



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

# C U NOTES

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

March 31, 2024

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

## DIVIDENDS ANNOUNCED FOR FIRST QUARTER OF 2024

The Board of Directors continues the recent trend of increasing dividends. In addition, to meet current conditions, members who are willing to sequester funds for a year can purchase share certificates of deposit. The rates on share certificates are adjusted to match or exceed rates paid by local banks and credit unions. Members can check for the current rate and terms by logging onto KTFCU.org.

Members who want to retain immediate access to part or full amounts of their deposit will see that the trend toward increased rates continues. Shares in an IRA account and all regular shares in excess of \$20,000 earned a dividend at the rate of **2.55% APY** for the period from January 1, 2024 to March 31, 2024. We cannot predict with accuracy the rate to be paid for the next quarter, of course. But see comments about the future of dividends elsewhere in this newsletter. Shares below \$20,000 will continue to earn a dividend at **0.10% APY**. Shares in the 457(b) tax shelter accounts earned a dividend of **2.55% APY**. We encourage members to be aware that except for deposits in certificates of deposits and funds in an escrow account to pay property insurance and taxes all shares are available for immediate withdrawal.

### BIG OR SMALL?

A recent Wall Street Journal article discussed a trend of migration of banking customers from large banks to smaller community banks and credit unions. It noted that this trend had been triggered by the rash of bank consolidation and the absorption of mid size banks by the few mega banks in the country.

As a member of Knoxville Teachers Federal Credit Union, you are already here. But you may work near others who are experiencing the service level of a big bank. If you hear of an impersonal treatment or the frustration of communicating with a bank with no personal connection, point out that, as a school employee, they are eligible to open an account with a credit union operated for and by teachers.

Cas Walker, a legendary grocery man and politician, had a slogan. It was, "We're big enough to serve you and small enough to know you." We try to remain original but that could well be said about Knoxville Teachers Federal Credit Union. If you like banking by way of your smart phone or iPad, we're good for you. Our online services meet or exceed those you would find anywhere and are continually being upgraded. Our phone number (865-582-2700) is answered by a person. Try it. You'll be pleased to hear a real breathing person answer.

We don't have a phone answering service. An incoming call causes a phone to ring at everyone of our locations. A staff member who is not engaged with another member will answer that ring. (If you call after office hours your call will be answered by an automatic answering device. But it is checked frequently and your call will be returned by a living, breathing person.)

So, support your credit union by telling frustrated banking customers that we serve teachers and their family members. You will gain an appreciative friend.

|                             | 2nd Quarter 2023 | 3rd Quarter 2023 | 4th Quarter 2023 | 1st Quarter 2024 | Yearly Average APY |
|-----------------------------|------------------|------------------|------------------|------------------|--------------------|
| Credit Union Premium Shares | 2.15%            | 2.45%            | 2.50%            | <b>2.55%</b>     | 2.41%              |
| Credit Union IRA            | 2.15%            | 2.45%            | 2.50%            | <b>2.55%</b>     | 2.41%              |
| Bank 6 Month CD*            | 0.97%            | 1.26%            | 1.36%            | <b>1.46%</b>     | 1.26%              |
| Bank 1 Year CD*             | 1.49%            | 1.63%            | 1.76%            | <b>1.86%</b>     | 1.68%              |

*(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*

### LIMITED MEMBERSHIP

Membership in Knoxville Teachers Federal Credit Union is limited to only qualifying individuals. Most, if not all, credit unions have abandoned the original idea of a common bond of membership. We have not.

Our name says "teachers" and that is who we serve. Yes. Our charter has expanded over these years to include teachers from several different teaching groups. And, of course, we serve teachers by including their immediate family members.

Would we grow larger if we dropped that limitation? Very likely. However, comments from our members consistently indicate a preference to remain a teachers credit union.

Our goal is not to get larger—just better. We continue to be different on purpose.

## 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 Ave.  
Knoxville, TN 37934  
(865) 582-2701

**Halls Office**  
6925 E Maynardville Hwy.  
Knoxville, TN 37918  
(865) 582-2706

**North Office**  
108 Hillcrest Dr.  
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

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

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

All locations are open 9-5 weekdays,  
except May 27 (Memorial Day) and June 19 (Juneteenth)

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

## YOUR \$250 MEMBERSHIP DEPOSIT

Newly enrolled members are often mystified by the initial required deposit of \$250 to become a participating member of Knoxville Teachers Federal Credit Union. Let's discuss a few of the reasons for this difference from most other, if not all, credit unions.

That deposit and all additional deposits earn a dividend which is paid and added to the account each quarter. In contrast, most other credit unions require only five dollars entrance fee. **When that first transaction is completed at full pay off of the first loan, that five dollars remains and is quickly forgotten by the member and absorbed into the profits of that credit union.** Members of Knoxville Teachers Federal Credit Union are reminded that they own a \$250 investment and either add to it as a savings account or maintain as a source for further borrowing. We have a very active program to keep that investment as an asset of the member.

That original investment helps Knoxville Teachers Federal Credit Union to avoid charging any fees to members for routine services. We have perhaps the lowest total fee charges of any credit union in the area. Our position is that members own the credit union and should not have to pay a fee to use the services of their own credit union. Membership should have benefits.

But the main purpose for the minimal required investment of \$250 is to encourage members to accumulate savings. Having \$250 in savings makes a member "feel" like a saver. Having \$5, not so much. Most would agree that this is an incentive to add to savings much more than if a member had only that forgotten \$5 entrance fee. We are convinced that this is one of the prime reasons that members of Knoxville Teachers Federal Credit Union have the highest individual average savings accounts in the State of Tennessee and are in the top 1% of credit union members in the nation! Remember, our members are teachers and not in the industrial and high paid systems found elsewhere in the nation. We're kinda proud of that.

And it brings support. When you are invested in a business, you support that business.

Yes. We are different—on purpose.

## UNLESS YOU JUST SIGNED A CONTRACT WITH THE NFL...

You really need a financial plan. We're not offering to be your financial planner. We simply want to remind members of Knoxville Teachers Federal Credit Union that a regular deposit to your shares each month is a good way to develop assets for your future. We can help you with the hard part. The hard part? Deciding to do it and then working the details so that a payroll deduction or direct deposit is added to your savings each month.

So, even if you are not expecting that big signing bonus, you can live life largely. But it takes action now. Don't fumble this. Call 865-582-2700 to get a staff member on your team.

## WE'RE OFFENDED, TOO!

For the past few years, government regulations under the umbrella of Home Land Security have burdened this credit union, and all financial institutions, with rules that require our staff to ask members some uncomfortable questions regarding what YOU are going to do with YOUR money! This often results in the member being offended and the staff member feeling awkward.

It has always been our position that it's logical to ask the purpose of a loan since our charter states that we will make loans for any worthwhile purpose. But we refrain from applying our judgment. While a loan for a motorcycle might seem worthwhile to some, others who are afraid to ride might classify it as not worthwhile. We have traditionally removed ourselves from that debate.

But money that a member has worked for or inherited is that member's money. Traditionally, we have never asked for the purpose of a withdrawal or the source of a deposit.

Sadly, we were not invited to any debate on the current government regulations in place. The credit union is tasked with documenting the comings and goings of large or out of the ordinary transactions in the name of compliance.

To date, this has caused us only additional reporting requirements to appease examiners and we don't think it's triggered any legal problems for members. It has occasionally even provided us the opportunity to educate an at-risk member that they were potentially falling victim to a scam. As Dorothy said on her way to see the Wizard of Oz, "I don't believe we're in Kansas anymore." And we too, are offended.

December 31, 2024

| <u>ASSETS</u>               |                       | <u>LIABILITIES</u> |                       |
|-----------------------------|-----------------------|--------------------|-----------------------|
| Loans (Net)                 | \$172,069,686         | Member Shares      | \$ 217,943,826        |
| Securities                  | 65,084,508            | Capital Reserves   | 20,637,912            |
| Share Ins. Deposits         | 2,116,617             | Other Liabilities  | 2,406,603             |
| Equip. & Fixed Assets (net) | 274,704               |                    |                       |
| Other Assets                | 1,442,826             |                    |                       |
| <b>Total</b>                | <b>\$ 240,988,341</b> | <b>Total</b>       | <b>\$ 240,988,341</b> |