



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

C U NOTES

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

June 30, 2022

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS FOR SECOND QUARTER OF 2022 ANNOUNCED

We are able to announce an increase in dividends for the quarter just ending. (April 1 to June 30) Your Board has authorized a dividend increase from 0.35% APR to **0.50% APR** on all shares in excess of \$10,000. That rate was paid on all shares in longer term deposits in IRA accounts. Regular shares on deposit below the \$10,000 level will continue to receive **0.10% APR**. Deposits in Knox County Schools DCP 457(b) program will remain unchanged from the previous quarter. We are pleased to announce that your credit union was able to pay this increase in dividends while maintaining the capital to asset ratio to the current very well capitalized level.

WAS YOUR PROPERTY TAX ASSESSMENT INCREASED?

Property owners in Knox County recently received a colorful paper giving a new assessment. Other counties will not be exempt. This is an action taken periodically to bring assessed values of older properties into line with more recent newly constructed homes and other buildings.

A change does not necessarily mean you will pay more in property tax since the tax rate will be applied against the total appraised value of properties in an entire county. But, since inflation and government growth normally mean a need for additional tax dollars, we can only assume the results.

Again, some advice: Plan ahead to have funds on hand to meet an increase in the tax bill at the end of the tax year. If your taxes are paid by an escrow account at Knoxville Teachers Federal Credit Union or any other financial institution, you will want to make contact with the escrow folks here. You can expect and arrange a small increase in your monthly contribution to the escrow account.

WHILE YOU SLEPT.....

Things have changed. Inflation as well as renewed demand have driven up the market value of homes, including *your* home. If you own your home, its value has increased. Even if your home has an older roof, creakier plumbing and other aging features that might cause you to doubt it, the market says that the cost of replacing it has jumped.

What about the insured value of your home? That nice modest three bedroom rancher you bought for \$150,000 a very few years ago would cost \$300,000 to replace.

This is a reminder to advise you to review your policy to see if you would come out of a disaster with a good chance of recovery of your current life style. If you are not sure, we urge you to contact your insurance agent for a professional opinion. Any increase in the dollar amount of your premium may require an increase in your monthly escrow deposit. As always, Knoxville Teachers Federal Credit Union strives to level out the bumps on the highway of life.

	3rd Quarter 2021	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	Yearly Average APY
Credit Union Premium Shares	0.35%	0.35%	0.35%	0.50%	0.38%
Credit Union IRA	0.35%	0.35%	0.35%	.050%	0.38%
Bank 6 Month CD*	0.09%	0.09%	0.09%	0.09%	0.09%
Bank 1 Year CD*	0.14%	0.14%	0.13%	0.15%	0.14%

*(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

DO YOU USE OUR MOBILE APP? IT'S ABOUT TO GET EVEN BETTER!

Your credit union has worked for over 90 years to bring you financial services that you need. We started with offering a safe place for savings and a reliable place for loans during the Great Depression. And we've worked for many of the years since then to bring you and your money closer together.

Knoxville Teachers Federal Credit Union was among the earliest to offer many electronic services, from ATM cards in the early 1980s, to online banking in the 1990s, to our newest addition later this year! (There are lots of other remote access and services we offer, but you get the idea...) This fall, you should see an update to our mobile app on your phone that will add even more convenience and value to your relationship with your money.

The update will allow you to monitor and control your Visa Debit Card. Once you set it up, you'll get instant alerts for suspected fraud, be able to authorize the card for international travel, review your spending (including seeing your purchase locations), and even block it altogether if it's lost or stolen. Of course, you can always call us during regular hours for help or to answer questions, but the control you'll have at your fingertips is yet another effort by your credit union to keep you in contact with your money!

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

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

Farragut Office
147 West End Ave.
Knoxville, TN 37934
(865) 582-2701

North Office
108 Hillcrest Dr.
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

South Office
7359 Chapman Hwy.
Knoxville, TN 37920
(865) 582-2704

Halls Office
6925 E Maynardville Hwy.
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

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

All locations are open 9-5 weekdays,
except July 4 (Independence Day)

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

OUR WHACK REPORT

Whack has become an official measurement of conditions. In early May, the President announced to Americans that the supply chain was out of whack but expressed optimism that the problem would be addressed and corrected soon.

We applaud the President for using a term that is understood by most of Americans. We intend to give a whack report to members until whack can be classified as “in whack.” Meanwhile, members of Knoxville Teachers Federal Credit Union can rely on your credit union to help members through this time of uncertainty and change with the situation being generally out of whack. Within limits, members can get help here. No one expected the current rate of inflation. No one expected to be paying more for baby food or grown up food because the price of diesel fuel has passed \$6.00 a gallon in some areas. Until recently, Americans rarely thought of food and diesel fuel at the same time.

Our Whack Report for this quarter is: *It's Still Out.*

COUNTRY MUSIC AND YOUR CREDIT UNION

A wise man once said that country music could meet any human emotion or need. Lost love? There are a ton of songs for that. Trains, prison, dogs, and too much to drink? Yep. There are songs for those. Old love made new? Yep. They have songs for that. Name it and one of those songs will fill in your empty space.

Country music is very much like Knoxville Teachers Federal Credit Union. Daughter in college and needs money NOW? Yes, we can help you get money to her today. Car wreck and a need to replace it? Yes. We do that everyday. You have a need to transfer money or even make a loan but can't get out of the faculty meeting? Yes! We can do what you need and can guide you how to do it on your phone from the faculty lounge.

So, whether you need counseling by Willie or Patsy, or financial help by your credit union, you can pull out your trusty Apple or android and reach out for help that can get you through the night. Country music and Knoxville Teachers Federal Credit Union can provide for your needs.

OUR FINANCIAL STANDING REPORT FOR MEMBERS WHO DON'T TEACH ACCOUNTING

The first quarterly newsletter for the year always includes a brief but full financial report of the year just ending. If you look at the previous issue of this newsletter, you will find that report. Accountants and similar folks would be interested. But for the rest of us, let's give a “broad brush” report of our standing and trends that have been experienced in the past few years.

Until the past three or four quarters, deposits into share accounts grew at a phenomenal rate. Most other financial institutions reported similar trends. Conventional wisdom attributed this to the constrained spending by Americans during the pandemic. As that concern began to fade, spending increased rapidly. Much of that spending was to purchase or refinance real estate properties. Some was to replace automobiles. This contributed to the surprising increase in the market value of homes and even in used automobiles.

Members of your credit union are much like other Americans. (Although, we believe our members are way better.) The result of the “broad brush” look at the financials of your credit union is not surprising. The rapid growth in share deposits have slowed markedly in the past few months. Conversely, our total growth in loans to members has increased. In short, members are not saving as they were during the pandemic and have increased their total debt load. However, both share deposits and loans have a year over year growth.

This would suggest that our members' individual financial standings have declined. Although, the nature of the increased debt can be attributed to “positive” debt increases as opposed to increased consumer debt. Buying a newer or better home is a positive debt since the value will not likely decline and the quality of life for that member has improved. Such debt is very much unlike creating debt for vacations and such. (We certainly do not look with disdain at teachers taking a well deserved vacation trip and is used only to contrast the lasting value of different sorts of debt. We will be happy to help you pay off that vacation expense you added to a credit card.)

We expect significant changes in all parts of the general economy and that of Knoxville Teachers Federal Credit Union. As income from lending increased, we were able to begin a long awaited increase in dividend to saving members.

Your credit union has grown in this past period and we anticipate future growth. Our reserves continue to grow and we expect this trend to continue as well. While there is some general anxiety concerning the future of the nation's economy, we feel that Knoxville Teachers Federal Credit Union is well positioned to meet the stresses ahead. It's our plan and intent to shelter members from the general financial stresses as much as possible.

About the only area in which growth is not matching the other areas is the enrollment of new teacher/members. Word of mouth endorsements have always fueled increases in members in the past. We now call on members to reveal to other teachers and school employees that you are a member/owner of KTFCU and give us your endorsement. The Privacy Act does not require you to keep your success at KTFCU a secret. While we are increasing the number of members, we would like to accelerate that increase.

The KTFCU 2022 Swim Suit edition has been delayed until the world is not out of Whack.