



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

C U NOTES

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

September 30, 2019

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR THIRD QUARTER OF 2019 ANNOUNCED

The Federal Open Market Committee, commonly referred to as the FED, made a significant cut in the nation's interest rate environment. As expected, yields on savings stalled and began to drop slightly. As members of your credit union have learned to expect, Knoxville Teachers Federal Credit Union did not reduce yields on savings. It has been a traditional position for your credit union to pay the highest as possible on dividends on savings. More significantly, the declines in interest rates occurred after the beginning of the third quarter of 2019. Your credit union continues to use the beginning of each quarter as a bench mark for comparisons. This strategy allows members to be able to make decisions at the beginning of each quarter. Most decide to rely on Knoxville Teachers Federal Credit Union to be the best decision.

Your credit union's dividend rate compares well with time deposit (certificates of deposit) rates paid by local banking institutions. However, there are no restrictions or delays in accessing funds on member deposits at Knoxville Teachers Federal Credit Union.

Your Board of Directors approved a dividend to be paid on September 30 for the period of July 1 to September 30, 2019, at one percent APY on all deposits in excess of \$25,000 and all IRA deposits. Shares on deposit between \$5,000 and \$25,000 were paid a dividend of 0.60% APY. Shares under \$5,000 earned a dividend of 0.25% APY. For comparison, we provide a chart to the right on this page.

Shares on deposit in the 457(b) Deferred Compensation Plan will continue to earn a dividend at the same rate as the past several quarters. Shares in Knoxville Teachers Federal Credit union are federally insured under the provisions of the National Credit Union Administration.

NEW LOOK FOR VIRTUAL BRANCH

Almost three months have passed since the Internet connection to your Knoxville Teachers Federal Credit Union membership accounts was changed. We believe everyone who uses this way to manage and observe their accounts has adapted to the changes. We want to thank all members for their adaptability and compliment them for being computer savvy. Most walked right through the process with minimal help from staff.

We want to say again that the change was a required change. We were quite happy with the previous application and program. The change was forced by our vendor. Part of the change was necessary to maintain and increase security for both you and the credit union. While no other change or changes are anticipated, we all know that this is a fast-moving area that must be altered and adapted from time to time.

Our wish for you is that you recall all your passwords and that you don't mix them up.

	4th Quarter 2018	1st Quarter 2019	2nd Quarter 2019	3rd Quarter 2019	Yearly Average APY
Credit Union Premium Shares	1.00%	1.00%	1.00%	1.00%	1.00%
Credit Union IRA	1.00%	1.00%	1.00%	1.00%	1.00%
Bank 6 Month CD*	0.30%	0.38%	0.42%	0.45%	0.39%
Bank 1 Year CD*	0.50%	0.68%	0.70%	0.71%	0.65%

*(Rates are as of first of each quarter.)
The APY rate printed on your statement is the composite of your share deposit yields as described above.
Published by www.fdic.gov

90 DAY MONEY BACK GUARANTEE!

It's true. If you put money into savings at Knoxville Teachers federal Credit Union, you are given a 90-day money back guarantee!! If you're unhappy with your rate or our service, you can have all of your money back. What happens after that first 90 days? The same thing. You will always get your money back along with a dividend. Why the cheesy stuff about 90 days? It was to add a bit of interest to an otherwise dull newsletter.

But wait, there's more. It also emphasizes the fact that members can get their money back when they want it. There is no requirement to wait until a certificate of deposit matures. No need to get special permission from some company in another state. Your money is your money. We respect that. Your credit union has always prided itself on a prompt delivery of your money. Back in the days when western cowboy movies were prominent on TV, we were known as "The Quick Draw Credit Union."

So, give it a try. If you want safety, a reasonable return and immediate access at all times, look no further than Knoxville Teachers Federal Credit Union.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown

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

South Office

7359 Chapman Hwy.
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 November 28 (Thanksgiving),
December 24 (Christmas Eve) and December 25 (Christmas)

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

WE FIND YOUR LACK OF “READY CASH” DISTURBING

You may recall that Darth Vader said something like that. (We looked it up.) We are disturbed and a bit anxious about the 4,601 members who have little or no money in savings. Life – real life – comes at us in unexpected events. While money is not everything, “READY CASH” sure does smooth out some of the rough spots of life. Just \$1,000 in available savings can reduce a disaster to a simple frustrating memory. And, \$1,000 can be accumulated sooner and easier than you may think. A simple phone call to your credit union can be an easy first step. Direct us to increase your payroll deduction by \$40 or \$50 per month into your savings account. It will pile up a handy amount of money. If you have direct deposit of your monthly income, just having us redirect a small amount will be easier than you may think.

Just think how having \$1,000 or so in your savings account would help in many of life’s too familiar events:

- Replace tires
- Replace an appliance
- A trip to the ER
- That trip to a cousin’s wedding
- Opportunity for a fun weekend
- Dental emergency
- Auto insurance deductible
- And any number of those unexpected and unplanned events.

The inequity in savings is not the only reason we are disturbed. We are disturbed because it is our goal to help every member of Knoxville Teachers Federal Credit Union to be well off and even rich. We are not disturbed – even proud – that the average savings account in Knoxville Teachers Federal Credit Union is the largest in Tennessee! Those 4,601 members do have at least \$250 in savings to make them eligible for continued membership. That is how most of the very large savings accounts in the credit union began. A good way to get into our top savers group is by starting a regular monthly savings deposit by payroll deduction or by direct deposit to add to that \$250 in your basic share account.

WHAT MAKES A CREDIT UNION DIFFERENT?

This is the second of a series of articles to help members better understand the differences found in credit unions from those of other financial institutions.

Credit Unions are administered in a very direct way. The depositors become member/owners upon their first deposit. Those deposits are classified as “shares” in the credit union. However, in contrast to other shareholder institutions, all members have one vote regardless of the number of shares (amount of the deposit.) Under our By-laws, members can call a meeting of members at any time. However, there is always one annual meeting of members, again as required by the By-laws.

At these annual meetings, the members review the actions of the officers during the previous twelve months and then elect Board members for the following year. To assure continuity and an experienced Board, one third of the Board is elected each year. Board members may succeed themselves, if nominated and elected.

While each credit union may have their own options on selecting the full-time manager, this credit union’s Board selects the manager who operates at the pleasure of the Board. Board members serve as unpaid volunteers. This is not only the choice of the Board members; it is provided for in both state and federal law. The Board must select a supervisory committee to oversee audits and financial affairs of the credit union. It has long been recognized that this responsibility is too complex to be performed by member volunteers. That task has been “outsourced” to a certified public accounting firm. Efforts are made to select a firm that is knowledgeable in credit union law and regulation.

Management is responsible to engage staff sufficient to serve member needs. When you come in contact with a staff member of Knoxville Teachers Federal Credit Union, you will be talking to an employee of yours and the other 7,000 member/owners. We hope you leave feeling like you have been treated like one of the owners of this credit union.

EXIT FREE ZONE

Many contract services include a clause for an early termination fee. Try to end your cable contract. Even many lenders charge an early pay off fee. These are very common on real estate loans. Your credit union does not penalize members who find a way to pay off a credit union loan early. We celebrate with you. No poke in the eye on your way out the door. We have a selfish reason. We want you to come back.

GOOD NEWS AND BAD

We certainly want to welcome the over forty newly employed teachers in our area who took advantage of the “signing bonus” to become members of Knoxville Teachers Federal Credit Union. That’s the good news. The bad news? There are several other newly employed teachers who did not learn of the signing bonus or chose to remain tied to the “one size fits all” financial institutions they had prior to becoming teachers in their new positions.

As you read this, consider your own contacts with newly employed teachers and school employees. A good way to help them is to call their attention to the fact that one of the few credit unions that remain exclusively for teachers and school employees is available to them. You can spread the good news and close down the bad news. In fact, we encourage current members to announce to newly employed teachers that the signing bonus has been extended for them until October 15th. Just tell them to refer to this newsletter when they apply for membership to receive the signing bonus.