



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

C U NOTES

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

June 30, 2017

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR SECOND QUARTER 2017 ANNOUNCED

As is customary, your credit union monitors the rates being paid by banks on certificates of deposit at the beginning of the quarter. The rates that were being paid on April 1 of this year (the first day of the second quarter of 2017) showed no significant changes even after very small and apparently symbolic changes made by the Federal Open Market Committee (often referred to as The FED).

While significantly higher than the average bank CD rates, your credit union dividends remained unchanged for the second quarter. Shares on deposit in excess of \$4,000 and all IRA deposits earned dividend of 0.58% APY while shares under \$4,000 earned a dividend of 0.15% APY.

Deposits in the Deferred Compensation Plan (457b) continued to earn at a dividend rate of 2.5% APY. You will recall the conditions that must exist for eligible deposits to those tax sheltered accounts. (See a brief summary of those conditions in the first quarter newsletter.)

HOW DID I NOT KNOW THIS?

Recently, a teacher called in to inquire about the Deferred Compensation Plan (457b) as offered by this credit union and asked that question. OK. We failed to do a good job of making sure every eligible member knows about the unique tax sheltered, federally insured savings plan that has been paying Knoxville Teacher Federal Credit Union members 2.5% APY on savings during these past dismal years for savers. Prior to the 2008 decline, even higher dividends were paid. So the answer to the question is that we rely on member communication and the value of word-of-mouth. It is not practical to get a message to 7,000 teachers and school employees in our field of membership by expensive TV ads or billboards. So, folks, don't rely on wifi. Talk to each other in person.

The next question is why can't I take advantage of this if I am retired? The answer is, "It's the law." However, many teachers discover that they can still legally make one last contribution during the retirement process! Many teachers realize that the accumulated sick leave payments that they receive at retirement will boost their taxes for that year. However, placing that "pay out" into Knoxville Teachers Federal Credit Union's DCP plan will shelter that money from immediate taxes so that a taxes can be deferred and planned.

The final question is why can't my family members participate in this unique savings plan? In addition to the answer to the question above, we add that Knoxville Teachers Federal Credit Union was founded to provide financial benefits to teachers and school employees.

Currently, employees of Clinton City Schools and Knox County Schools are eligible because those two systems have signed the required agreement to provide direct deposits from employees to this very special savings account. If you would like to inquire about participation, call 865-582-2782 and say, "let's discuss 457."

WARNINGS AND DISCLAIMERS

Warning: this newsletter occasionally contains adult and scurrilous comments (which may be unsuitable for children), unusual and bazaar humor (which may be unsuitable for most refined adults), and some math with decimals and percentages (which may be unsuitable for liberal-arts majors). We do not attempt to be a credit union for all – just all teachers.

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

SEVENTH ANNUAL SWIMSUIT EDITION

We started this annual event fourteen years ago but suspended it while we were going through that cosmetic surgery. But, now we invite members to join us in reading this newsletter while in swimming attire. Not only do we find it more comfortable in light of the season, we find that it helps calm our stresses during these times of change and confusion.

Knoxville Teachers Federal Credit Union can help you remain serene in other ways as well. If you are struggling with credit card debt and are determined to escape that trap, perhaps we can help. Let us rush to say, we are not wanting to help you pay off a card so you can use it to build additional debt. We are not talking about a temporary escape. We're looking for those who want OUT.

If you meet this description, let us give it a try. Start by making a complete list of your credit cards, the balances and monthly payments. It might make you even more determined if you add the percentage rate you are paying to that list. Next step? Come in to any of our locations to talk it over and bring your list. (But, please change back into regular street attire first.)

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) and
September 4th (Labor Day)

**Virtual Branch - <https://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
8537 Asheville Hwy.
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)

A DIFFERENT APPROACH #2

Your credit union has long acknowledged that we are different – on purpose. This is the second in a series of discussions of some of the ways we seek to provide a different benefit to members.

ATM service is different with your credit union.

Your credit union does not own an Automated Teller Machine (ATM). At this time, there are no plans to purchase an ATM or to lease a site for one. However, providing ATM service to members is a highly important feature of your credit union. Early on, we recognized the worth of ATMs to fill a gap in our service to our membership. We do not keep cash at any of our locations for many reasons. (We plan to discuss that difference and the reasons in a separate item in this series.) We did want our members to have access to cash without the need to drive long distances to our one location that was in operation at the time. ATMs were immediately recognized as a solution.

As time has passed, many machines are being provided by merchants as an attraction to come into their businesses. But from the beginning of this service, your credit union has attempted to protect members from fees in a number of ways. One method has been to enroll in networks that will recognize your KTFCU ATM/Debit Card and not charge you a fee. However, when one of those “no fee” machines are unavailable or inconvenient to members, using a machine with a fee can still be used economically by members. Your credit union monitors those charges. A visit to a machine that charges you a fee will result in a refund to you for the first four visits after the end of each month.

As you can see, members are not limited to certain machines. If you find an ATM machine, it will connect you with your KTFCU funds. (Some eastern European countries are not included due to higher levels of criminal activities. If you are traveling in eastern Europe, give us a call. We can advise you and even make special arrangements for your ATM needs.) It will come as no surprise that your credit union studied this arrangement in great depth. We quickly saw that this direct reimbursement to members is more cost efficient than owning, maintaining, insuring and servicing the number of machines that would be needed to serve our widely spread out membership.

Finally, using your KTFCU share draft checking account to pay for groceries and other purchases with your ATM/debit card not only provides you a record of your transaction, most such merchants are happy to provide you small amounts of currency at no fee. This is another way to avoid fees and to save you and your credit union those costs.

While most credit unions and banks want you to use their machines for the revenue they receive, Knoxville Teachers Federal Credit Union wants you to have wider access to your money at the credit union and at the most economical methods possible. As a member/owner, you will want us to provide this service at the most economical level available. As a member, you deserve our best.

BEFORE YOU ENROLL IN “ON LINE DATING”

We were struck recently by a study reported on Bankrate.com. The study revealed that a poor credit record is a major turn off to prospective mates. Fifty percent of women stated that their interest in a man would diminish greatly if his credit rating was low. Only 50% of men would lose interest in a woman with a bad credit record. (Does that suggest more tolerance, lower standards, or more desperation?) The result of this study is clear. Before you enroll in any program to enhance your love life, spend less time at the gym and more time paying off bills and paying all bills ON TIME.

Another study out of Australia results from a bit less solid research. The study there claims that they can prove that men who spend more time looking at attractive members of the opposite sex live longer than men who don't. We can't guarantee that research but, personally, we're not taking any chances.

If you want to make yourself have a more attractive credit record, maybe your credit union is the place to start. Maybe we can help you consolidate those credit card balances with a plan to pay them off. Then you can hit the singles scene with a bit of swagger.

WE NEED A HAPPY HOUR

This is a family newsletter. We certainly aren't recommending a happy hour of the common sort. However, we believe most members would welcome an hour or two each evening in which certain commercial advertisements were left off until a more suitable time.

We have noted that for much of the evening supper hour, a barrage of TV ads are leveled at the public to promote medicines and medical prescriptions. The medicines that suggest a better and healthier life are not so bad but then those horrible and possible side effects are listed and described. Somehow supper seems less delightful when the TV tells me that I can ask my doctor for a pill to make me hear better but that my toenails may fall off or turn green. It's enough to make one lose the enthusiasm for the stewed okra.

Knoxville Teachers Federal Credit Union wants each member to be healthy and to have the most recent and useful medical products. However, if some law requires side effects to be discussed, could we move those advertisements to the hours well after the dining hours. Commercial presentations of nice desserts or exciting automobiles might be nice. Maybe a discussion of the best way to have clean sheets would be acceptable. Let's just stay away from bodily functions of any sort. Give us a happy hour or two.

NO JINGLE

We don't have a jingle. It's not because we can't make a rhyme; we rhyme sometimes just by accident. So rhyming is not why we don't have a jingle. We don't have a jingle because we don't spend your money on TV or radio ads. We don't do general advertising for a very simple reason. We don't want just everyone to join Knoxville Teachers Federal Credit Union. We exclusively serve teachers, school employees and their immediate family members.

We have determined after extensive research that half of all people are below average. We want to serve those who are above average in saving and in money management. To illustrate that, our members hold a higher savings account than members of any other credit union in Tennessee! In fact, we are among the top one percent in the nation when ranked by the amount in savings per member.

So, while we have no jingle, we do have pride in what our members have done and are doing. Will you explain to those with whom you work why we have no jingle?