



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

C U NOTES

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

December 31, 2017

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR FINAL QUARTER OF 2017 ANNOUNCED

In spite of the media’s coverage of changing yields on deposits, no significant change has affected the Knoxville area. Therefore, your Board of Directors authorized a dividend on shares on deposit during the final quarter of 2017 (October 1 to December 31) that remain unchanged with shares in all IRA accounts and all regular shares over \$4,000 earning **0.58% APY**. Shares in the first \$4,000 earned **0.15% APY**. Shares in Knoxville Teachers Federal Credit Union’s 457(b) continued to earn at **2.5% APY**.

What does the earning picture look like for 2018? We expect some movement upward but we must acknowledge that we have expected an upward movement for the past seven years. Actions by the Federal Open Market Committee (FOMC) continue to get attention and coverage by all media sources. Our observation is that those highly covered actions rarely cause a real benefit for savers. Even with governmental controls, those rates paid to savers are bound to improve soon.

ADVICE ON MARRIAGE

A few issues back, we took a dive into giving dating advice. Since we’ve not been sued or otherwise attacked, we have decided to take the next logical step and give our advice on marriage.

No matter how close you may be with your spouse, you don’t share shoes or toothbrushes. The same might be considered about your pocket book. Everyone has different approaches to money. And, as most have learned after only a short time in marriage, money is one of the sources of stress in the relationship. We would urge that you consider his and her checking accounts and his and her credit cards. This results in fewer surprises when she is planning on a major purchase only to find the account has been raided for his major purchase. Sometimes these surprises evolve into revenge purchases and all of the negatives therein.

Sure, getting married makes you partners. Buying a house is usually a jointly owned thing. Even a rental contract normally is a joint activity, but everyday small issues are found to be the elements that take the glow off of the relationship. If you are just entering a relationship, think carefully before you merge credit cards. If you are in an old relationship and can see the wisdom of creating a dual system, have an open discussion about both opening a new separate account. If it doesn’t work for you, those new accounts can always be closed.

Socks in the hamper or on the floor are habits brought into a relationship. Financial habits are no different. We urge folks to shelter yourself from as much of those abrasions as possible. We are reminded of the adage that the groom thinks the lovely bride he is marrying will never change but she does. The Bride thinks she can change that guy into something great but she can’t.

Getting married may be an act of irrationality but that doesn’t mean it has to be void of good judgment.

	1st Quarter 2017	2nd Quarter 2017	3rd Quarter 2017	4th 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*	0.15%	0.15%	0.16%	0.17%	0.16%
Bank 1 Year CD*	0.24%	0.24%	0.27%	0.30%	0.26%

(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*

MORE DEEPLY FAVORED?

Your credit union staff is feeling more deeply favored just now. A recent News-Sentinel poll asked readers to register their approval of their own credit union. The results were announced in early December. The three top favorite credit unions included Knoxville Teachers Federal Credit Union!

Our excitement swelled when we looked at the other two of the top three. One has a membership of 148,000 people and the other one has an even larger number of members – 155,000. This credit union serves a smaller and more exclusive group of only 7,200 members.

Our conclusion is that our 7,200 owners/members must favor us more deeply to have registered enough responses to the poll to place us with those large bank-like credit unions. We thank you for making this public statement that we are your favorite. Maybe you should know that you are deeply favored by your staff.

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 January 1 (New Year's Day) and
January 15 (Martin Luther King, Jr. Day)

Virtual Branch - <https://ktfcu.org>

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)

ANNUAL ANNOUNCEMENTS

Real estate interest is often 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 2017. 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.

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

IRA account transactions and yields for 2017 are reported on your December 31, 2017, statement. (Reminder: any current contribution to a nondeductible IRA must be accompanied by Form 8606 when you file your 2017 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 2017, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$5,500 for 2017 until April 15, 2018. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2017 will be reported to you on a form 5498 that will be sent to you in May, 2018, to allow us to include any additions you may have made up until the time you file your 2017 IRS tax return. This form is for your records and is not required for your tax return.)

Deferred Compensation 457(b) accounts will be reported quarterly to those members who are participating in this Knoxville Teachers Federal Credit Union tax shelter. If you made withdrawals from a 457(b) in 2017, you will receive a form 1099R before the end of January.

The Annual Meeting of members will be held at 5:30 pm on Thursday, February 15, 2018, at 535 Chickamauga Avenue in the Lincoln Park Trade and Technology Center (formerly Lincoln Park Elementary School). This is the tenth year that we have met in this facility. It was selected to provide easier parking, street level entrance and a more suitable meeting room. This facility is easy to locate. Chickamauga connects North Broadway and North Central Avenue. The Lincoln Park Building is about one mile from either end of Chickamauga. 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 22, 2018. If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

The financial report for 2017 will be included in the report for March 31, 2018.

Snow Policy. Our snow policy is pretty simple. If schools are closed for the travel safety of students and teachers, we assume our owners (teachers and other school employees) would 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 on a day when schools have been canceled. We will try to be present to serve you.

KTFCU BY THE NUMBERS:

0: The number of credit unions in Tennessee in which members have a larger average savings account than Knoxville Teachers Federal Credit Union.

86: The number of years that Knoxville Teachers Federal Credit Union has served teachers and other school employees in the Knoxville area.

4,000 Plus: The number of homes that have been purchased with financing from Knoxville Teachers Federal Credit Union in the past.

7,012 The number of automobiles that are currently being driven by KTFCU members.

808: The number of members who have supplemented their retirement plans with one of the four tax shelters offered by Knoxville Teachers Federal Credit Union.

0: The number of Board of Directors or Supervisory Committee members who are paid for their services.

257: The average number of loans originated for teachers and other school employees in a month.

24,160: The average dollars in savings account per member of Knoxville Teachers Federal Credit Union.

17,957 The average dollars in loans per member of Knoxville Teachers Federal Credit Union.

11: The number of locations in Anderson and Knox County serving KTFCU members.

3: The number of locations in Anderson County serving members of Knoxville Teachers Federal Credit Union.

100: The percentage of members we are happy to see walk into one of our eleven locations.