Here to Help –
A Message from Mike Lord, SECU President/CEO

From the beginning of the COVID-19 pandemic we have taken measures to help protect the health and well-being of you, your family, and our employees while remaining open to provide the financial services you need. We will continue to be here to assist you through the financial challenges of this uncertain time.

Some of these protective measures were closing branch lobbies and rotating staff in branches and operations centers. Our drive-thru, online, phone, and ATM services remained available and employees worked diligently to serve you while taking precautions for their safety and yours.

During this time, SECU employees fielded record volumes of member calls, requests, and inquiries across all service channels. I apologize for delays you may have experienced and thank you for the patience and courtesy you have shown as we adjusted to the challenges of this health crisis. We returned to full staffing by the end of May, have made many adjustments, and you should see faster response times as we serve you.

All 267 locations of our statewide branch network are now open to lobby traffic and in-person service. Masks, sanitizer, gloves, acrylic shields, signage, floor markings for social/physical distancing, thorough cleanings and disinfecting, and other protections have been put in place to help safeguard our members and employees.

Additionally, the maximum number of members allowed in each branch will be limited. Following the practice of many other business establishments, it is necessary that all members wear face coverings when visiting inside a branch. Drive-thru service will continue to be available for individuals who do not wish to enter the branch or wear a face covering. We ask for and appreciate your cooperation as we work to provide financial services to you and your families as safely as possible.

Many are experiencing financial hardships right now due to job loss, reductions in work hours, or some other income impairment as a result of the COVID-19 pandemic. If you are not able to meet your financial obligations or are in need of a loan, contact us and we will work with you to help protect your home, vehicle, and credit rating and find a solution to get you through this difficult time.

Continuing to provide financial services to our members as safely as possible is our highest priority. As a not-for-profit financial cooperative, State Employees’ Credit Union exists to serve you — our member-owners. We are here to help, and together we will make it through this unprecedented time. Stay healthy. Stay safe. Thank you!
Considering a mortgage refinance or planning to purchase a home? Your Credit Union has lowered rates on our Fixed Rate Mortgage offerings.

If you’re looking to save money on your current mortgage, now may be the perfect time to consider a refinance to a fixed rate mortgage. You may even be able to pay off your loan earlier than expected! You might also consider a fixed rate for a home purchase as it is a great option to lock in a low rate for the life of your loan.

SECU’s mortgage loan process is simple and straightforward from application to closing. If you’re ready to get the process started or have questions, please contact us online through secure message at Member Access (www.ncsecu.org), via 24/7 Member Services at 888.732.8562, or contact your local branch.

### Fixed Rate Mortgages

<table>
<thead>
<tr>
<th>Term</th>
<th>Rates</th>
<th>APR</th>
<th>Payment Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-Year</td>
<td>2.95%</td>
<td>3.106%</td>
<td>Monthly payment of $1,444.95</td>
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<tr>
<td>10-Year</td>
<td>3.25%</td>
<td>3.407%</td>
<td>Monthly payment of $1,465.79</td>
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<tr>
<td>15-Year</td>
<td>3.25%</td>
<td>3.358%</td>
<td>Monthly payment of $1,054.00</td>
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<tr>
<td>15-Year</td>
<td>3.75%</td>
<td>3.860%</td>
<td>Monthly payment of $1,090.83</td>
</tr>
<tr>
<td>20-Year</td>
<td>3.75%</td>
<td>3.835%</td>
<td>Monthly payment of $889.33</td>
</tr>
<tr>
<td>20-Year</td>
<td>4.25%</td>
<td>4.337%</td>
<td>Monthly payment of $928.85</td>
</tr>
</tbody>
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1 APR = Annual Percentage Rate. APR is your cost over the loan term expressed as a rate.
2 Taxes and insurance are not included in the payment amount. Your actual monthly payment will be greater.
3 LTV = Loan to Value.
4 Loan product availability and terms are subject to change without notice.

Visit [www.ncsecu.org](http://www.ncsecu.org) for details.
Economic Impact Payments FAQs

As the Internal Revenue Service (IRS) continues to mail out Economic Impact Payments, many taxpayers are questioning how the payments will affect their 2020 tax returns filed next year. Here are answers to some of the most common questions:

Should this payment be included in my 2020 gross income?

No. According to the IRS, you will not include the payment in taxable income on your 2020 tax return or pay income tax on your payment. It should not reduce your refund or increase the amount you owe when you file your 2020 federal income tax return.

Can I claim an additional payment on my 2020 tax return if my payment should have been higher?

Yes. Though the Economic Impact Payment is a 2020 payment, the funds were sent based on 2019 and 2018 information, allowing the IRS to send the funds more quickly. As a result, if you do not receive the full amount to which you are entitled, the IRS has stated that you may be able to claim the additional amount as a credit when you file your 2020 tax return. For example, payments being sent out this year will not include the additional $500 for qualifying children who were born, adopted, or placed in foster care in 2020. Therefore, taxpayers with children in this category may be able to claim the $500 as a credit on their tax return when they file next year, if otherwise eligible.

The payment amount I got was more than I should have received based on the published payment amounts. Will I have to repay the additional amount?

If you qualified for a payment but received too much money because your payment was calculated based on previous years’ tax returns, the IRS has stated that generally, you will not be required to repay the excess. However, according to the IRS, payments sent to individuals who did NOT qualify for an Economic Impact Payment may need to be repaid, including payments allocated to taxpayers who had passed away prior to receiving the payment, anyone who is incarcerated, or anyone who is a non-resident alien for tax purposes. For information on how to return excess payments to the IRS, please visit the webpage referenced below.


CARES ACT – How it Affects Your Credit Union IRA

On March 27, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The CARES Act provides the following benefits that could assist some Credit Union IRA owners impacted by the pandemic.

No Required Minimum Distribution for 2020

Traditional, SEP, and beneficiary IRA owners are NOT required to take their RMDs for 2020. If you have already taken your RMD for 2020, you may redeposit the funds as a rollover, depending on the date you took the RMD. (Keep in mind you can only roll over funds once in a 12-month period.) Beneficiary IRA owners who elected the 5-year rule as a payout method do not have to include 2020 in the 5-year payout period.

2019 Contributions allowed until July 15

You can make 2019 contributions to traditional and Roth IRAs, Coverdell education savings accounts (CESAs), and health savings accounts (HSAs) through July 15, 2020. There is no change to SEP IRAs because the SEP contribution deadline already includes the tax filing date plus extensions.

Coronavirus-Related Distribution

Distributions made to qualified individuals from an IRA on or after January 1, 2020 and before December 31, 2020 up to an aggregate limit of $100,000 may receive the following benefits:

• Exemption from the 10% early withdrawal penalty
• Elect to report the distribution as income in evenly divided amounts over a 3-year period (2020-2022)
• All or part of the distribution can be repaid to the IRA within 3 years of receipt

To qualify for a coronavirus-related distribution, you, your spouse, or dependent must be diagnosed with the virus SARS-CoV-2 or COVID-19 by a test approved by the CDC, or due to these viruses, you experience adverse financial consequences caused by one of the following:

• Being quarantined, furloughed or laid off, or having work hours reduced
• Being unable to work due to lack of childcare
• Closing or reducing hours of a business you own or operate
• Other factors as determined by the Secretary of the Treasury.

If you have questions about the CARES Act and how it may affect your specific scenario, SECU can assist you over the phone at 888.732.8562 or through Member Access via www.ncsecu.org.
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:

<table>
<thead>
<tr>
<th>Promptness</th>
<th>Courtesly</th>
<th>Knowledge</th>
<th>Level of Service</th>
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<td>Excellent</td>
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How might SECU serve you better?

If you would like a reply, please complete below:

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<tr>
<td>Phone #</td>
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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.