



Still Defiantly Different -- On Purpose!

C U N O T E S

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

December 31, 2013

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS ANNOUNCED FOR FOURTH QUARTER OF 2013

The dividends for the final quarter of 2013 remain unchanged. All shares in IRA accounts and all other share accounts in excess of \$4,000 earned a dividend of 0.50% APY and shares below \$4,000 were paid at a rate of 0.15% APY. Once again, we take little pleasure in the level of our dividend but we do point out that these rates are about twice the national average rate for one year certificates of deposits. Some commentators are speculating on the timing of the change to the Federal Reserves policies that have resulted in this record low yield on savings. We are convinced that the longer the program, the greater trauma of the change when it comes. The rate paid on deposits in the Deferred Compensation 457(b) accounts remain unchanged as well.

CHRISTMAS LEFT YOU IN DEBT?

Many people have a Christmas tradition of regret for the debt accumulated. We would like to urge our fellow members who fall into this cycle to break the cycle and do it this year! If you have a Christmas debt, consider this action to break the cycle. Tighten your belt to pay off the Christmas binge by Christmas of 2014. OK, it may be tough but this has to be the first step. Is there a second step? Yes! It's to get even more assertive and start a monthly savings deposit by payroll deduction or direct deposit in a monthly amount that will result in a savings stash for yourself by next Christmas. Step three is keep the next and all future Christmases simple and remember what Christmas is really about. Happy New Year.

NEW SERVICES BEING ROLLED OUT

In the last weeks of 2013, several new options to monitor and manage your money were made available to Knoxville Teachers Federal Credit Union members. In the weeks ahead, additional services will be introduced. These changes will be useful to those members who have transitioned into fuller use of iPhones and Android devices. These services will be provided with no additional cost to members. We believe many members will find these services to be convenient and time savers or just maybe fun to use. A more detailed and instructive summary of these services are available to you on the credit union web site at www.ktfcu.org. We invite you to check us out. For our more traditional members, none of the familiar services are being discontinued.

CHANGED LOOK ON YOUR YEAR END STATEMENT

Beginning with December, our statements have a new look. We hope you will take the time to review your end of year statement. The new look doesn't change the information about your savings account nor any loan you may have with the credit union. In fact, you may ask why the change was made. The reason is very simple. New technology has allowed us to redesign our old statement and we believe we've created a clearer, easier to understand statement, while complying with changing regulations.

While we believe you will have no difficulty in finding any information you need, we invite you to call in for assistance in understanding this new format. You will quickly see that it contains the same information sent to you at the end of each quarter. The number to call is 865-582-2700. If you give your name, it will allow a staff member to view the statement while you are on the telephone.

	1st Quarter 2013	2nd Quarter 2013	3rd Quarter 2013	4th Quarter 2013	Yearly Average APY
Credit Union Premium Shares	0.5%	0.5%	0.5%	0.5%	0.5%
Credit Union IRA	0.5%	0.5%	0.5%	0.5%	0.5%
Bank 6 Month CD*	0.17%	0.17%	0.17%	0.15%	0.17%
Bank 1 Year CD*	0.26%	0.26%	0.24%	0.24%	0.25%

(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*

A BENEFIT ENDS NEXT YEAR

As mentioned in a prior newsletter, the loan protection insurance that was provided as a member benefit and at no additional cost to borrowing members will be terminated in the last part of 2014. This benefit is no longer available for us to purchase and will end at the end of our contract with the insurer. We plan to continue the coverage for as long as our contract will allow. This notice will be repeated in each newsletter until the coverage ends in an effort to provide full disclosure to those members who have loans from the credit union.

SPECIAL NOTICE TO MEMBERS USING BILL PAYER

One excellent no-cost benefit to members who have a share draft checking account with Knoxville Teachers Federal Credit Union is Bill Payer. This service is useful to those members who enjoy managing their personal finances by Internet. You can learn more about this benefit by going to www.ktfcu.org. After logging on, select "Pay Bills" and review the helpful videos. Most of your questions will be answered.

If you have enrolled in Bill Payer and have not used the service for an extended time, the credit union will terminate your enrollment in the service since the credit union pays a monthly fee for each member whether it is used or not. To keep costs down, we purge our bill payer of those members who have ended participation in "Bill Payer." If you would like to enroll for the first time or reinstate your enrollment in Bill Payer, you can do so by following the steps outlined on our website.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown
711 N. Hall of Fame Drive
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 Years Day) and
January 20 (Martin Luther King, Jr. Day)

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

South Office
203 E. Moody Ave
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
8709 Strawberry Plains Pk.
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 2013. 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 by you or the payer of 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 2013 are reported on your December 31, 2013, statement. (Reminder: any current contribution in a nondeductible IRA must be accompanied by Form 8606 when you file your 2013 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 2013, you will receive a form 1099R before the end of January.

If eligible, you may contribute up to \$5,500 for 2013 until April 15, 2014. Amounts for both years may be increased for members over fifty years of age by \$1000. (Any contributions you made for 2013 will be reported to you on a form 5498 that will be sent to you in May, 2014, to allow us to include any additions you may have made up until the time you file your 2013 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 to those members who are participating in this Knoxville Teachers Federal Credit Union tax shelter by a separate mailing during January.

The Annual Meeting of members will be held at 5:30 PM on Thursday, February 13, 2014, at 535 Chickamauga Avenue in the Lincoln Park Trade and Technology Center (formerly Lincoln Park Elementary School). This is the seventh 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 Central Avenue. The Lincoln Park Building is about one mile from either end of Chickamauga. In the event of weather or other conditions require the meeting to be postponed, it will be held in the same location and time on Thursday, February 20, 2014.

If further postponements are required, the meeting will be held on the first Thursday when weather and other conditions allow.

The financial report for 2013 will be included in the report for March 31, 2014.

Snow Policy. Our snow policy is pretty simple. If schools are closed for the safety of students and teachers, we assume our owners (teachers and other school employees) 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.

WHERE DO OUR HALF MILLION DOLLAR ACCOUNTS COME FROM?

Sentences ending in a preposition may not be pleasant to an English teacher but the question remains. How have those large savings accounts happened? Most (and we have several) happened rather slowly but steadily. Often, it happened when a loan paid off and the member allowed the payment to turn into a deposit. Over the years, an occasional withdrawal was easy but the deposits kept coming in.

A long life extends into retirement and, without much notice, the member is the owner of over a half million dollars and headed toward being one of those millionaires next door. Consider doing that when your next loan pays off. We'll see you at the top.

ALICE STILL LIVES HERE

In the heated days of Rock 'n Roll, a song lamented on the fact that Alice no longer lived here anymore. We never learned exactly where she lived to begin with. But that song could well be the theme for credit unions and community banks. It would seem that the old character of such institutions has disappeared along with Alice. The continued governmental regulations have certainly restricted the ability to use common sense and the knowledge of people. With the "standards" of lending being set by governmental decree rather than the character of the borrower, the old feeling of community or belonging is replaced by the requirements of meeting the approved profiles.

Knoxville Teachers Federal Credit Union still has the desire to operate as a credit union of similarly situated people. One illustration is that we have not made any move to become an open field of membership credit union. We continue to operate exclusively for teachers, school employees and their family members. When you come into the credit union and we go through the process to please the "standards" of government approved lending, please don't forget that Alice still lives here. We just have to carry baggage while we serve you.

WHILE YOU WERE BUSY...

We know you have been busy with living. But while you have been busy, the world has changed. The telephone land line is used less and cell phone numbers are used more. To our knowledge, there is not a "phone book" for cell phone numbers. Other folks communicate by "texting" or by a number of other communication options available to us all.

But, while you were busy making those changes, you may have left your old telephone number as our only resource to contact you. Why would you want us to contact you? "Identity theft" is only one reason. We don't claim to be able to protect you from that crime. There are companies that do offer that service. Still, from time to time, we could help you know of an unusual withdrawal or a stray electronic transaction that seems to be abnormal if only we had your cell number, your email or any other communication channel you may use.

We recommend you take action today to relay to us any useful communication information. We will store it for possible future use. We will not sell or share that information. The easiest ways to fill in our blanks on your record would be by telephone, 582-2700.