence on fellow school employees. Your opinion counts. You can add to the information base of other employees who may not know that teachers in this area own and operate a financial institution that has been built around the needs and economic patterns of teachers and other school employees.

We hope you will use that influence by reminding those with whom you associate daily that Knoxville Teachers Federal Credit Union is always open to new members who are eligible. Eligibility is important at Knoxville Teachers Federal Credit Union because it is exclusively reserved for those who are in the educational community and their immediate family members.

By using your influence, you are helping your co-workers and yourself. Each new member makes the credit union stronger and better able to provide wider and quality benefits to all members. And when you recommend that someone consider your credit union for financial services, we will do our best to make your advice look really good.

*You must gain control over your money or the lack of it will forever control you.*

*~ Dave Ramsey*

## KNOXVILLE TEACHERS FEDERAL CREDIT UNION

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

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

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

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

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

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

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

**Carter Office**  
8537 Asheville Hwy.  
Knoxville, TN 37924  
(865) 582-2708

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

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

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

All locations are open 9-5 weekdays,  
except May 29 (Memorial Day)

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

## A DIFFERENT APPROACH. #1

*Your credit union has long acknowledged that we are different – on purpose. Over the next several issues of this newsletter, we intend to spotlight some of these differences and explain them.*

### Why does Knoxville Teachers Federal Credit Union not issue credit cards when most, if not all, other credit unions do?

When credit unions first became eligible to issue credit cards, a review of the function was made. Candidly, the first decision to avoid credit cards was based on ethics. Your Board and officers believed then and continue to believe that credit cards cause an increase in debt. The old adage of “don’t buy it unless you have the money” no longer applied. That nifty piece of plastic made people feel that it was safe to indulge in impulse purchases.

Our mission statement continues to be to assist members to control and eliminate debt and to acquire and increase assets and financial independence. Credit cards simply do not fit well into that mission.

As time has passed, credit cards have become a part of the “coin of the realm.” Less than half of the purchase transactions are by cash or check. One recent report shows that plastic cards are used in over sixty-six percent of purchases. This includes debit cards as well as traditional credit cards. Americans have found some advantages in plastic transactions. Some level of safety, creation of a record of expenditures and other reasons make plastic desirable in many situations.

To address the significant advantages, your credit union began to issue debit cards over twenty years ago. An added purpose was to provide easier access to cash from credit union accounts. In addition, steps were taken to protect members from most, if not all, ATM fees.

But the original reluctance to issue credit cards so as not to encourage debt remains. The next reply could be “but I really want a credit card.” Our answer to that is credit cards with all sorts of rewards, sky miles and other perks are as close to you as your mail box. Credit cards have become targeted by groups. If you have bad credit or good credit, you qualify for a different card. If you want a card for travel, there are specialized cards for the foot loose. If you miss having those green stamps that were popular in the 20th Century, there are cards for you. Credit cards have become “designer cards.” One for every pattern of spending or interest. If you think you cannot get a credit card, ask us to help get you on the credit card mailing lists. You’ll never feel forgotten when the mailman comes.

In summary, we are constantly improving our debit card service and if you don’t have a KTFCU debit card, call in or contact us. We would like to discuss debit cards. But for now, Knoxville Teachers Federal Credit Union will not issue credit cards.

## CLOSE OF BUSINESS SUMMARY

It may seem to be old news to include the close of business information for the previous year in the newsletter dated the last day of March each year. The explanation is simple. Newsletters are prepared to be mailed at the very end of each quarter to accompany the end of quarter statements. Closing the books on a \$200,000,000 financial institution is not something that can be done in advance. So we post the close of business for the year within the first five days of each new year where members can review the full report. We then include a summary of the close of business in this newsletter in the first edition after the report is completed.

## MOVING AGAIN?

Your credit union normally moves physical locations only rarely. Some years ago, we determined that East Knox County was under served. We were unable to find an appropriate location and finally resolved the matter by placing a temporary building on Strawplains Pike between Carter High School and Carter Elementary.

After some years of wear and tear, that portable building has been retired and Knoxville Teachers Federal Credit Union has moved just a few hundred yards to a new location. We believe it will be easier to find. For those familiar with the Carter Community, you will be pleased to know we have opened our location in the Cardin Center on Asheville Highway next to the landmark Cardin's drive-in. We are settled in and invite teachers and all school employees who work or live in the area to visit us in our new location.

## ESTATE PLANNING 101

Seems like there is paper work required even to die. We take this time to strongly urge you to be considerate to those who may survive you. Take the time to work with an attorney you trust to prepare and sign a will, a power of attorney and a health care power of attorney.

A will allows you to direct what happens to your assets. Having no will results in your assets being distributed under provisions of a state law. A power of attorney simply authorizes someone you trust to be able to act for you in your absence or disability. Just as in a will, you may revoke or change a power of attorney. A health care power of attorney can be created without the assistance of an attorney. Many doctors' offices can provide a standardized form to use. All can be accomplished as a do-it-yourself project; however, we believe you can avoid problems for yourself and your heirs by engaging a competent attorney.

December 31, 2016

<u>ASSETS</u>		<u>LIABILITIES</u>	
Loans	\$101,331,340	Shares & Deposits	\$180,177,322
Securities (net)	87,654,273	Capital & Reserves	22,216,659
Share Ins. Deposits	1,748,219	Misc. Liabilities	32,699
Equipment & Fixed Assets (net)	486,031		
Other Assets	11,206,817		
<b>Total</b>	<b>\$202,426,680</b>	<b>Total</b>	<b>\$202,426,680</b>