Qualities of GAP Coverage

You’ve negotiated the price and reviewed your financing options, but have you considered a product that could provide you with a significant benefit if an accident occurs and your vehicle is a total loss? Buying a vehicle, especially a new one, comes with the risk of depreciation to its value. If you suffer a total loss of the vehicle and your insurance provider settles for less than what is owed on your loan, that can leave you in a difficult financial situation. To help reduce your potential out-of-pocket expenses, the Credit Union offers optional GAP Coverage on its vehicle loans.1

GAP (Guaranteed Asset Protection) Coverage is a debt cancellation product that may cover the difference between the insurance settlement amount and the outstanding loan balance if your vehicle is involved in a total loss claim, subject to contract conditions and exclusions.2 In a total loss event, the insurance settlement is based on the actual cash value of the vehicle, not the outstanding loan balance. This difference could create a “gap” (money you still owe) after the insurance settlement has been paid.

The Credit Union offers optional GAP Coverage for a flat fee of $325 and the coverage comes with a 90-day “free look” period3 for new loan originations.4 Coverage is available for vehicles valued up to $100,0005 and can cover a maximum claim of $50,000.

Adding our GAP Coverage to your vehicle loan may reduce the amount that you owe in the event of a total loss and, in some cases, may eliminate the “gap” entirely.

For more information regarding GAP Coverage and vehicle loans, please visit www.ncsecu.org, or consult a Financial Services Officer at your local branch or via 24/7 Member Services at 1.888.732.8562.

1Eligible for new and used vehicles, light trucks, vans, and SUVs. Vehicles with flood or salvaged titles and those used for ride share are not eligible.
2GAP may not protect the entire deficiency. A copy of the GAP Agreement can be provided upon request for additional information.
3During the “free look” period, coverage may be cancelled for a full refund. The refund will be applied to the outstanding loan balance.
4Existing loans without GAP Coverage are not eligible unless refinanced.
5Based on MSRP for new vehicles and NADA Average Retail Value for used vehicles.

Inside This Issue

• CUIS Reaches $1 Billion in Member Investments!
• Holiday Cash Club Account
• Tax Refund or Amount Due

SECU Life Insurance

Life is unpredictable and life insurance provides peace of mind that you and your family are financially protected if the unthinkable happens. To lessen the financial risks that compound the stress and pain of losing a loved one, people often purchase life insurance for themselves and other family members. State Employees’ Credit Union (SECU) offers simplified issue term and whole life insurance to members through its wholly-owned subsidiary SECU Life Insurance Company. Contact your local branch or visit www.ncsecu.org for more information!

Looking for an Online Tax Option?

If you prefer to complete your own tax return, TurboTax® may be a good fit for you.

TurboTax translates taxes into simple questions and searches over 350 deductions and credits, in addition to running error checks and performing a final review. SECU has again partnered with Intuit® to offer TurboTax at a discount. SECU members can save up to $20 on TurboTax federal products by accessing TurboTax via www.ncsecu.org.

Grassroots is a publication of the State Employees Credit Union Member Communications department. The Credit Union is a member owned cooperative, organized to promote thrift and provide low cost financial services. The field of membership extends primarily to employees and retirees of State Government, Public School Systems, Community Colleges, State Universities and their immediate families.

Follow us on:
CUIS Reaches $1 Billion in Member Investments!

Credit Union Investment Services (CUIS), a wholly-owned subsidiary of State Employees’ Credit Union, has been providing investment advisory services to members since 2007. Recently, CUIS surpassed 23,500 accounts that hold over $1 billion in total member investments. Many members have decided that consolidating their existing investments or beginning new investments with CUIS has been in their best interest. Some of their reasons are listed below.

**Trustworthy Advice**
CUIS Investment Representatives act as fiduciaries who are required to prioritize the needs of members above everything else. One way we accomplish this is by allowing only experienced, full-time SECU employees to become Investment Representatives. These employees do not receive commissions to help you with your investment needs. This compensation structure ensures that their only goal is to assist you with what’s in your best interest.

**Holistic Approach**
Using CUIS means more than simply having access to investments. Investment Representatives conduct in-depth meetings to learn about members’ goals, risk tolerance, financial circumstances, and investment experience. Such conversations are required in order for Investment Representatives to make recommendations based on members’ individual needs. Also, working with SECU employees means that you have direct access to meet your lending, deposit, insurance, tax preparation, financial counseling, and retirement, education, and estate planning needs.

**Professional Guidance**
All CUIS Investment Representatives must pass multiple regulatory exams, engage in internal training, and complete annual continuing education requirements in order to help members with investments. They are equipped to educate you about concepts such as diversification, asset allocation and the relationship between risk and return. Investment Representatives can also provide guidance on which account types (Roth IRAs, traditional IRAs, SEP IRAs, taxable accounts, etc.) best match your needs.

If you are an existing CUIS investor, thank you for allowing us to help you achieve your investment goals. If you haven’t yet discovered CUIS, we would like to help you continue or begin your long-term investment strategy. Whether you are interested in moving existing investments to CUIS or opening a new investment account, contact your local branch to schedule an appointment with a CUIS Investment Representative today!

Investment advisory services offered to North Carolina residents through Credit Union Investment Services. Securities offered through SECU Brokerage Services. Member FINRA, SIPC. Trust Services offered through Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Securities, Trust and Insurance products are not Credit Union deposits, are not obligations of or guaranteed by the Credit Union or Members Trust Company, and are not insured by the NCUA or any federal government agency. Securities and Trust products involve investment risks, including possible loss of principal invested. Insurance rate quotes are subject to change upon completion of the underwriting process. Investment, Trust and Insurance representatives are also Credit Union employees, who may accept deposits.
Holiday Cash Club Account

Balancing your budget can be especially challenging when holiday spending gets your finances a little off course. Help your budget stay on track with an SECU Holiday Cash Club account. This account allows you to save money throughout the year, relieving some of the financial stress that is added during the holiday season.

Deposits can be made into the account during the year through the month of October and for added convenience, funds may be deposited using payroll deduction or funds transfer. Dividends¹ are compounded daily and paid on the last business day in October when the funds are automatically transferred to your specified SECU checking, regular share, money market share, or CashPoints® Global (CPG) account. You can also use the same Holiday Cash Club account year after year!

For account inquiries and deposits, access is available via the SECU Mobile App, CashPoints® ATMs, online Member Access and ASK SECU Voice Response, in addition to SECU branches and 24-7 Member Services Support. For more information on the Holiday Cash Account visit www.ncsecu.org.

¹Dividend rate and annual percentage yield (APY) are subject to change daily.

Tax Refund or Amount Due

Now that tax time is here, most taxpayers will either be looking forward to a refund or dreading an additional amount due. Here are a few things you should consider, depending on which end of the spectrum you find yourself:

Expecting a Refund

- The safest and quickest way to receive your refund is to e-file your return and have the refund directly deposited into the account of your choice.
- You can track your refund on www.irs.gov within 24 hours after your e-filed return is accepted by the IRS, or 4 weeks after mailing a paper return. On the IRS website, click on “Where’s My Refund?” and follow the instructions to see the status of your refund.
- The Credit Union can help make your refund work for you! Our employees can discuss topics such as retirement, insurance, and estate planning, creating an emergency fund, paying down debt, and more!
- If you receive a large refund and don’t expect your financial situation to change much next year, consider updating your tax withholdings from wages or retirement income. After all, these are funds that could be available to you during the year!

Additional Amount Due

- If you owe taxes and are not able to pay the entire amount, pay as much as possible by April 15th to minimize interest and late payment penalties that begin accruing after this date (even if you file an extension). If needed, visit www.irs.gov to learn more about payment options and installment agreements.
- If you owe a large amount, underpayment penalties could apply in addition to your amount due. It may be too late to avoid that scenario this year but a few adjustments could save you money going forward. If you don’t expect your financial situation to change, consider utilizing the Withholding Estimator on www.irs.gov to help you determine if an adjustment is appropriate. Another option you may need to consider is making estimated tax payments during the year.

Tax preparation services are currently available in all SECU branches.
### Share & Deposit Account Rates

Effective January 23, 2020

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Minimum Deposit to Open</th>
<th>Dividend/Interest Rate**</th>
<th>APY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>$25</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>6 Month Share Term Certificate</td>
<td>$250</td>
<td>1.55%</td>
<td>1.55%</td>
</tr>
<tr>
<td>12 Month Share Term Certificate</td>
<td>$250</td>
<td>1.70%</td>
<td>1.70%</td>
</tr>
<tr>
<td>18 Month Share Term Certificate</td>
<td>$250</td>
<td>1.75%</td>
<td>1.75%</td>
</tr>
<tr>
<td>24 Month Share Term Certificate</td>
<td>$250</td>
<td>1.80%</td>
<td>1.80%</td>
</tr>
<tr>
<td>30 Month Share Term Certificate</td>
<td>$250</td>
<td>1.90%</td>
<td>1.90%</td>
</tr>
<tr>
<td>36 Month Share Term Certificate</td>
<td>$250</td>
<td>1.95%</td>
<td>1.95%</td>
</tr>
<tr>
<td>48 Month Share Term Certificate</td>
<td>$250</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>60 Month Share Term Certificate</td>
<td>$250</td>
<td>2.05%</td>
<td>2.05%</td>
</tr>
<tr>
<td>Money Market Share</td>
<td>$250</td>
<td>1.20%</td>
<td>1.21%</td>
</tr>
<tr>
<td>Dividend Checking</td>
<td>$0*</td>
<td>0.25%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Non-dividend Checking</td>
<td>$0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>IRA/SEP/CESA</td>
<td>$25</td>
<td>2.00%</td>
<td>2.02%</td>
</tr>
<tr>
<td>HSA</td>
<td>$0</td>
<td>2.00%</td>
<td>2.02%</td>
</tr>
<tr>
<td>FAT CAT Share (Ages 0 - 12)</td>
<td>$5</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Zard Share (Ages 13 - 19)</td>
<td>$25</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Zard Checking</td>
<td>$0*</td>
<td>0.25%</td>
<td>0.25%</td>
</tr>
<tr>
<td>CashPoints Global (CPG)</td>
<td>$0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Holiday Cash Club</td>
<td>$0</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Summer Cash</td>
<td>$0</td>
<td>2.03%</td>
<td>2.05%</td>
</tr>
<tr>
<td>SALO Cash</td>
<td>$0</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

**Initial checking deposit must cover first box of checks (if ordered) and first $1 monthly maintenance fee. Dividend Checking, Non-dividend Checking and CPG accounts are charged a monthly maintenance fee. Rates and fees are subject to change. Unless you opt out, $1 of the fee is contributed to the SECU Foundation. In this case, your account will incur the maintenance fee.

***Share Term Certificates are paid interest. All other accounts are paid dividends.

Share Term Certificates are Fixed Rate accounts. All other accounts are Variable Rate accounts with rates subject to change daily after the account is opened.

Fees, other conditions or early withdrawal penalties may reduce the earnings on an account. Ask any employee for further information about the fees and terms applicable to these accounts.

See SECU’s Account Rules and Regulations for more information.

### Financial Condition

December 31, 2019 (Unaudited)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>YEAR 2019</th>
<th>YEAR 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Investments</td>
<td>$15,586,229,960</td>
<td>$14,580,136,427</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>24,172,128,656</td>
<td>22,754,113,615</td>
</tr>
<tr>
<td>Accrued Interest Receivable</td>
<td>61,188,298</td>
<td>52,410,236</td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>1,167,998,215</td>
<td>1,056,508,148</td>
</tr>
<tr>
<td>Deposit for Insurance</td>
<td>33,426,848,607</td>
<td>31,450,723,524</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$41,376,686,563</td>
<td>$38,812,319,461</td>
</tr>
</tbody>
</table>

| LIABILITIES & RESERVES                      |                       |                       |
| Checking Accounts                           | $4,319,114,997         | $4,086,168,309        |
| Share Accounts                              | 33,426,848,607         | 31,450,723,524        |
| Total Accrued Expenses                      | 26,767,281             | 29,331,076            |
| Other Liabilities                           | 91,352,123             | 76,290,966            |
| Reserves/Undivided Earnings                 | 3,512,603,555          | 3,169,805,589         |
| Total Liabilities and Reserves              | $41,376,686,563        | $38,812,319,461       |

### Important References

24/7 Member Services: 1.888.732.8562 • 919.857.2150
SECU Voice Response: 1.800.ASK SECU • 1.800.275.7328 • 919.839.5400
SECU Online: www.ncsecu.org  SECU E-Mail Address: info@ncsecu.org
SECU Fax Service: 1.888.SECU FAX • 1.888.732.8329 • 919.857.2000
SECU Insurance Services: 1.866.937.7328 • 919.839.8525
Free Credit Report: www.annualcreditreport.com
Opt Out of Junk Mail: www.dmachoice.thedma.org
Opt Out of Preapproved Offers: 1.888.567.8688 • www.optoutprescreen.com
Branch Hours: Monday through Friday, 8:30 a.m. to 5:30 p.m.

### Board of Directors

Bob Brinson, Chair • Chris Ayers, Vice Chair
Alice Garland, Secretary/Treasurer • Shirley Bell • Karan Bunn
Mark Fleming • Jennifer Haygood • Mona Moon
Jo Anne Sanford • Stelfanie Williams • McKinley Wooten Jr.

### Tell Us About It

We realize there are ways we can improve our service. If you have a concern, we ask that you contact management at your local SECU branch to expedite feedback. We also welcome your suggestions. Please take a few moments to let us know how we may serve you better.

Please rate your last SECU experience by circling the following:

- **Promptness**: Excellent, Satisfactory, Unsatisfactory
- **Courtesy**: Excellent, Satisfactory, Unsatisfactory
- **Knowledge**: Excellent, Satisfactory, Unsatisfactory
- **Level of Service**: Excellent, Satisfactory, Unsatisfactory

How might SECU serve you better?

If you would like a reply, please complete below:

- Name
- Address
- City, State, Zip
- Phone #
- Email address

**Please mail to:**
SECU – Administration, PO Box 27665, Raleigh, NC 27611-7665

If you feel that State Employees’ Credit Union has not adequately addressed your concern, you can contact the North Carolina Credit Union Division at www.nccud.org or the Consumer Financial Protection Bureau at www.cfpb.gov to file a complaint.