



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

# C U NOTES

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

March 31, 2025

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

## DIVIDENDS ANNOUNCED FOR FIRST QUARTER OF 2025

One of the primary goals set by your Board of Directors is to continue increasing dividend rates for our depositors. We've focused our efforts on this goal for nearly three years and it has been paying off. Our success in growing dividends continues into the first quarter. Our dividend rate on amounts on deposits over \$20,000 are climbing at a remarkable rate. In addition, members who are willing to commit to longer-term, timed deposits can purchase share certificates of deposit. Members can check for the current rate and terms by visiting [KTFCU.org](http://KTFCU.org).

The table below will show members that regular share rates, which offer immediate, on-demand access to depositors have grown steadily through 2024. Shares in an IRA account and all regular shares in excess of \$20,000 earned a dividend at the rate of **2.90% APY** for the period from January 1, 2025, to March 31, 2025. Shares below \$20,000 will continue to earn a dividend at **0.10% APY**. All shares in the NCUA insured 457(b) tax shelter accounts also earned a dividend of **2.90% APY**. We encourage members to be aware that except in certificates of deposits and funds in an escrow account to pay property insurance and taxes, all shares are available for immediate withdrawal.

## THE EXPECTED FUTURE OF CREDIT UNION DIVIDENDS

Much of this discussion has been covered in previous newsletters but we want to be current and consistent. The seven founders of Knoxville Teachers Credit Union did not deposit the first \$5 per member in order to gain dividends. In fact, four years passed before the credit union paid a dividend to depositors. Those first depositors were determined that teachers would have a place to obtain an occasional loan for urgent needs. Interest was charged, of course. But it was four years before earning had been developed to be able to pay for the minor office expenses of a record book and a few folders.

In current times, dividends are a very important part of the credit union operation. In fact, dividends paid to members is the largest expense. So, what do we anticipate for the coming period of time? A short response would be to continue to increase the dividend rate as rapidly as is feasible. A quick review will show a steady increase in dividend rates over the past 12 quarters. During that period, no quarter went without an increase in the dividend rate. The credit union's income is expected to increase as old low yielding investments mature and are paid off. Those will be reinvested in loans to members or to other safe places of investment.

You can expect your dividends to be increased as this continues. Yes, we anticipate more periods of irregularities and instability but we expect to be able maintain consistent increases in dividend rates.

In the longer term, while we currently are offering CDs to members, we expect that to be phased out as we arrive at the traditional Knoxville Teachers Federal Credit Union position of paying dividends on premium and traditional savings that are competitive to bank CD rates. Our current rate in the dividend announcement above illustrates that we are getting closer to that point.

	2nd Quarter 2024	3rd Quarter 2024	4th Quarter 2024	1st Quarter 2025	Yearly Average APY
Credit Union Premium Shares	2.65%	2.75%	2.8%	<b>2.9%</b>	2.78%
Credit Union IRA	2.65%	2.75%	2.8%	<b>2.9%</b>	2.78%
Bank 6 Month CD*	1.52%	1.81%	1.81%	<b>1.65%</b>	1.70%
Bank 1 Year CD*	1.81%	1.86%	1.88%	<b>1.83%</b>	1.85%

*(Rates are as of first of each quarter.)*

*The yield rate printed on your statement is the composite rate of your first \$20,000 and the remainder of your share deposit.*

*\*Published by [www.bankrate.com](http://www.bankrate.com)*

## ADVANCE ADVISORY ON THE SWIMSUIT EDITION

Long time readers of this newsletter know to anticipate the annual Swim Suit Edition in the June 30th edition. We must advise readers that there are differences of opinion within the Morals Committee of Knoxville Teachers Federal Credit Union relative to the next newsletter. This division has the potential to disrupt the smooth processes of our newsletters. Both sides want to reflect community standards. Currently, they cannot agree on what constitutes community standards.

The editor's position is that the special edition of the newsletter is designed for our members to read while wearing their swimsuit. Since we expect it be read in the privacy of members' homes, this seems to be a silly conflict. We recommend wearing the style swimsuit you want while enjoying this newsletter.

Serving Knoxville Area School Employees Since 1932

## KNOXVILLE TEACHERS FEDERAL CREDIT UNION

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**Halls Office**  
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**Bearden Office**  
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Knoxville, TN 37919  
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**Powell Office**  
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Powell, TN 37849  
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**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 26 (Memorial Day) and June 19 (Juneteenth)

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

## DIVISION IN YOUR SCHOOL STAFF?

There are two groups on all school staffs. One group knows about and uses the benefits of membership in Knoxville Teachers Federal Credit Union. The other group does not. This unfortunate condition offers you a great opportunity. If you are reading this newsletter, it means that you are a member. (It also suggests that you can find a better use of your time.) But, as a member of this credit union, you can share the news that school system employees are eligible for membership in an exclusive organization. Knoxville Teachers Federal Credit Union is closed to all except employees (and family members) of the school systems in and near Knox County, Anderson County, Clinton City and Oak Ridge City Schools.

Use your knowledge to let those in your circle know about Knoxville Teachers Federal Credit Union. They will benefit and be grateful to you.

## SPEEDING COWS AND IDLE MONEY

American laws are very similar to the ancient Common Law of England. In essence, laws are the product of a society deciding they would attempt to control unwanted actions. One New England village carried a law on the books for almost 100 years that limited the speed of a cow passing through the village not to exceed three miles per hour. We can only speculate the event that prompted that piece of legislation.

A law that exists in Tennessee is the Dormant Account Law. Most states have similar laws. This law requires banks, credit unions and other financial institutions to make contact with owners of money on deposit to affirm the owner is aware of the money on deposit. The purpose of the law was to prevent unscrupulous financial institutions to allow people, especially older people, to forget the deposit with the purpose of "absorbing" those funds into the ownership of the bank. We believe most would agree that this is a good law. Knoxville Teachers Federal Credit Union conducts a thorough search to identify owners of accounts that have not had new deposits or withdrawals for three years or more. It is an odd little task but very time consuming. Often those account owners have moved or changed contact information.

While the money can be recovered from the Tennessee Treasury Department, it's easier for our members to avoid that if we have up to date contact information for you. We can help you avoid the process of reclaiming your surrendered account balance from the state. We are proud that we have only had the need to transfer accounts to the State only a few times in our 93 years of existence.

## FREE? HECK NO!

ATMs are a convenient way to access money. Knoxville Teachers Federal Credit Union members can use ATMs everywhere without a charge. Notice, we did do not say that it is free. Most folks past the fourth grade have learned that nothing is truly free. But, if a member of this credit union uses an ATM, surcharges up to \$12/mo are refunded to the member at the end of each month. Your officers and management made this choice years ago rather than to have the expense of owning and maintaining ATMs.

Some merchants like Weigel's or Casey's offer no-surcharge ATMs. This helps to hold down costs for your credit union, which allows us to pay better dividends or charge lower loan interest rates. (See? There is always a cost no matter how well hidden.) Those merchants know that providing ATM service without a charge earns them a potential sale of other products inside their stores.

We encourage you to always use an ATM that's safe and convenient, but remember that the no-surcharge locations can benefit everyone involved.

## THE CLOSE OF BUSINESS REPORT FOR 2024

The Close of Business report for the end of 2024 is shown below. This report was submitted to members at the Annual Meeting of Members in February. We include it here for review by all members. Some additional information would be helpful. The total asset size of Knoxville Teachers Federal Credit Union grew by almost five million dollars. This growth is equal to the total increase in assets of the first forty-five years of the existence of the credit union. Of course, some of that disparity can be attributed to the decline in the value of the dollar but certainly not all.

New share deposits by members amounted to about three and half million. That growth is the most satisfying since it represents personal and individual growth in the wealth of our members. Individual improvement continues to be the primary goal of your officers and staff.

December 31, 2024			
<u>ASSETS</u>		<u>LIABILITIES</u>	
Loans (Net)	\$179,281,625		\$221,163,303
Securities	61,756,217	Member Shares	22,553,559
Share Ins. Deposits	2,096,590	Capital Reserves	2,000,927
Equip. & Fixed Assets (net)	192,314	Other Liabilities	
Other Assets	2,391,043		
<b>Total</b>	<b>\$245,717,789</b>	<b>Total</b>	<b>\$245,717,789</b>

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**BOX # \_\_\_\_\_ OF \_\_\_\_\_**

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