



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

C U NOTES

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

June 30, 2021

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

DIVIDENDS ANNOUNCED FOR SECOND QUARTER OF 2021

Your previous newsletter gives a very detailed explanation concerning conditions that dictate much of the decision making of dividends paid by Knoxville Teachers Federal Credit Union. Anyone not having been in complete isolation over these past many months know that your credit union is in a period in which yields on savings are in uncharted territory. We continue to try to keep income and expenses in balance to be able to direct most of the income to payment of dividends to saving members.

Your Board authorized a continuation of payment of dividends at **0.35% APR** on all shares in IRA accounts and all other shares on deposit in excess of \$10,000. Shares below \$10,000 earned a dividend at **0.10% APR** for the second quarter of 2021.

The Board also authorized that the rate on Deferred Compensation Plan 457(b) accounts remains unchanged from the previous quarter. This rate is very close to ten times the national average rate of one-year CDs as reported by FDIC. (See the comparison chart elsewhere on this page.) This program is available to any member whose employing school system has signed an agreement to make these payments to an account in the members' name by a separate method approved by IRS laws.

IS THIS THE RIGHT TIME TO BUY A CAR (OR HOUSE)?

We avoid giving advice other than offering options to consider. However, we do have a thought or two that may assist you in making such decisions.

If you review your car's NADA value, you'll likely find that it has a higher market and trade in value than it did a year ago. Two major factors can be attributed to the Covid-19 event. Manufacturers saw the demand drop sharply. So, they reduced production and their capacity for future production. Car rental agencies sold off much of their excess unused inventory.

Fast forward to now. Manufacturers cannot obtain critical supplies of key elements of production. Computer chips are one of the most obvious. Chip manufacturers had cut production, too. Components have become scarce and the supply of vehicles has shrunk. Many members report they are getting offers to purchase their current car to help meet these demands. As tempting as that is, replacement then becomes an issue.

Home buying is another matter and based on a longer set of conditions. Home construction slowed after the 2008 housing bust. As in auto manufacturing, supply lines were thinned out too far to meet the recent demand and building supplies became scarcer. Fewer homes and higher prices in the housing inventory resulted.

Our best advice for the question of when to buy remains simply this: Buy when you can no longer afford NOT to. Has your life changed? Have you gotten married, started a family or simply outgrown your old car or home? If you find the need to buy, see your credit union for finance options. You will be glad you did.

	3rd Quarter 2020	4th Quarter 2020	1st Quarter 2021	2nd Quarter 2021	Yearly Average APY
Credit Union Premium Shares	0.60%	0.50%	0.35%	0.35%	0.45%
Credit Union IRA	0.60%	0.50%	0.35%	0.35%	0.45%
Bank 6 Month CD*	0.18%	0.20%	0.11%	0.10%	0.15%
Bank 1 Year CD*	0.27%	0.25%	0.17%	0.15%	0.21%

*(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

EVERY TWELVE MONTHS

It may *seem* like it's more often, but your Virtual Branch password must be changed every 12 months. When it's time to change your password, you'll be prompted when logging into the Virtual Branch.

While these required password changes are a small irritant, it is well worth the additional layer of safety.

The new password can be easy to change by simply adding another character to the one you've known and loved for the last year. Adding a unique special character such as \$, # or @ can really strengthen a password while keeping it easy to remember. You can also choose to make a complete change and start from scratch. Just be sure to remember that new password and use it on future "log ins." We still don't recommend putting it on a sticky note on your monitor.

KNOXVILLE TEACHERS FEDERAL CREDIT UNION

East/Downtown

711 N. Hall of Fame Dr.
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

South Office

7359 Chapman Hwy.
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

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 5th (Independence Day)

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

OUT ON A LIMB

We're going out on a limb here but we believe most people are better off to have money in savings and no loans outstanding as they approach those mature years facing life on a fixed income. Prove us wrong.

To help our members build savings for their future, we often suggest to them when making a new loan to add a bit to their payroll deduction or direct deposit to be placed into share/savings. By doing so, members find that at the conclusion of that loan payment period, their savings will have helped them avoid adding to their debt load because the savings can be tapped to meet those unexpected expenses. If not used to avoid additional debt, then the realization that there is money in savings is an exciting motivation to save even more consistently.

These suggestions and other techniques have resulted in Knoxville Teachers Federal Credit Union's members having the highest average savings account of any credit union in Tennessee! Even more impressive is the fact that your credit union is in the top fifty credit unions in the nation when ranked by the individual personal savings. This placement as a top saving credit union is not new. This ranking has been common for Knoxville Teachers Federal Credit Union members for many years.

We can't take all the credit for this astounding ranking. Knoxville Teachers Federal Credit Union attracts frugal and well-organized members.

So, to go out on a limb again, congratulations Knoxville area teachers for being outstanding savers.

CAN WE SHAKE HANDS NOW?

Most of us can see signs that the world may be getting back to normal. (Whatever "normal" is or was.) This is a good time to compliment and congratulate ourselves on the way we all made adjustments to the virus. All of your credit union locations are fully open. Of course we will all continue to be mindful of such things as social distancing and consideration of others during those occasional colds or respiratory issues. "Thank You" to each member who made the adjustments required to keep all our locations operating during these past many months.

IT'S THAT TIME

Tomato plants are blooming and maybe even a few small green promises of things to come are showing up. School is out for the summer and teachers are doing those many things that teachers do during this time of the year. Teaching summer school, going back for additional credits and certification, solving family problems, even working at a part time job to get some extra cash.

Summer is a busy time. Teachers, even those who have not scheduled some worthwhile activity, are still having to explain that, "No, teachers don't get a three month paid vacation. We're paid for just under 200 days and the salary is deferred to even out the pay days for those 200 days."

Your credit union is open, of course. And one of the things we do year 'round is to remind members that getting your personal life organized is important. No matter how young you are, a written will is important. Things happen. Wills can always be revised and replaced as life events take place. Married, new babies? Does your will fit your new life?

Then there is that Power of Attorney you have been planning on taking care of. Handy things if you can't attend to a task while you are out of town or just too over scheduled to handle it yourself. A good power of attorney should be durable which means it would still be effective if you become ill or too confused to handle your affairs. Permanent? Yes, until you revoke it. Revoking a Power of Attorney can be accomplished by almost the same steps it takes to establish one. So if the person(s) you entrusted gets on your list of bad people, just revoke it.

And finally, there is the Health Care Power of Attorney. Your doctor will ask you about it when you have your physical or just about any other medical event. Even though many hospitals provide forms for Medical Care Power of Attorney, good practice is to discuss this with an attorney as with the other two of the three documents.

We urge members to take care of these things before those tomatoes get ripe and school starts again.

LONELY? WANT TO MEET NEW PEOPLE?

The 21st Century offers solutions to this age old problem. If you would like more contact with people, just give your house phone or cell phone number to about any merchant or on line purchase. Very quickly, you will become a very popular person. You can have exciting conversations about your car's warranty or how to consolidate your credit card balances. (Hey, why are you carrying a credit card balance and paying those obnoxious high interest and other charges? Didn't we have a talk about that? When you find yourself with a balance you can't pay off, then go to your credit union and get help – fast! Don't make us tell you again!)

Knoxville Teachers Federal Credit Union wants to help you in every possible way but we will not increase your phone calls. We simply don't sell or share your phone numbers or any other personal information to commercial concerns. This has been our long time practice, not just because of privacy laws. We have always realized that providing financial services to a small and connected group such as teachers and school employees requires us to have a pledge of confidence that is above that of most other financial institutions. Bank of America may sell or share your personal information but that would not be appropriate for your credit union. That is something you simply can't do to friends and family. If you would like new friends, join a church or a group of people with a common interest.